MicroPort微创脑科学

MicroPort NeuroScientific Corporation
微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code：2172

2025
ANNUAL REPORT

CONTENTS

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

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

"Asahi Intecc"	Asahi Intecc Co., Ltd., a medical devices company incorporated under the laws of Japan with limited liability on 8 July 1976, and all of its subsidiaries
"Audit Committee"	the audit committee of the Board
"Board"	the Board of Directors
"BVI"	the British Virgin Islands
"CE"	French acronym for "Communate Europpene", a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area
"CG Code"	the corporate governance code as contained in Appendix C1 to Listing Rules (version up to 30 June 2025*)
"Commercialization Committee"	the commercialization committee of the Company
"Company" or "we" or "us" or "our"	MicroPort NeuroScientific Corporation (微創腦科學有限公司), an exempted company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2172)
"Director(s)"	director(s) of the Company, including all executive, non-executive and independent non-executive directors
"FDA"	the United States Food and Drug Administration
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., our industry consultant
"FY" or "Fiscal Year"	For the year ended 31 December
"Group"	the Company and its subsidiaries
"HKFRSs"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"KPMG"	KPMG, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

* On 1 July 2025, the amendments to the CG Code came into effect and the requirements under the new CG Code will apply to corporate governance reports for financial years commencing on or after 1 July 2025.

"Listing"	the listing of the shares on the Main Board of the Stock Exchange
"Listing Date"	15 July 2022, the date on which dealings in the shares on the Main Board of the Stock Exchange first commence
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange
"MFDS"	the Ministry of Food and Drug Safety in South Korea
"MicroPort"	MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00853), and one of our substantial Shareholders
"MicroPort Group"	MicroPort and its subsidiaries
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"MP Scientific"	MicroPort Scientific Investment LTD, a company incorporated in the BVI with limited liability on 30 September 2020 and is a direct wholly owned subsidiary of MicroPort, and one of our substantial Shareholders
"NHSA"	National Healthcare Security Administration
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Company
"PRC"	the People's Republic of China
"Previous Year" or "FY2024"	the year ended 31 December 2024
"Prospectus"	the prospectus of the Company dated 29 June 2022

"Rapid Medical"	Rapid Medical Ltd., a company incorporated in the State of Israel with limited liability on 12 August 2008, which is primarily engaged in the development, manufacturing and sales of innovative devices for neuro-interventional procedures and is indirectly owned as to 22.28% equity by the Company
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period" or "FY2025"	for the year ended 31 December 2025
"R&D"	Research and development
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571) of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Strategic Committee"	the strategic committee of the Company
"Subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"WE'TRON CAPITAL"	WE'TRON CAPITAL LIMITED (中國微創投資管理有限公司), a company incorporated in Hong Kong with limited liability on October 26, 2005
"%"	per cent

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Xie Zhiyong (謝志永)
Mr. Wang Yiqun Bruce (王亦群)

Non-Executive Directors:

Dr. Chang Zhaohua (常兆華) *(Former Chairperson, resigned on 14 November 2025)*
Dr. Zhang Jie (張劼) *(Chairperson, appointed on 14 November 2025)*
Mr. Sun Qingwei (孫慶蔚) *(resigned on 14 November 2025)*
Mr. Liu Xudong (劉旭東) *(appointed on 14 November 2025)*
Mr. Wang Lin (王琳) *(retired on 27 June 2025)*
Ms. Wu Xia (吳夏)

Independent Non-Executive Directors:

Dr. Xu Yi (胥義) *(retired on 27 June 2025)*
Dr. Zhang Haixiao (張海曉)
Mr. Fan Xin (樊欣)
Mr. Li Zhiyong (李志勇) *(appointed on 27 June 2025)*
Mr. Liu Thomas A. (劉安) *(appointed on 29 December 2025)*

AUDIT COMMITTEE

Mr. Fan Xin (樊欣) *(Chairperson)*
Dr. Xu Yi (胥義) *(retired on 27 June 2025)*
Dr. Zhang Haixiao (張海曉)
Mr. Li Zhiyong (李志勇) *(appointed on 27 June 2025 and resigned on 29 December 2025)*
Mr. Liu Thomas A. (劉安) *(appointed on 29 December 2025)*

REMUNERATION COMMITTEE

Dr. Xu Yi (胥義) *(Former Chairperson, retired on 27 June 2025)*
Mr. Li Zhiyong (李志勇) *(Chairperson, appointed on 27 June 2025)*
Mr. Xie Zhiyong (謝志永) *(resigned on 29 December 2025)*
Mr. Fan Xin (樊欣)
Dr. Zhang Jie (張劼) *(appointed on 29 December 2025)*

NOMINATION COMMITTEE

Dr. Zhang Haixiao (張海曉) *(Chairperson)*
Mr. Xie Zhiyong (謝志永)
Dr. Xu Yi (胥義) *(retired on 27 June 2025)*
Mr. Li Zhiyong (李志勇) *(appointed on 27 June 2025)*

STRATEGIC COMMITTEE

Dr. Zhang Jie (張劼) *(Chairperson)*
Mr. Xie Zhiyong (謝志永)
Mr. Li Zhiyong (李志勇)
Mr. Liu Thomas A. (劉安)

COMMERCIALIZATION COMMITTEE

Mr. Wang Yiqun Bruce (王亦群) *(Chairperson)*
Mr. Xie Zhiyong (謝志永)
Mr. Liu Xudong (劉旭東)
Mr. Li Zhiyong (李志勇)
Mr. Liu Thomas A. (劉安)

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1661 Zhangdong Road
Pudong New Area, Shanghai
PRC

PRINCIPAL BANKERS

China Construction Bank Shanghai Zhangjiang Branch
220 Keyuan Road
Pudong New Area
Shanghai
PRC

Bank of China Shanghai Ziwei Road Branch
No. 741 Zhangjiang Road
Pudong New Area
Shanghai
PRC

Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Keji Branch
No. 56 Boyun Road
Pudong New Area
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1922, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Xie Zhiyong (謝志永)
Ms. Yeung Siu Lam (楊兆琳)

COMPANY SECRETARY

Ms. Yeung Siu Lam (楊兆琳)

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road Central
Hong Kong

LEGAL ADVISER

Linklaters
11th Floor, Alexandra House
Chater Road
Hong Kong SAR
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
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183 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.microportneurosci.com

STOCK CODE

2172

LISTING DATE

15 July 2022

FIVE YEARS' FINANCIAL SUMMARY

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025 RMB'000**
Revenue	382,799	547,350	665,624	761,762	**790,483**
Net profit/(loss) for the year	24,170	(24,678)	134,581	248,855	**183,751**
Non-HKFRS adjusted net profit for the year	94,084	130,696	195,438	281,733	**298,532**
Assets					
Non-current assets	556,188	532,315	628,097	672,461	**609,227**
Current assets	784,154	1,284,685	1,332,544	1,370,075	**1,498,693**
Total assets	1,340,342	1,817,000	1,960,641	2,042,536	**2,107,920**
Liabilities					
Current liabilities	174,210	243,800	249,249	261,538	**249,456**
Non-current liabilities	1,341,072	87,549	73,141	74,163	**65,411**
Total liabilities	1,515,282	331,349	322,390	335,701	**314,867**
Total equity/(deficit)	**(174,940)**	**1,485,651**	**1,638,251**	**1,706,835**	**1,793,053**

COMPANY PROFILE

MicroPort NeuroScientific Corporation (the "**Company**") and its subsidiaries (together, the "**Group**" or "**we**") are one of the first medical device companies in China to enter the neuro-interventional therapeutic area, and has always been committed to the R&D of high-end medical devices in neuro-interventional therapeutic area. The Group has a comprehensive stroke interventional treatment product line, covering all of the three major areas of neurovascular disease, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke. Our products have cumulatively covered nearly 3,800 hospitals nationwide and supported approximately 290,000 neuro-interventional procedures.

The Group has always adhered to the goal of addressing clinical needs and insisted on R&D and innovation with proprietary intellectual property rights. We have a total of 40 commercialised products and product candidates in our portfolio, including 28 products approved and commercialised in China and 12 product candidates under development. In addition, six products have been admitted to the NMPA's innovative special review and approval procedure (the "**Green Path**"), ranking the first among Chinese neuro-interventional medical device companies.

After years of accumulation, the Company has achieved a breakthrough in multiple "First-of-Its-Kind" and "One-of-a-Kind" products, including the first stent system approved for treating intracranial atherosclerotic diseases in the world, the only intracranial stent graft approved for treating cerebral vessel diseases in the world, the world's first ballon-expandable, rapid-exchange drug-eluting stent in the neuro-interventional field that has received the Breakthrough Device Designation by the U.S. Food and Drug Administration; the first Chinese-developed flow-diverting stents approved by the NMPA, and the first vertebral artery drug-eluting stent in China that has been admitted to the Green Path and approved by the NMPA. We have established the technical barriers of leading peers in the industry, and have 229 authorized patents as of the end of 2025, including 41 overseas patents. In addition, over 290 patents are being applied for registration.

The Company has a leading international vision and global layout, with its products commercialised and sold in 36 overseas countries or regions, covering South Korea, the United States, Japan, Brazil, Chile, Argentina, Saudi Arabia and European countries.

Adhering to the management concept of "Eyes For Greatness, Hands On Details", MicroPort NeuroScientific™ always emphasizes on the people-oriented corporate culture and deeply imbeds the pursuit of details and the persistence in innovation into its DNA.

In the future, we will continue to pursue innovation and provide patients around the world with more top-quality and innovative comprehensive medical solutions for cerebrovascular diseases.

Vision

Building a leading enterprise of emerging technologies in neuro intervention and brain science

Mission

To provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives

CHAIRMAN'S STATEMENT

In 2025, against a backdrop of complex and volatile global economic conditions and deepening healthcare policy reforms, the Group continued to advance its strategy of pursing technological innovation and internationalization. Through the persistent efforts of all of our employees, we further consolidated our leading position in China's neuro-interventional field and are committed to becoming an emerging technology leader in brain science.

During the Reporting Period, the Group recorded revenue of approximately RMB790.5 million and net profit of approximately RMB183.8 million. In recognition of shareholders' long-term support, the Board has resolved to recommend the payment of a final dividend of HK$0.09 per ordinary share for FY2025.

The Group remains committed to providing innovative and accessible solutions for cerebrovascular diseases to patients and physicians around the world. We have established a product matrix covering three major areas of cerebrovascular diseases, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke, and we are gradually expanding our reach into two new directions: neurosurgery and brain-computer interfaces. As at the end of 2025, the Group's sales network covered nearly 3,800 hospitals nationwide, and our products supported, in aggregate, close to 290,000 neuro-interventional procedures. Based on the sales revenue in 2025, the Group ranked the first in market share among all the domestic brands in the Chinese market.

In response to the industry's shift toward normalized volume-based procurement (VBP), the Group actively participated in and successfully won multiple VBP tenders, including the inter-provincial alliance centralized volume purchasing of vascular interventional medical consumables, spearheaded by Hebei Province, the renewal VBP bidding projects in Henan Province, as well as VBP projects in Anhui, Guangdong and other provinces, thereby further enhancing product accessibility and market penetration. During the Reporting Period, our NUMEN® series coils, Tubridge® series stent, and NeuroHawk® Thrombectomy Device were newly admitted into approximately 193, over 250, and approximately 140 hospitals, respectively, further deepening market penetration.

The Group's international business sustained strong growth momentum in 2025, with its overseas revenue exceeding RMB100 million for the first time, representing a year-on-year increase of 39.4%, and its proportion in total revenue grew to 13%. During the Reporting Period, the Group obtained 21 additional overseas product registration certificates, bringing a total of 17 products to overseas markets and achieving commercialization in 36 countries or regions. Notably, the NeuroHawk® Thrombectomy Device received EU CE MDR (Medical Device Regulations) certification, further consolidating the Group's strategic layout in the European neuro-interventional market. Products such as the NUMEN® Coil, NeuroHawk® Thrombectomy Device, and X-track® Catheter achieved first-in-region implantations and market breakthroughs in multiple territories, steadily enhancing our brand influence overseas.

In terms of technological innovation, a total of six new products received launch approval from the NMPA during the Reporting Period (including Numen® Nest Detachable Coil, Bridge® MAX Rapamycin Target Eluting Vertebral Artery Stent System, AISAdvance™ Theombectomy Device and Accessories, AISFAST™ Forced Arterial Suction Thrombectomy, Sheathru™ Delivery Catheter, and Cerelmon™ Reverse Flow Tube). NuFairy® Absorbable Coil and StraitPass® Disposable Aspiration Neuroendoscope Device were admitted to the Green Path, bringing the Group's total number of Green-Path products to six, the highest among Chinese neuro-interventional companies. Additionally, the Group's independently developed APOLLO Dream® Sirolimus Target Eluting Stent System was granted the Breakthrough Device Designation by the U.S. FDA, becoming the world's first balloon-expandable, rapid-exchange drug-eluting stent in the neuro-interventional field to obtain this recognition.

During the Reporting Period, the Group's production capacity steadily increased, production quality was stable, and we continued to promote supply chain improvement and cost reduction projects by adopting a multi-pronged approach in various aspects such as production process optimisation, process improvement and substitution of domestically-produced materials, through which we further improved supply-chain efficiency.

We will continue to implement our development strategy of "pursuing an integrated global perspective, sustainable high-quality growth, consolidating neuro-interventional leadership, and expanding the frontiers of brain science." We aim to seize opportunities in global competition to deliver comprehensive solutions of great quality for stroke patients, and progressively extend our reach into broader brain disease areas.

The Group's directors, senior management and all employees will uphold the principles of integrity, diligence and accountability, and continue to pursue high-quality development. On behalf of everyone at MicroTech Medical, I would like to extend our sincerest gratitude to all shareholders and partners for their continued trust and support.

Industry Overview

Stroke is an acute cerebrovascular disease, which is the third major fatal disease in the world and the first major fatal disease in China, with high rates of incidence, disability, mortality and recurrence. According to the data of the Global Burden of Disease (GBD) in 2021, the global number of prevalent cases of all stroke subtypes reached 93.82 million, comprising approximately 69.94 million cases of ischaemic stroke and 16.6 million cases of intracerebral haemorrhage. Stroke accounted for 7.25 million deaths worldwide, reflecting an extremely severe disease burden. In China, the number of prevalent stroke cases had exceeded 28 million, with an average annual growth rate of over 8.7% in recent years. The country recorded an average of 3.7 million new stroke cases and 1.8 million stroke-related deaths annually. China ranked highest globally in terms of stroke incidence, total number of patients, mortality rate, and disability rate. Meanwhile, there were significant urban-rural differences in the burden of stroke disease in China, with both incidence and mortality rates higher in rural areas than in urban areas.

Driven by substantial clinical demand and thanks to the development of neuroimaging, neuro-interventional therapy has become an important treatment for stroke. With the aging of the global population and the rising incidence of strokes, the volume of neuro-interventional surgeries will continue to grow rapidly. Currently, the neurointerventional medical device industry in China has progressed beyond its early exploratory stage and entered a phase of rapid expansion, propelled by the national volume-based procurement (VBP) policy. This has led to a significant increase in the market share of domestic brands and facilitated the flow of high quality medical resources into the primary healthcare institutions. The continuous refinement and routine implementation of the VBP policy have progressively steered enterprises away from a "only lower price" (「唯低價」) competition model, establishing itself as a critical driver of supply-side structural reform within the industry. Only those companies possessing core competitiveness in quality control, cost optimization, and technological innovation will distinguish themselves amidst industry consolidation, leading the market towards high-quality development. Furthermore, national policies are empowering the sector through multiple dimensions, actively encouraging Chinese medical device enterprises to expand globally. This strategic push enables them to achieve a dual elevation in technological prowess and brand recognition in the international market, thereby comprehensively enhancing the level of internationalization of China's pharmaceutical industry.

Looking ahead, technologies for stroke treatment are also expected to lay the clinical translation foundation for frontier fields such as brain-computer interfaces (BCIs). Through the precise modulation of impaired neurological functions, these advancements are anticipated to bring about revolutionary breakthroughs in the treatment of post-stroke sequelae. Since 2025, a series of facilitative policies have been introduced: seven ministries and commissions including the Ministry of Industry and Information Technology (MIIT) jointly issued the Implementation Opinions on Promoting the Innovative Development of the Brain-Computer Interface Industry (《關於推動腦機接口產業創新發展的實施意見》); the National Medical Products Administration (NMPA) approved and released the first domestic medical device standard for brain-computer interfaces; and the National Healthcare Security Administration (NHSA) newly established pricing items for BCI services. Through initiatives such as refining the deeply-coordinated mechanism involving "Government-Industry-Academia-Research-Medicine" (「政產學研醫」), providing fiscal subsidy policies, establishing approval green channels, and implementing supportive reimbursement policies, an unprecedentedly favorable development environment has been created for domestic brain-computer interface enterprises in China.

COMPANY'S BUSINESS

As a pioneer and the largest domestic brand in the neuro-interventional medical device industry in China, the Group is committed to providing innovative and accessible solutions for cerebrovascular diseases to patients and physicians around the world. The Group has built a comprehensive portfolio of commercialized products covering three major areas of cerebrovascular diseases, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke. Based on the sales revenue in 2025, the Group ranked the first in market share among all the domestic brands in China's neuro-interventional medical device market. At the same time, the Group is accelerating its global expansion efforts, with 10 core products having been commercialized in 36 countries and regions overseas, contributing 13% of total revenue from overseas business.

Leveraging years of independent research and development ("**R&D**"), we have already mastered a number of core design and manufacturing technology platforms for the R&D and manufacturing of neuro-interventional medical devices. The Group has developed multiple "First-of-Its-Kind" products and "One-of-a-Kind" products, including the world-first stent system for treating intracranial atherosclerotic diseases in the world, the world-only intracranial stent graft approved for treating cerebrovascular diseases, the world's first balloon-expandable, rapid-exchange drug-eluting stent in the neuro-interventional field that has received the Breakthrough Device Designation by the U.S. Food and Drug Administration, the first Chinese-developed flow-diverting stents approved by the NMPA, and the first vertebral artery drug-eluting stent in China that has been admitted to the NMPA's special review procedure for innovative medical devices (the "**Green Path**") and approved by the NMPA.

Building on the solid foundation established in the neuro-interventional business, the Group is gradually expanding its reach into two new directions: neurosurgery and brain-computer interfaces. In neurosurgery, we aim to provide innovative medical solutions for a broader range of neurosurgical diseases, including cerebral hematoma, hydrocephalus, and brain tumors. Notably, the StraitPass® Disposable Aspiration Neuroendoscope Device has entered the special review procedure for innovative medical devices in the country. In brain-computer interfaces, we focus on two main application areas: post-stroke active rehabilitation therapy and intervention for psychiatric disorders. The Group is committed to providing solutions for neurological diseases and becoming an emerging technology leader in the field of brain science, continuously driving technological innovation to benefit patients worldwide.

Business Review

In 2025, the Group maintained high-quality growth in its operating results. In the domestic market, with the extensive promotion of VBP policy, although there was short-term pricing pressure, the implant volume of the Group's core products grew rapidly, and the number of the new hospital admissions increased significantly, fully demonstrating the enormous potential clinical demand. Overseas business continued their rapid growth trajectory, with the business footprint expanding steadily, which was primarily driven by widespread recognition of the products' exceptional performance and outstanding clinical results in overseas markets, leading to a continuous enhancement of the international influence. Meanwhile, overseas profitability increased significantly.

During the Reporting Period, the Group achieved the revenue of RMB790.5 million, representing an increase of 3.8% over the Previous Year. Leveraging its strong supply chain management capabilities and the continuous optimization of its product portfolio, the Group achieved a gross profit margin of 73.5%, representing an increase of 0.5 percentage point over the Previous Year. The Group achieved the non-HKFRS adjusted net profit of RMB298.5 million, representing an increase of 6.0% over the Previous Year. During the six-year period from 2020 to 2025, the Group achieved the annualised compound growth rate of approximately 42.6% in Non-HKFRS adjusted net profit, continuously demonstrating outstanding profitability and solid growth resilience.

The Group has always maintained strong innovation capability and efficiently transformed its R&D pipeline. From the beginning of 2025 and up to the date of this report, a total of six products have obtained NMPA registration certificates, further enriching the Group's product matrix in the neuro-interventional field. Up to now, a total of six products of the Group have entered the Green Path for national innovative medical devices, ranking the first among Chinese neuro-interventional medical device companies. Meanwhile, the APOLLO Dream® Sirolimus Target Eluting Stent System has received the Breakthrough Device Designation from the U.S. Food and Drug Administration (FDA), becoming the world's first balloon-expandable, rapid-exchange drug-eluting stent in the field of neurointerventional procedures to receive this recognition, fully demonstrating the leading strength of the Group in technological innovation and clinical transformation.

In terms of cutting-edge layout, the Group has actively deepened its strategic blueprint. Relying on its profound accumulation in the neuro-interventional field, the Group has proactively expanded into emerging fields such as pan-neurosurgery and brain-computer interfaces, and has established the Chaos Brain-Computer Research Institute, focusing on promoting forward-looking research and technical reserves of brain-computer interface technology in medical applications, with the aim to build a full-cycle ecosystem from diagnosis, treatment to neural function reconstruction and lay a solid foundation for sustainable growth in the future.

Domestic Business

The Group has built a promotion team for medical solutions with members who are professionally qualified and experienced. The team continues to promote innovative neurointerventional treatment concepts to the market and provides patients and physicians with an integrated solution to treat cerebrovascular diseases. These are accomplished through promotion and education regarding the surgical methods and products, recommendations for treatment options, training on surgery and surgical devices, clinical support and postoperative follow-ups. These efforts strengthen our leading position as a domestic brand.

As of the end of the Reporting Period, the Group's team for the promotion of medical solutions consisted of more than 90 senior personnel in total. In order to address different treatment needs, we have strategically relied on two professional marketing teams, namely the hemorrhagic stroke solution team and the ischemic stroke solution team, enabling us to provide the highly customised, professional and targeted treatment support to the market. In addition, the Group has established cooperative relationships with over 450 distributors and sub-distributors, with sales channels covering 31 provinces, municipalities and autonomous regions across the country.

In 2025, the Group had added approximately 310 hospitals to its sales channel, reaching a total coverage of nearly 3,800 hospitals nationwide, of which more than 2,100 tertiary hospitals and all of the top 100 hospitals in China's National Stroke Center are included therein. During the Reporting Period, the Group's products have supported over 66,700 neuro-interventional procedures, representing an increase of more than 30% as compared to the same period of last year. The Group's products have cumulatively supported nearly 290,000 procedures, providing safe and effective stroke disease solutions for over 650,000 patients.

In terms of VBP, the Group achieved successful bids for two of its flow-diverting stents, an intracranial balloon dilatation catheter, and a peripheral balloon dilatation catheter in the inter-provincial alliance centralized volume purchasing of vascular interventional medical consumables, spearheaded by Hebei Province. The results of the selection have been gradually implemented in various provinces and cities starting from May 2025. In the renewal VBP bidding projects for neuro-interventional devices and peripheral interventional devices among public medical institutions in Henan Province, all 15 of the Group's products were selected, making it the domestic neuro-interventional brand with the most comprehensive product line. The results of the selection have been implemented since April 2025. In Anhui Province's VBP projects of intracranial stents, thrombectomy device and flow-diverting stents, a total of seven of the Group's products were successfully selected. In Guangdong Province's VBP projects of flow-diverting stents, the Group's two flow-diverting stents were selected. The successful bids in the above-mentioned VBP projects will significantly accelerate the Group's expansion and penetration into the domestic market, contributing to a steady increase in its market share.

In the field of hemorrhagic stroke products, NUMEN® series coils took the opportunity of winning the VBP bids in recent two years to accelerate hospital admission and clinical promotion. During the Reporting Period, NUMEN® series coils were newly admitted into approximately 193 hospitals and had achieved clinical applications in an accumulated number of nearly 1,700 hospitals, with implant volume increasing rapidly year-on-year. Meanwhile, the NUMEN® NEST Coil Embolization System received certification during the Reporting Period, marking the Group's fourth coil product following NUMEN®, NUMEN® Silk and NUMEN® Lighting. This signifies a further breakthrough in the Group's technological innovation and clinical value in the coil field. The diverse product portfolio will provide strong support for consolidating and enhancing the Group's market competitiveness. Despite the impact of VBP, Tubridge® series Flow-diverting Stent was newly admitted into more than 250 hospitals during the Reporting Period, with implant volume increasing at high speed, continuing to deepen its market coverage. Among them, the Tubridge Plus® Flow-diverting Stent was newly admitted into nearly 200 hospitals. Through targeted academic promotion, product publicity and commercial strategies, it has rapidly increased its market penetration, with its market share reaching 25% in some centers. In addition, WILLIS® Intracranial Stent Graft System, as the world's first and only approved intracranial stent graft, not only has excellent clinical effects in the treatment of complex cranial vascular diseases, but has also been continuously exploring its advantages in the treatment of other diseases such as vascular rupture in nasopharyngeal carcinoma surgery and cervical dissection aneurysm. As of the end of the Reporting Period, WILLIS® Stent Graft has cumulatively covered over 820 hospitals, which was widely recognised by clinical experts.

In the field of cerebral atherosclerotic stenosis treatment products, Bridge® Rapamycin Target Eluting Vertebral Stent System has shown differentiated characteristics such as grooved drug-eluting design and low long-term restenosis rate, which leads to enhanced recognition of the balloon-expandable drug-eluting stent treatment concept by the surgeons. In 2025, This product newly entered over 400 hospitals, covering cumulatively more than 1,800 hospitals. As the market promotion of this product enters the mature stage, significant growth has been observed across all market tiers, with particularly obvious growth in its clinical use in second-tier and grassroots hospitals. The newly added large-diameter size product of the Bridge® series, Bridge® MAX Rapamycin Target Eluting Vertebral Stent System, was approved in September 2025, filling the clinical gap for 4.5/5.0mm large-sized stents. It has completed procurement listings in 24 provinces and cities. Moreover, after the NHSA announced the classification, codes, and generic name catalogue for seven categories of medical consumables, including vascular interventional stents, "vertebral artery stents" have been newly added to the payment catalogues of medical consumables in various provinces, resolving the issue of lacking corresponding medical insurance codes for the Bridge® series. APOLLO® Intracranial Stent System continued to consolidate its advantages in market share and established the presence in over 100 new hospitals during the Reporting Period, covering approximately 2,500 hospitals in total.

In the field of acute ischemic stroke products, the Group significantly accelerated the pace of commercialisation with the focus on developing the grassroots hospitals. In 2025, NeuroHawk® Thrombectomy Device was newly admitted into approximately 140 hospitals, covering approximately 650 hospitals in total. NeuroHawk® Pass17/21 Thrombectomy Device formed a "combination punch" of clinical demand and price with it, further enriched the product portfolio and contributed to incremental revenue. AISAdvance™ Stent Retriever Combined with Aspiration Technology and AISFast™ Forced Arterial Suction Thrombectomy were approved for launch during the Reporting Period, and had been listed on the procurement platforms of 28 provinces and 24 provinces, respectively, providing a one-stop acute ischemic stroke device solution.

The Group is committed to improving the stroke clinical diagnosis and treatment technology in the globe and continues to provide professional training to doctors on clinical techniques and standardized diagnosis and treatment processes, gradually building up a customised, systematic and multi-level clinical training system. With the focus on the promotion of our innovative products, namely Tubridge® Plus Flow Diverter, NUMEN® Coil Embolization System, Bridge® Rapamycin Target Eluting Vertebral Stent System and Neurohawk® Thrombectomy Device, we have offered a series of innovative clinical therapies through the combination of several product portfolios including the "AND procedure" (APOLLO™ Intracranial Stent + Neurohawk® Thrombectomy Device + Diveer® Balloon Catheter) for the treatment of large vessel occlusions associated with intracranial atherosclerotic stenosis (ICAS-LVO) and the "NEXT procedure" (Neurohawk® Thrombectomy Device + X-track® Distal Catheter) for the acute thrombectomy surgeries.

International Business

During the Reporting Period, the Group's international business sustained strong growth momentum, with the overseas revenue amounting to RMB104.9 million, representing an increase of 39.4% over the Prior-year Period, and the proportion of overseas revenue in the Group's total revenue has increased to 13%. Among them, the Group's sales revenue achieved rapid growth to varying degrees in the Asia Pacific, Europe, the Middle East and Africa ("**EMEA**"), North America and Latin America, and the gross margin and the net profit of the international business segment also achieved rapid growth.

As at the end of the Reporting Period, the Group had a total of 17 products that have been launched into the overseas market, and have been commercialized in 36 overseas countries or regions, covering 9 of the top 10 countries worldwide in terms of the number of neuro-interventional procedures. In the Asia-Pacific, the Group continued to expand its market coverage, achieving multiple new product access and winning hospital bids in the South Asia market, and completing product registration in several countries. The direct sales model was fully implemented in South Korea, resulting in significant growth in the implantation volume of the NUMEN® series products, and a key breakthrough in the X-track® Catheter's application for medical insurance coverage in South Korea. In the EMEA, the UK direct sales model has been operating smoothly, achieving rapid year-on-year growth. At the same time, the Group promoted the launch of multiple products in many European countries during the Reporting Period and expanded to emerging markets such as Turkey and Egypt for the first time, strengthening its regional competitiveness. In North America, the direct sales model operated efficiently, driving a continuous growth of NUMEN® series products after their launch and a continuous expansion of brand influence. In Latin America, the NeuroHawk® Intracranial Thrombectomy Device and X-track® Catheter have received favorable feedback after their launch, and their market acceptance has continued to increase.

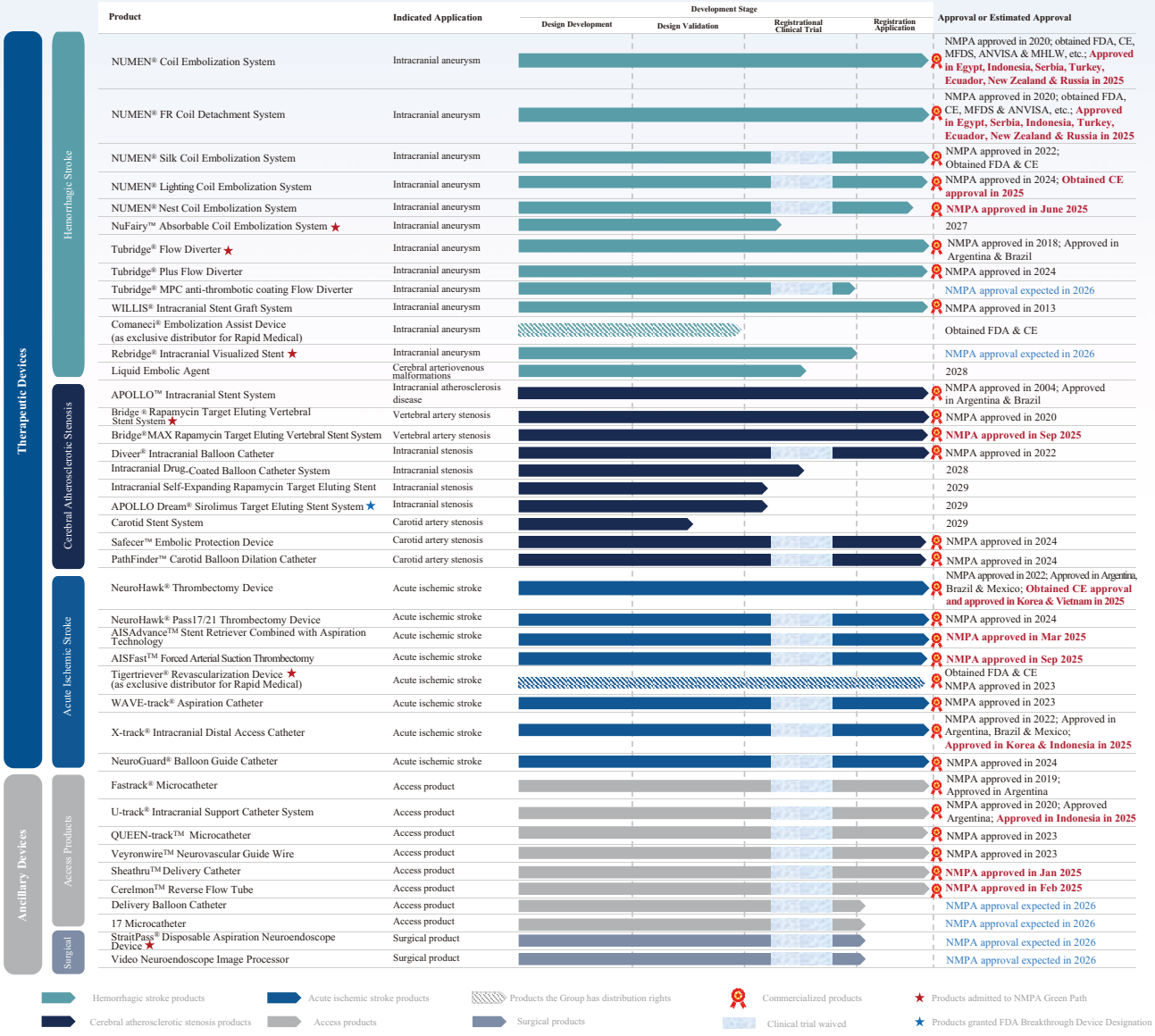
During the Reporting Period, the Group obtained a total of 21 product registration certificates in overseas markets, laying a solid foundation for a large-scale growth of overseas revenue and further optimizing the product portfolio. Among them, NeuroHawk® Intracranial Thrombectomy Device has officially obtained the CE MDR (Medical Device Regulation) certification from the EU, which further consolidated strategic layout of the Group in the European neuro-interventional market and broadened treatment options for patients with large vessel occlusion. The successful first clinical applications of NUMEN® Coil in India and Bangladesh, as well as the smooth first commercial application in Egypt, mark a significant step forward for the Group in enhancing the accessibility of quality cerebrovascular intervention solutions in the Middle East. As of the date of this report, APOLLO Dream® Sirolimus Target Eluting Stent System ("APOLLO Dream® Stent System"), independently developed by the Group, has been granted the Breakthrough Device Designation by the U.S. Food and Drug Administration (FDA). This recognition not only signifies that the technological innovation and clinical value of the APOLLO Dream® Stent System have been recognized by an international authoritative regulatory body, but also will help accelerate the global clinical development and review process of the device, fill the market gap of the treatment of intracranial atherosclerotic stenosis with drug stent overseas, and lay an important foundation for the Group to advance its globalization strategy.

Product Pipeline

Since the marketing approval of the first product in 2004, leveraging its excellent R&D capability and efficient physician-engineer collaboration (醫工結合) model, the Group has built up a diversified portfolio of neuro-interventional products. As of the date of this report, the Group had a total of 28 products that have been approved and commercialized in China, and 12 pipeline products at different development phases. Among them, six products have been approved by the NMPA to be admitted to the NMPA's special review procedure for innovative medical devices ("**Green Path**"), ranking the first among Chinese neuro-interventional medical device companies.

From the beginning of 2025 and up to the date of this report, the Group's R&D projects have achieved fruitful results. Six products including NUMEN® Nest Coil Embolization System, Bridge® MAX Rapamycin Target Eluting Vertebral Stent System, AISAdvance™ Stent Retriever Combined with Aspiration Technology, AISFAST™ Forced Arterial Suction Thrombectomy, Sheathru™ Delivery Catheter and Cerelmon™ Reverse Flow Tube and have been approved by the NMPA for marketing, and one product (Tubridge® Flow-diverting Stent) has been approved for expanded indications and has completed product iteration (Tubridge® V5 Flow Diverter). In addition, the NuFairy® Absorbable Coil Embolization System and the StraitPass® Disposable Aspiration Neuroendoscope Device have entered the Green Path, and the APOLLO Dream® Sirolimus Target Eluting Stent System has received the Breakthrough Device Designation from the U.S. Food and Drug Administration (FDA), becoming the world's first balloon-expandable, rapid-exchange drug-eluting stent in the field of neurointerventional procedures to receive this recognition.

The following chart summarizes our product portfolio and development status as of the date of this report.



Hemorrhagic Stroke Products

Intracranial aneurysm is one of the main causes of hemorrhagic stroke. According to Frost & Sullivan, hemorrhagic stroke products represent the largest segment in terms of sales of neuro-interventional medical devices in China. The Group has a portfolio of 12 products for the treatment of hemorrhagic stroke, of which 8 products have been approved for commercialisation, including embolization coils, flow-diverting stents and stent grafts, and covering key therapeutic areas of hemorrhagic stroke.

During the Reporting Period, the Group recorded the revenue of hemorrhagic stroke products of RMB475.4 million, representing an increase of 8.1% over the Prior-year Period. Among them, the revenue from Flow-diverting Stent declined as a result of the impact of the VBP. On the other hand, revenue from coil series products maintained rapid growth, with the market share further increasing.

NUMEN® Coil Embolization System ("NUMEN® Coil")

NUMEN® Coil is a coil embolization system used to treat intracranial aneurysm. It was approved by the NMPA in September 2020, and was subsequently approved for marketing in many countries, including the European Union, South Korea, the United States, Brazil, Japan, Argentina, Australia, Saudi Arabia, Colombia, the UAE, Mexico, Canada, Bangladesh, Vietnam, India and Turkey. During the Reporting Period, NUMEN® Coil was approved in Egypt, Indonesia, Serbia , Ecuador, Russia and New Zealand.

As of the end of the Reporting Period, NUMEN® Coil has been commercialised in 36 overseas countries or regions, including United States, United Kingdom, Ireland, Spain, Italy, Greece, Croatia, Portugal, Poland, Germany, Belgium, Netherlands, France, Switzerland, Saudi Arabia, the UAE, Puerto Rico, Nepal, Brazil, Argentina, Mexico, Chile, South Africa, Colombia, Dominican Republic, Bangladesh, Romania, Vietnam, India, South Korea, Japan and Hong Kong, China, Egypt, Indonesia, Turkey and Ecuador, receiving high praise from local clinicians.

NUMEN® Coil permits stable framing, smooth filling and finishing, with superb conformability to shapes of aneurysms. Its three models, MicroFrame, MicroFill and MicroFinish, have a total of 177 specifications, providing physicians with a full range of aneurysms embolization options. In June 2023, the research results of NUMEN® Coil applied to aneurysms less than 5mm were officially published in the journal "BMC Surgery", further demonstrating its safety and effectiveness of application to aneurysms less than 5mm as well as its world-leading clinical efficacy.

NUMEN® Silk Coil Embolization System ("NUMEN® Silk Coil")

NUMEN® Silk Coil is an iterative product developed based on NUMEN® Coils, and was approved by the NMPA in February 2022, and subsequently obtained marketing approval from the EU CE, the US FDA, South Korea, Brazil and other countries, respectively. During the Reporting Period, NUMEN® Silk Coil was first commercialized in the United States, European Union, United Kingdom and Nepal, further expanding the overseas market.

As a new generation of ultra-soft electronically detachable coil, NUMEN® Silk Coil features a greater smoothness in the filling stage and finishing stage. The smoothness of the distal-end of its delivery wire improves the microcatheter's stability, to minimize the chance of the kick-back of the microcatheter in the finishing stage, therefore reducing the risk of aneurysm rupture.

NUMEN® Nest Coil Embolization System ("NUMEN® Nest Coil")

NUMEN® Nest Coil inherits the unique "Ω+S" design of the NUMEN® product family, ensuring structural stability while better adapting to irregular aneurysm morphologies. The product further optimizes the primary coil outer diameter, significantly improving the embolization efficiency and softness of a single coil. This helps achieve a more compact embolization effect within the aneurysm cavity, while shortening procedure time and ensuring greater safety and effectiveness in clinical procedures.

To meet diverse clinical needs, NUMEN® Nest has launched two series and 130 specifications, covering a variety of diameter and length options, providing doctors with more flexible therapies and further expanding the clinical application scenarios of aneurysm embolization treatment.

In June 2025, NUMEN® Nest Coil was approved for marketing as the Company's fourth coil product, further expanding the clinical application scenarios of aneurysm embolization treatment.

Nufairy™ Absorbable Coil ("Nufairy™ Absorbable Coil")

NuFairy™ Absorbable Coil is a new generation of coil product independently developed by the Group for the treatment of intracranial aneurysm, and is also the world's first neuro-interventional product with an absorbable main structure. The product is mainly made of PLGA, a biodegradable silk with good biocompatibility. Its main structure can be completely degraded and absorbed by the human body, with water and carbon dioxide as the degradation products. Compared with the traditional non-degradable pure metal coils, NuFairy™ Absorbable Coil can reduce the amount of foreign matters and metal artifacts in the body after degradation, thus lowering long-term safety risks for patients. Meanwhile, NuFairy™ Absorbable Coil is simple to use and easy to detach, eliminating the need for surgeons to relearn the operating techniques.

NuFairy® Absorbable Coil, featuring its innovative absorbable material and coil structure design, won the Gold Prize at the 2025 8th China (Shanghai) International Invention and Innovation Exhibition and the Silver Prize for Excellent Innovation at the 2024 35th Shanghai Excellent Invention Competition, and was approved to enter the Green Path in 2025.

During the Reporting Period, the prospective, multi-center, open and non-inferior RCT (NUCATCH study) of NuFairy™ Absorbable Coil completed patients enrollment, and follow-up was in progress.

Tubridge® Flow Diverter

Tubridge® Flow Diverter was the first neuro-interventional medical device that entered the Green Path, and was also the first Chinese-developed flow-diverting stent approved by the NMPA. Leveraging the principle of haemodynamics, Tubridge® Flow Diverter can alter the blood flow state of the aneurysm to reduce the impact of blood flow on the aneurysm, which allows the endothelial cells to grow along the stent skeleton, gradually repairing the aneurysm neck and curing the aneurysm. The product was listed in the 2022 Shanghai Biomedical "New and Excellent Medical Devices" Product Catalogue (《2022年度上海市生物醫藥「新優藥械」產品目錄》).

As of the end of the Reporting Period, Tubridge® Flow Diverter had been commercialized in Argentina and Brazil, further expanding its global market.

In February 2024, the research results of Tubridge® Flow Diverter applied to intracranial aneurysms were officially published in the journal "Clinical Neuroradiology", fully demonstrating its safety and effectiveness in treating intracranial aneurysms as well as its world-leading clinical efficacy. In July 2024, the IMPACT research results of the prospective, multi-center clinical study of Tubridge® Flow Diverter were officially published in the "Journal of Neurosurgery", a core international journal in the SCI Q1, validating that it has good safety and significant effectiveness in the treatment of unruptured aneurysms of internal carotid artery and vertebral artery in complex clinical applications in the real world. The two clinical studies provided a number of evidence-based medical evidences for Tubridge® series flow-diverting stent in the treatment of large and giant aneurysms, medium and small aneurysms, and real-world applications.

In June 2025, Tubridge® Flow Diverter was approved for an expanded indication for small and medium-sized aneurysms, becoming the first flow-diverting stent approved for application to narrow-necked small and medium-sized aneurysms. It is indicated for unruptured saccular aneurysms of the internal carotid and vertebral arteries (covering small, medium, large, and giant aneurysms), with target lesion vessel diameter 2.0mm–6.5mm. This expanded indication marks a further breakthrough for Tubridge® in intracranial flow-diverting therapy, providing clinicians and patients with a safer and more comprehensive solution.

In January 2026, Tubridge V5® Flow Diverter, its iteration product, was approved by the NMPA. The original dual-wire imaging has been upgraded to two-dimensional 3D full-path imaging, significantly enhancing intraoperative visibility, particularly in complex anatomical regions such as the skull base. Drive Pro™ delivery technology was adopted to reduce the stress accumulation during stent delivery in tortuous diseases, facilitating smoother stent opening and apposition, thereby improving the surgical success rate.

Tubridge Plus® Flow Diverter

Tubridge Plus® Flow Diverter is an iterative product developed based on Tubridge® Flow Diverter, which aims to improve the smoothness in delivery and stent visibility under angiography, it can facilitate the accurate placement of the stent and enhance the safety of procedures. This product is suitable for patients with unruptured saccular aneurysms of internal carotid artery and vertebral artery, with aneurysm neck ≥4mm and maximum aneurysm diameter ≥10mm, and target lesion vessel diameter 2.0mm–6.5mm.

WILLIS® Intracranial Stent Graft System ("WILLIS® Stent Graft")

WILLIS® Stent Graft is the first and the only intracranial stent graft approved for treating cerebrovascular diseases in the world. It is also the first neuro-interventional medical device that applies the theory of intracranial parent artery reconstruction in practice to treat neurovascular diseases. It focuses on the characterised and unique treatment sector and provides viable solutions for complex neurovascular diseases, including dissecting aneurysms, blood blister-like aneurysms, pseudo-aneurysms as well as carotid-cavernous fistulae.

Rebridge® Intracranial Visualized Stent ("Rebridge® Stent")

Rebridge® Stent is the first Chinese-developed fully-visualized coil embolization assisting stent to enter the stage of registrational clinical trials. The whole body of the stent is densely braided from radiopaque alloy wires, and thus, when compared with other stents that only have several radiopaque wires, Rebridge® Stent allows physicians to position more precisely for optimal adherent effect after stent expansion.

In November 2022, Rebridge® Stent was admitted to the NMPA's Green Path and won the "2021 Shanghai Quality Management Award — Organisation Award" for recognition.

As of the end of the Reporting Period, Rebridge® Stent has completed patients enrollment for the multi-centre registrational clinical trial, and follow-up is in progress.

Intracranial Atherosclerotic Stenosis Products

The Group has a comprehensive product portfolio in the field of treatment of cerebral atherosclerotic stenosis, consisting of six approved self-developed products, which specifically cover solutions for the three major disease segments including intracranial stenosis, vertebral artery stenosis and carotid artery stenosis.

During the Reporting Period, the Group recorded sales revenue for cerebral atherosclerotic stenosis products of RMB265.4 million, representing a decrease of 2.4% over the Prior-year Period. The decrease was mainly due to the impact of VBP in some regions. Meanwhile, the newly launched products brought incremental revenue.

APOLLO® Intracranial Stent System ("APOLLO™ Intracranial Stent")

APOLLO™ Intracranial Stent is a balloon-expandable stent system, and was approved by the NMPA in 2004. It is the first stent system in the world to treat intracranial atherosclerotic disease (ICAD). With its excellent safety and efficacy, APOLLO™ Intracranial Stent has maintained the first place in its market share for many years. In recent years, benefiting from the application of stenosis cases in emergency clot retrieval procedure in grassroots hospitals, the market demand for APOLLO™ Intracranial Stent has maintained a stable growth trend.

Since 2022, we have completed multiple commercial implantations for APOLLO™ Intracranial Stent in Brazil and Argentina.

Bridge® Rapamycin Target Eluting Vertebral Stent System ("Bridge® Vertebral DES")

Bridge® Vertebral DES (drug-eluting stent) is the first approved vertebral artery DES admitted to the Green Path. Bridge® Vertebral DES has been designed with single-sided grooved drug-coated stent, and the drug is accurately targeted to release, which can effectively reduce the incidence of in-stent stenosis and avoid the negative impact of drugs on the endothelialization of the stent. The results of pre-marketing clinical trials of the product showed that the success rate of Bridge® Vertebral DES implantation was 98%, and the incidence of in-stent restenosis (≥50%) at 6 months after operation was only 3.7%, which fully proved its clinical safety and effectiveness. The product was listed in the 2022 Shanghai Biomedical "New and Excellent Medical Devices" Product Catalogue (《2022年度上海市生物醫藥「新優藥械」產品目錄》).

Clinical treatment of vertebral artery stenosis mostly involves the location of the opening of the vertebral artery, and the proximal diameter of the lesion is usually larger than 4.0mm. Therefore, Bridge® Vertebral DES planned to add new large-diameter sizes products of 4.5 and 5.0mm, namely Bridge® MAX Rapamycin Target Eluting Vertebral Stent System, on the basis of the existing specifications. In September 2025, the Bridge® MAX Rapamycin Target Eluting Vertebral Stent System has been approved by the NMPA, which will effectively fill the gap of large-sized stents in clinical practices and better meet the needs of patients with vertebral artery stenosis.

Diveer® Intracranial Balloon Catheter ("Diveer® Intracranial Balloon")

Diveer® Intracranial Balloon is a specialized rapid-exchange intracranial balloon catheter developed in-house by the Company, which is useful for interventional treatment of patients suffering from non-acute symptomatic intracranial atherosclerotic stenosis. Its ultra-soft tip reduces the risk of vascular injury, and its low push resistance enables excellent placement and pushability in tortuous vessels and complex lesions. The product was approved by the NMPA in 2022.

APOLLO Dream® Sirolimus Target Eluting Stent System ("APOLLO Dream® Stent System")

The APOLLO Dream® Stent System is specifically designed for patients with symptomatic intracranial arterial stenosis who are refractory to best medical therapy. The system integrates targeted drug-eluting technology with an optimized stent mechanical structure, providing stable vascular scaffolding and restoring cerebral blood flow, while targeted delivery of rapamycin to the vessel wall inhibits vascular smooth muscle cell proliferation, thereby reducing the risk of in-stent restenosis.

Compared with conventional drug-eluting stents, APOLLO Dream® Stent System enables more precise control of drug-release dosage, significantly reducing the total systemic drug load while maintaining therapeutic efficacy. Its drug coating utilizes biodegradable materials, which gradually degrade after drug release is completed, potentially lowering the long-term risk of thrombosis.

In March 2026, APOLLO Dream® Stent System was granted the Breakthrough Device Designation by the U.S. Food and Drug Administration, highlighting the recognition of the technological innovation and potential clinical value of the product in the treatment of intracranial atherosclerotic disease (ICAD) by an international authoritative regulatory body.

Safecer® Embolic Protection Device

Safecer® Embolic Protection Device is mainly designed to provide patients with distal embolization protection during carotid artery stenting (CAS) by effectively trapping and removing embolization materials such as clots. The product was approved by the NMPA in 2024.

Safecer® Embolic Protection Device's umbrella body is a new symmetric structure based on 3D knitting technology. After the umbrella body is opened, its adhesion performance is not affected by blood vessel tortuosity. The product's delivery sheath adopts multi-layer material composite tube technology that is both flexible and supportive, allowing for smooth passage through more tortuous and complex lesion locations. Safecer® Embolic Protection Device is available in 10 different sizes and is compatible with a wide range of therapeutic devices to improve surgical efficiency and treatment effects.

PathFinder® Carotid Balloon Dilation Catheter ("PathFinder® Carotid Balloon")

PathFinder® Carotid Balloon is a specialized rapid-exchange carotid artery balloon catheter developed in-house by the Company, which is mainly used in percutaneous transluminal angioplasty for patients with carotid artery obstruction, and is effective in dilating and unblocking the stenotic blood vessels during treatment. The product was approved by the NMPA for marketing in 2024.

PathFinder® Carotid Balloon has an advanced folding process that allows the catheter to have a smaller outer diameter, helping traverse stenotic lesions. At the same time, the product has low push resistance, which gives it excellent push and placement in tortuous vessels. PathFinder® Carotid Balloon is available in 33 different sizes and is compatible with a wide range of surgical devices to meet the needs of physicians in a variety of surgical scenarios.

Acute Ischemic Stroke Products

In the field of acute ischemic stroke, the Group has eight commercialized products, covering stent thrombectomy devices and aspiration thrombectomy devices. According to Frost & Sullivan, the Company is the only Chinese company with stent thrombectomy devices compatible with different sizes of blood vessels.

During the Reporting Period, the Group recorded sales revenue of Acute Ischemic Stroke Products of RMB46.6 million, representing a decrease of 2.9% over the Prior-year Period, which was mainly due to the declined revenue of some products affected by VBP, but the newly launched WAVE-track™ Intracranial Aspiration Catheter and NeuroHawk® Pass17/21 Thrombectomy Device brought additional revenue contribution.

Neurohawk® Thrombectomy Device

Neurohawk® Thrombectomy Device is a fully visible stent retriever independently developed by the Group. Its composite mesh design consists of two meshes with different sizes arranged in a staggered spiral pattern, which helps to capture large, hard or fragile thrombi and improves wall apposition.

The Neurohawk® Thrombectomy Device was approved by the NMPA in 2022, and was subsequently approved in Argentina, Brazil and Mexico. During the Reporting Period, the Neurohawk® Thrombectomy Device obtained approval in EU CE, United Kingdom, South Korea and Vietnam.

NeuroHawk® Pass17/21 Thrombectomy Device

NeuroHawk® Pass17/21 Thrombectomy Device is a retrievable, self-expanding thrombectomy device, which is mainly used for mechanical thrombectomy procedures for recanalization of intracranial large vessel occlusions. The product was granted marketing approval by the NMPA in 2024.

NeuroHawk® Pass17/21 Thrombectomy Device inherits the merits of its first generation of product, Neurohawk® Thrombectomy Device, with stable thrombus capture ability, excellent support force and good adherent property. On this basis, it effectively improves visibility of the stent's head end and the ability to push it to the place, and product specifications are also more complete. The product can efficiently achieve vascular recanalization in the treatment of acute ischemic stroke, either through direct thrombectomy or joint thrombectomy combining with WAVE-track™ Intracranial Aspiration Catheter.

AISAdvance™ Stent Retriever Combined with Aspiration Technology ("AISAdvance™")

AISAdvance™ is a dedicated thrombectomy stent and its synergistic system engineered for the combined stent-aspiration thrombectomy technique (ADVANCE). It overcomes the compatibility limitations inherent in traditional single-device approaches by optimising system compatibility through pre-assembled intracranial thrombectomy stents, intracranial distal catheter, microcatheter, and neurovascular guidewire to achieve optimised system compatibility. It reduces the risk of thrombus escape or vascular injury caused by mismatched device sizes/performance. The ready-to-use product combination eliminates the need for multiple instrument unpacking and preparation prior to surgery, significantly shortening preparation time, enabling physicians to swiftly commence thrombectomy procedures, and securing valuable golden treatment time for acute stroke patients. The product was approved by the NMPA in March 2025 and was included in the 2025 Shanghai Biomedical "New and Excellent Medical Devices" Product Catalogue (《2025年度上海市生物醫藥「新優藥械」產品目錄》) in December 2025.

AISFast™ Forced Arterial Suction Thrombectomy ("AISFast™")

AISFast™ is an optimised aspiration catheter and its synergistic system, specifically engineered for direct aspiration thrombectomy (FAST). As a vital adjunct and foundational technique in the endovascular treatment of ischaemic stroke, FAST ranks among the most widely employed procedures in clinical practice. AISFast™, through innovative integration of core instruments within the FAST procedure, combines an intracranial thrombus aspiration catheter, microcatheter, and neurovascular guidewire into a single system, creating a one-stop device solution for acute ischaemic stroke and providing superior products and robust support for the development of emerging stroke centres. In September 2025, the product received approval from the NMPA.

Tigertriever® Intracranial Revascularization Stent ("Tigertriever® Revascularization Stent")

Tigertriever® Revascularization Stent is the world's first adjustable stent retriever with full visualization, indicated for procedures performed in blood vessels of varying diameters. The product obtained CE Marking in the European Union in 2018 and FDA approval in the United States in 2021. In China, Tigertriever® Revascularization Stent was admitted to the NMPA's Green Path in 2020 and was approved by the NMPA in 2023.

Its iterative product Tigertriever® 13 Revascularization Stent is the smallest stent embolectomy device for the treatment of distal vascular occlusion in the world, which was approved by the FDA in 2022.

We were engaged by Rapid Medical as the exclusive distributor in Greater China for Tigertriever® Revascularization stent, Tigertriever® 13 Revascularization Stent and all iterations of Tigertriever®.

WAVE-track® Intracranial Aspiration Catheter ("WAVE-track® Aspiration Catheter")

WAVE-track® Aspiration Catheter is an intracranial aspiration catheter used to clot aspiration. It has a multi-segment transition design to allow its smooth delivery, and its double-wire braided structure with stainless steel enhances the elongation resistance of the catheter while maintaining flexibility. WAVE-track® aspiration catheter can reach the target occlusion quickly and smoothly, in particular in tortuous intracranial vessels. The product was approved by the NMPA in 2023.

X-track® Intracranial Distal Access Catheter ("X-track® Distal Access Catheter")

X-track® Distal Access Catheter is an intermediate catheter product developed by the Group for treating acute ischemic stroke, which was approved by the NMPA in 2022. The product adopts special polymer material and double-wire braided structure, which can reach the lesion site multiple times during the operation. Its good anti-fatigue performance can fully address the clinical needs for catheter improvement.

In 2024, we completed the first commercial usage of X-track® Distal Access Catheter in Argentina and Brazil, and it was approved in Argentina, Brazil and Mexico. During the Reporting Period, X-track® Distal Access Catheter was approved for marketing in South Korea and Indonesia.

NeuroGuard® Balloon Guide Catheter

NeuroGuard® Balloon Guide Catheter is a large lumen catheter with a compliant balloon at the distal tip of the catheter, which is designated to facilitate the insertion and guidance of an intravascular catheter while causing temporary distal flow arrest in the artery. The product was approved by the NMPA in 2024.

Access Products

The Group has a product portfolio of eight auxiliary access devices, among which six have been commercialized, namely Fastrack® Microcatheter, U-track® Intracranial Support Catheter System, QUEEN-track™ Microcatheter, Veyronwire™ Neurovascular Guide Wire, Sheathru™ Lingqiao™ Delivery Catheter and Cerelmon™ Reverse Flow Tube. The products under research and development include various models of microcatheter products and Delivery Balloon Dilatation Catheter products.

Fastrack® Microcatheter ("Fastrack® Microcatheter")

Fastrack® Microcatheter can reach more distal lesions in neuro-interventional surgery and support the precise delivery of intracranial interventional devices. The product is available in four inner diameter sizes, namely 0.029", 0.027", 0.024" and 0.021". The product was approved by the NMPA in 2019.

U-track® Intracranial Support Catheter System ("U-track® Support Catheter")

U-track® Support Catheter can reach distal lesions in neuro-interventional surgery and support the precise delivery of various neurovascular interventional devices. The product was approved by the NMPA in December 2020 and was approved for marketing in Brazil in September 2022. In 2024, the first batch of commercial use of this product was completed in Brazil. It was the Company's fourth product to enter the Brazilian market and its first access product, which enriched the Company's product portfolio for cerebrovascular diseases in Brazil.

QUEEN-track™ Microcatheter ("QUEEN-track™ Microcatheter")

QUEEN-track™ Microcatheter was approved by the NMPA in 2023. The product adopts a non-invasive head end, specially treated transition section design and hydrophilic coating lubrication, which can reach the deep blood vessels of the brain and avoid the stimulation of blood vessels as much as possible. The product has an effective length of 155 cm and is compatible with various surgical procedures to meet the needs of different scenarios. It can effectively remove thrombus when used in conjunction with the NeuroHawk® Thrombectomy Device during the treatment of acute ischemic stroke.

Veyronwire™ Neurovascular Guide Wire ("Veyronwire™ Guide Wire")

Veyronwire™ Guide Wire, the Group's self-developed neurovascular guide wire, was approved by the NMPA in August 2023. The product uses precise-cut far end of the hypotube, multistage designed core wire and special hydrophilic coating, which enable the guide wire to pass smoothly through the tortuous vessels and improve the stability of stable delivery of instruments such as microcatheters to the targeted place.

Sheathru™ Lingqiao™ Delivery Catheter ("Lingqiao™ Delivery Catheter")

The Lingqiao™ Delivery Catheter was approved by the NMPA in January 2025. The product features an extra-large inner diameter of 0.090", which is more compatible with a variety of instruments. It has strong proximal support and flexible distal end, and has good pushability and placement performance. At the same time, Lingqiao™ Delivery Catheter product provides two tip specifications, angled and straight, and three lengths of 70 cm, 80 cm, and 90 cm, and is equipped with a separate dilator and hemostatic valve to meet diverse clinical needs.

Cerelmon™ Reverse Flow Tube ("Cerelmon™")

Cerelmon™ was approved by the NMPA in February 2025. The product is indicated for percutaneous carotid artery reverse flow cerebral revascularization (PCA®), effectively filtering vulnerable plaques and thrombi dislodged during balloon dilatation, device manipulation, and stent implantation by establishing reverse blood flow. Cerelmon™ system comprises four core components: dual-balloon catheter, filter reverse flow catheter, carotid puncture sheath and carotid suturing device.

Surgical Products

The Group has two surgical products under the research and development stage, including the StraitPass® Disposable Aspiration Neuroendoscope Device and its accompanying Video Neuroendoscope Image Processor.

StraitPass® Disposable Aspiration Neuroendoscope Device ("StraitPass® Neuroendoscope")

The StraitPass® Neuroendoscope is an innovative medical device specially designed for cerebral hemorrhage patients. Equipped with advanced visual imaging technology, it enables physicians to precisely aspirate and remove the hematoma in a patient's brain during procedures, thereby minimising damage to the surrounding normal brain tissue. Approximately 70% of cerebral hemorrhage cases are caused by hypertensive cerebral hemorrhage, and the affected areas are highly concentrated in the deep basal ganglia region of the brain. The basal ganglia region plays an irreplaceable core role in processes such as human motor control, cognitive function, and emotional management. Following a cerebral haemorrhage, blood accumulates intracranially to form a haematoma, triggering toxic reactions and exerting compressive effects, which directly lead to persistently high disability and mortality rates among stroke patients. The StraitPass® Neuroendoscope has brought new hope for the treatment of cerebral hemorrhage patients.

During the Reporting Period, the StraitPass® Neuroendoscope officially passed the NMPA's special review application for innovative medical devices and entered the "Green Path".

Research and Development

The Group has always adhered to the purpose of addressing clinical needs and continued on innovation. After years of accumulation, we have mastered the core design and manufacturing technology platforms for the R&D and manufacturing of neuro-interventional medical devices, including braiding and coiling technology, stent forming and processing technology, balloon technology and catheter technology. Building upon this foundation, the Group has further expanded into cutting-edge fields such as neurosurgery and brain-computer interfaces, establishing a R&D system with interdisciplinary technological integration capabilities. In addition, the Group has established the Chaos Brain-Computer Research Institute, bringing together many talents from fields such as neural engineering, algorithms and artificial intelligence, clinical medicine and industrialization. As of the end of the Reporting Period, the Group had an R&D team of 113 personnel, over 65% of which had doctor's or master's degrees.

The Group has established a mature project evaluation mechanism to regularly track the development direction of cutting-edge technology in the industry and evaluate market demand and its own technology reserves, so as to provide a foundation for medium-and long-term product development strategy. Through a mature physician-engineer collaboration system, we actively listen to the clinical needs of physicians and patients, conduct in-depth exploration of clinical pain points, and regularly evaluate new technologies under development to ensure our products meet the clinical needs.

Intellectual Property

The Group adheres to R&D and innovation with independent intellectual property rights. As of the end of 2025, the Group had 229 authorized patents, and more than 290 patent applications pending. In accordance with the brand strategy, marketing and compliance protection strategy, the Group has actively expanded its domestic and international trademark portfolio, accumulating a total of 194 registered trademarks. During the Reporting Period, 53 trademark applications were newly registered.

Quality Management and Manufacturing

The Group upholds the product quality as its core value. We have established a digital product quality control system covering the entire production process, allowing us to trace the whole life cycle of product design, development, manufacturing and after-sales service. The Group obtained various system certifications including the MDSAP (Medical Device Single Audit Program), covering the relevant regulations and standard requirements of China, the European Union, the United States, Australia, Brazil, Japan, South Korea, Argentina and other countries around the world, forming an international quality management system, which effectively reduces the audit cost for products entering overseas markets.

During the Reporting Period, the Group's production capacity steadily increased, production quality was stable, the production demand for various fast-release products could be met in a timely manner, and the rate of customer complaints steadily decreased. In addition, the Group continued to promote supply chain improvement and cost reduction projects by adopting a multi-pronged approach in various aspects such as production process optimisation, process improvement and substitution of domestically-produced materials, so as to achieve a significant decrease in production costs.

Human Resources

After more than two decades of development, the Group has built the largest neuro-interventional industrialization team in China, with a full-cycle operational capabilities in the neuro-interventional medical device industry covering R&D, clinical trials and registration, supply chain management and commercialization. At the same time, the Group has also actively expanded into emerging and cutting-edge fields such as neurosurgery and brain-computer interfaces, developing multi-field collaborative industrialization capabilities. As of the end of the Reporting Period, the Group had a total of 547 employees, over 45% of which had bachelor's degrees or above.

The Group offers the remuneration packages based on individuals' qualifications and experiences and generally match the market rate for salary and bonus to stay competitive in the labour market. The Group also provides extensive training programs to our employees and award incentives to encourage inventions by our R&D team. As required under the PRC regulations, the Group participates in housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments.

Prospect

Considering the aging population, the increasing number of cerebral disease patients, the improvement in medical infrastructures, and the ongoing lack of effective solutions for many brain diseases, the field of global brain disease diagnosis and treatment homes huge development opportunities. In order to seize such opportunities and enhance core competitiveness amidst the market competition, the Group will make full use of its first-mover advantage and scaling advantage and implement active business strategies, including but not limited to the following:

1. **Continue to enhance innovation capabilities to build a complete solution ecosystem for brain diseases**

   We are committed to constantly enhancing the combined advantages of our products for hemorrhagic, ischemic and stenotic stroke, and leveraging our mature physician-engineer collaboration (醫工結合) system and R&D platform to drive the rapid iteration of our existing products. At the same time, relying on our profound accumulation in the field of neuro-intervention, we will proactively expand into cutting-edge areas such as brain-computer interfaces and artificial intelligence, and create a full-cycle ecosystem from diagnosis, treatment to neural function reconstruction, leading industry standards with continuous technological innovation. By taking a dual approach of independent innovation and external cooperation, we deeply integrate clinical needs into the entire R&D process to continuously provide quality overall solutions for stroke patients, and gradually expand to a broader range of brain disease fields to meet the clinical demands.

2. **Promote the universal and affordable strategy and improve operating efficiency**

We will continue to optimize our operating system and quality control system in an all-round way, upgrade our manufacturing technologies, strengthen our training system, and build a global supply chain system to reduce costs and improve operating efficiency. In addition, we plan to expand our production and selling teams to further increase our production capacity, and strengthen the ability to promote treatment solutions. Capitalizing on economies of scale, we will promote quality and affordable cerebral disease solutions, thereby striving to increase the level of cerebral disease diagnosis and treatment in primary medical institutions, and benefiting patients.

3. **Expand the strategic global footprint**

We will actively expand our global presence, accelerate product launches and market penetration, and enter more countries and regions. We plan to advance the registration of our innovative products overseas and expand our international team to further raise global brand visibility and attract talents and resources in the field of neuroscience worldwide. In addition, we will continue to have in-depth cooperation with leading international companies to enlarge our product portfolio and sales network, so as to build an international innovation platform.

FINANCIAL REVIEW

Revenue

In FY2025, the Group's revenue was mainly derived from hemorrhagic stroke products, cerebral atherosclerotic stenosis products and acute ischemic stroke products. The Group recorded a revenue of RMB790.5 million, representing an increase of 3.8% from RMB761.8 million in FY2024. The increase was mainly due to the facts that: (i) the overseas business continued to maintain strong growth momentum, with revenue for the Reporting Period increasing by 39.4% over the Prior-year Period. Sales revenue increased rapidly across various regions, including the Asia Pacific, North America, Latin America and Europe, the Middle East and Africa, each experiencing different rates of growth; (ii) in the field of hemorrhagic stroke products, revenue from coil series products maintained rapid growth, resulting in a further expansion of the market share.

Set out below is the breakdown of revenue by product category:

	Fiscal year		
	2025	2024	Change
	RMB'000	RMB'000	%
Hemorrhagic stroke products	**475,378**	439,905	8.1%
Cerebral atherosclerotic stenosis products	**265,395**	271,848	-2.4%
Acute ischemic stroke products	**46,599**	47,979	-2.9%
Other business revenue	**3,111**	2,030	53.2%
Revenue	**790,483**	761,762	3.8%

Cost of Sales

Cost of sales increased by 1.9% from RMB205.8 million in FY2024 to RMB209.8 million in FY2025. The increase was primarily due to an increase in revenue mentioned above.

Gross Profit and Gross Profit Margin

Gross profit increased by 4.5% from RMB555.9 million in FY2024 to RMB580.7 million in FY2025. The increase was primarily due to an increase in revenue mentioned above.

The Group's gross profit margin was 73.5%. In FY2025, the gross profit margin increased by 0.5 percentage point as compared with 73.0% in FY2024, primarily due to the changes in the product sales structure and the improvements in production efficiency.

Research and Development Costs

Research and development costs decreased by 19.2% from RMB96.5 million in FY2024 to RMB77.9 million in FY2025, primarily due to the improvement in operating efficiency due to the Group's implementation of a number of cost optimization initiatives.

Distribution Costs

Distribution costs increased by 26.6% from RMB132.5 million in FY2024 to RMB167.8 million in FY2025, primarily due to the vigorous promotion of marketing activities by domestic and overseas sales teams.

Administrative Expenses

Administrative expenses increased by 12.9% from RMB55.8 million in FY2024 to RMB63.0 million in FY2025, primarily due to the increase in share-based payment expenses.

Other Net Income

Other net income decreased by 16.1% from RMB56.6 million in FY2024 to RMB47.5 million in FY2025, primarily due to the losses on fair value changes in financial assets measured at fair value. During the Reporting Period, the Group recognised a loss of RMB11.0 million from fair value changes of the future equity simple agreement investment in Rapid Medical.

Finance Costs

Finance costs decreased by 54.8% from RMB3.5 million in FY2024 to RMB1.6 million in FY2025, most of which were attributable to the amortization of the interest on lease liabilities.

Share of Losses of an Associate

In FY2025, the Group's share of the losses of an associate came from Rapid Medical. The Group began to treat Rapid Medical as an associate under equity method from an accounting perspective since May 2021.

Impairment Loss of Investment in an Associate

In FY2025, the Group's impairment loss of investment in an associate came from Rapid Medical amounting to RMB59.6 million. The Group made the impairment loss based on Rapid Medical's value in use as of 31 December 2025.

Income Tax Expenses

Our income tax expenses decreased by 12.3% from RMB53.9 million in FY2024 to RMB47.2 million in FY2025, primarily due to a decrease in operating profit before tax.

Non-HKFRS Measures

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

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

The following table sets out the reconciliation to net profit for the periods indicated:

	Fiscal year		
	2025 RMB'000	2024 RMB'000	Change %
Net profit	**183,751**	248,855	-26.2%
Add			
— Equity-settled share-based payment expenses	**18,815**	12,321	52.7%
— Losses on fair value changes in financial assets measured at fair value — SAFE	**11,047**	—	N/A
— Impairment loss of investment in an associate	**59,572**	—	N/A
— Share of losses of an associate	**25,347**	20,557	23.3%
Non-HKFRS adjusted net profit for the period	**298,532**	281,733	6.0%

(1) Equity-based share-based payment expenses are expenses arising from granting shares through the Share Option Scheme and Employee Incentive Platforms to relevant eligible employees of the Group, the amount of which may not directly correlate with the underlying performance of our business operations;

(2) Fair value changes in financial assets measured at fair value came from the future equity simple agreement investment in Rapid Medical. The Group recognised the losses on changes based on the fair value of this future equity simple agreement investment as of 31 December 2025;

(3) Impairment loss of investment in an associate came from the investment in Rapid Medical. The Group made impairment loss based on value in use of Rapid Medical as of 31 December 2025;

(4) Share of losses of an associate came from Rapid Medical. The Group began to treat Rapid Medical as an associate under equity method from accounting perspective since May 2021.

Inventories

Our inventories consist of (1) raw materials used in production and research and development; (2) work in progress; and (3) finished goods.

Our inventory decreased from RMB157.3 million as of 31 December 2024 to RMB118.7 million as of 31 December 2025, primarily due to the effective enhancement of the Group's inventory turnover in FY2025.

Current Trade and Other Receivables

Our current trade and other receivables primarily consist of (1) trade receivables; and (2) prepayments and deposits.

Our current trade and other receivables increased from RMB177.0 million as of 31 December 2024 to RMB362.0 million as of 31 December 2025, primarily due to an increase in trade receivables as a result of the changes in the Group's credit policy.

Trade and Other Payables

Our trade and other payables primarily consist of (1) trade payables due to third-party suppliers and related parties; (2) dividend payable; (3) accrued expenses; (4) accrued payroll; and (5) other payables.

Our trade and other payables decreased from RMB213.4 million as of 31 December 2024 to RMB204.8 million as of 31 December 2025, with no significant change.

Lease Liabilities

As of 31 December 2025, the Group recorded lease liabilities of RMB15.9 million, which were primarily in relation to the properties the Group leased for our office premises, manufacturing and R&D facilities. The Group recognizes lease liabilities with respect to all leases, except for short-term leases and leases of low value assets.

Capital Expenditure

During the FY2025, the capital expenditure of the Group amounted to RMB36.9 million, representing an addition of intangible assets and property, plant and equipment. In particular, the intangible assets of the Group primarily represent the capitalized development costs.

Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries. As of 31 December 2025, certain portion of the Group's bank balances was denominated in U.S. dollars. The Group currently does not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances, trade receivables, trade and other payables, and other amounts denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as of 31 December 2025.

Significant Investment

As of 31 December 2025, the Group's significant investment included investments in an associate Rapid Medical, in which the investment cost was US$27.5 million (equivalent to RMB191.9 million). The issued and fully paid share capital of Rapid Medical is 22.1 million shares, 22.3% of which are held by the Group, and its principal business is the development, manufacture and sale of innovative devices for neuro-interventional procedures. During the Reporting Period, Rapid Medical recorded a loss of US$16.3 million (equivalent to RMB113.8 million), which was mainly due to the increase in R&D and sales activities expenses of Rapid Medical, and the Group recorded a share of losses of an associate of RMB25.3 million and an impairment loss of investment in an associate of RMB59.6 million based on the value in use of such associate as of 31 December 2025. As at 31 December 2025, the net carrying amount of the Group's investment in an associate Rapid Medical was nil.

Contingent Liabilities

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

Capital Management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher Shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Liquidity and Financial Resources

The Group's cash and cash equivalents were approximately RMB611.3 million as of 31 December 2025, as compared to approximately RMB622.6 million as of 31 December 2024, primarily due to the net cash inflow from operating activities of approximately RMB202.0 million, net cash outflow from investing activities of approximately RMB67.1 million and net cash outflow from financing activities of approximately RMB139.9 million during the Reporting Period. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Borrowings and Gearing Ratio

Total borrowings of the Group, including interest-bearing borrowing as of 31 December 2025 and 31 December 2024 were nil. As of 31 December 2025, the gearing ratio of the Group (calculated as total interest-bearing borrowings and lease liabilities divided by total equity) decreased to 0.9%, as compared to 2.2% as of 31 December 2024.

Net Current Assets/Liabilities

The Group's net current assets as of 31 December 2025 were RMB1,249.2 million, as compared to net current assets of RMB1,108.5 million as of 31 December 2024. Such increase was mainly attributable to a significant increase in working capital during the Reporting Period.

Charge on Assets

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

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

As of 31 December 2025, the Group did not have any plans for material investments and capital assets.

OTHER INFORMATION

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

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 26 June 2024 (the "**AGM**"), the Directors were granted a general mandate to exercise the right to purchase on-market Shares not exceeding 10% of the aggregate number of issued Shares (excluding treasury shares) as at the date of the AGM (the "**Buy-back Mandate**"). During the Reporting Period, pursuant to the Buy-back Mandate, the Company bought back an aggregate of 1,772,000 Shares on the Stock Exchange at a total consideration of approximately HK$19,904,260, exclusive of commissions and other expenses.

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

Month of buy-back	Number of Share bought back	Consideration per Share		Total consideration paid for the buy-back	Status of the Repurchased Shares
		Highest price paid HK$	Lowest price paid HK$	HK$	
April 2025	1,168,000	11.64	11.02	13,364,060	Held as Treasury Shares
May 2025	513,000	10.80	10.32	5,427,480	Held as Treasury Shares
June 2025	91,000	12.30	12.12	1,112,720	Held as Treasury Shares

As of 31 December 2025, 1,772,000 Repurchased Shares were not cancelled and were held by the Company as treasury shares (as defined in the Listing Rules) intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under the share scheme. During the Reporting Period, the Company did not sell or transfer any treasury shares.

During the Reporting Period, Trustee of the Share Award Scheme purchased 1,446,000 Shares on the Stock Exchange at the total consideration of HK$12,208,200 (equivalent to RMB11,306,399) and 1,772,000 Shares purchased by the Company as treasury shares of the Company at the total consideration of HK$19,904,260 (equivalent to RMB18,433,962) pursuant to the terms of the trust deed under the Share Award Scheme. Save as disclosed in this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

As at the Latest Practicable Date, there were no material events after the Reporting Period.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on Listing Date with total net proceeds from the listing of approximately HK$278.1 million after deduction of the underwriting commissions, fees and other estimated expenses payable by the Company in connection with the Global Offering. The proceeds from listing are and will continuously be used in accordance with the plans as disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus, namely:

Use of proceeds	Approximate percentage of total amount (%)	Amount of net proceeds allocated upon listing (HK$ million)	Utilized amount as at 1 January 2025 (HK$ million)	Unutilized amount as at 1 January 2025 (HK$ million)	Utilized amount during the Reporting Period (HK$ million)	Unutilized amount as at 31 December 2025 (HK$ million)	Expected timeline of full utilization
Research and development of therapeutic and access products for hermorrhagic stroke, cerebral atherosclerotic stenosis and AIS	30%	83.4	83.4	—	—	—	Fully utilized
Commercialization of the Company's products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS	20%	55.6	55.6	—	—	—	Fully utilized
Expansion of the Company's manufacturing facility to increase the scale of the Company's production	15%	41.7	41.7	—	—	—	Fully utilized
Expansion of the Company's global presence	20%	55.6	55.6	—	—	—	Fully utilized
Advancing the Company's product portfolio through strategic acquisitions, investment, cooperation or a combination of these tactics	10%	27.8	12.7	15.1	15.1	—	Fully utilized
Working capital and other general corporate purposes	5%	13.9	13.9	—	—	—	Fully utilized

Save as disclosed above, the Group has not utilized any other portion of the net proceeds.

DIRECTORS

Executive Directors

Mr. Xie Zhiyong (謝志永), born in 1976, was appointed as our Director on November 2, 2020 and re-designated as our executive Director on December 16, 2021. He joined our Group in April 2012 and has been serving as our president since then. He was appointed as chief executive officer in January 2024 and is mainly responsible for the overall management of our Group. He is also a member of the Nomination Committee, the Strategic Committee and the Commercialization Committee. Mr. Xie also holds various directorships and management positions in our Group companies including a director and general manager of MicroPort NeuroTech (Shanghai) Co., Ltd. ("**MicroPort Neuro**") since May 2012, and was appointed as Chairman of the Board from November 2023.

Mr. Xie had over 27 years of experience in the neuro-intervention industry. Prior to joining our Group, from January 1999 to March 2012, Mr. Xie successively served as a R&D engineer, a manager of the stent R&D department and a R&D director at Shanghai MicroPort Medical, where he was primarily responsible for R&D of coronary stents, peripheral vascular products and neuro-interventional products including leading the R&D work for APOLLOTM Intracranial Stent System ("**APOLLOTM Intracranial Stent**"). Mr. Xie was awarded the Second Prize for National Science and Technology Award (國家科學技術進步獎二等獎) by the State Council in February 2007 and December 2014, the First Prize and Second Prize for the Science and Technology Award of Shanghai (上海市科學技術獎一等獎及二等獎) by the Shanghai Municipal Government in November 2009, the Second Prize for the Science and Technology Award of Shanghai Pudong New Area (上海市浦東新區科技進步獎二等獎) by the People's Government of Shanghai Pudong New Area in January 2017, and the First Prize for the Science and Technology Award of Shanghai (上海市科學技術獎一等獎) by the Shanghai Municipal Government in December 2020. He was also recognised as a Zhangjiang Professional of Excellence (張江卓越人才) by the Management Committee of Shanghai Zhangjiang Hi-Tech Park (上海市張江高科園區管理委員會) in July 2017, a Leading Talent of Shanghai (上海市領軍人才) by the Organization Department of CPC Shanghai Committee (中共上海市委組織部) and Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in February 2020 and a Senior Engineer (正高級工程師) by the Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in December 2020. He has 100 authorized patents in China and overseas, presided over nine provincial and ministerial projects, and led the research and development of neuro-interventional medical devices, of which two were admitted to the "Green Path" of the NMPA and four were rated as innovative products in Shanghai.

Mr. Xie graduated from Shanghai Jiao Tong University (上海交通大學) in the PRC with a major in communications engineering in July 2004 and obtained his master's degree in project management from Zhejiang University (浙江大學) in the PRC in June 2011.

Mr. Wang Yiqun Bruce (王亦群), born in 1965, was appointed as our Director on November 2, 2020 and re-designated as our executive Director on December 16, 2021. He joined our Group in June 2015 and has been serving as our senior vice president since then. Mr. Wang is mainly responsible for the R&D and the international business of our Group. Mr. Wang is also the chairperson of the Commercialization Committee. He also holds various directorships and management positions in our Group companies including a director of MicroPort Neuro since December 2015.

Mr. Wang has over 30 years of experience in the neuro-intervention industry. Prior to joining our Group, from September 1986 to December 1990, Mr. Wang worked as an assistant engineer at 621 Research Institute of Aviation Industry Corporation (航空工業總公司621研究所), a comprehensive scientific research institute principally engaged in the technological and engineering research of advanced aeronautical materials. From 1991 to 1995, Mr. Wang served as a researcher at the University of Florida in the United States where he was primarily conducting the research of materials science. From November 1995 to 2013, Mr. Wang successively served as a principal engineer, senior marketing manager and group product manager at Boston Scientific Corporation, a manufacturer of medical devices used in interventional medical specialties, where he was primarily responsible for the R&D and the sales and marketing of neuro-interventional products. From 2013 to 2015, Mr. Wang served as a managing director and chief executive officer of Medinova Global LLC, a company principally engaged in the development and consultancy of marketing channels for medical device companies. Mr. Wang was recognised as an expert of the Shanghai Foreign Elite Talent Introduction Program (上海海外高層次人才引進計劃) in 2016. He was awarded the First Prize for Science and Technology Award of Shanghai (上海市科技進步獎一等獎) by the Shanghai Municipal People's Government (上海市人民政府) in 2020.

Mr. Wang obtained his bachelor's degree in polymer materials from Beijing Institute of Chemical Technology (北京化工學院) (now known as Beijing University of Chemical Technology (北京化工大學)) in the PRC in July 1986, his master of science degree in materials science and engineering from the University of Florida in the United States in December 1992 and his second master's degree of business administration executive program from Temple University in the United States in May 2006.

Non-executive Directors

Dr. Zhang Jie (張劼), born in 1979, was appointed as a non-executive Director and Chairman of the Board on 14 November 2025. He is also a member of the Remuneration Committee and the chairperson of the Strategic Committee.

Dr. Zhang is Chief Technology Officer of Greater China region of MicroPort Scientific Corporation ("**MicroPort**", a company listed on the Hong Kong Stock Exchange, stock code: 853). As an Outstanding Technical Leader in Shanghai, he also provides in-house mentorship for postgraduates at Zhejiang University, East China University of Science and Technology and University of Shanghai for Science and Technology. Dr. Zhang joined MicroPort in 2007. As the principal researcher and key inventor of technologies for the Firehawk® Stent, Dr. Zhang effectively overcame complex technological challenges and secured several invention patents both domestically and internationally. Since joining MicroPort, Dr. Zhang has played a crucial role in the development of new technologies and products. He has spearheaded R&D efforts across multiple businesses within MicroPort, while incubating emerging products in the areas of ophthalmology, otorhinolaryngology, dentistry and medical cosmetology. Dr. Zhang has amassed multiple innovations over the past 17 years, secured the First Prize of the Shanghai Scientific and Technological Progress Awards and the Silver Prize of the China Patent Award, and now has 53 domestic and international authorized patents.

Dr. Zhang received his bachelor's degree in communication engineering from Zhejiang University of Technology in 2002, his master's degree in Test and Measurement Technology and Instrumentation in 2007, and his Ph.D. in Biomedical Engineering in 2021, both from University of Shanghai for Science and Technology.

Mr. Liu Xudong (劉旭東), born in 1975, was appointed as a non-executive Director on November 14, 2025. He is also a member of the commercialization committee.

He is the executive deputy general manager of Shanghai MicroPort Weilian Weitong Health Management Co., Ltd.* (上海微創微聯微通健康管理有限公司). Mr. Liu has nearly 25 years of marketing experience in the healthcare sector and more than 15 years of experience managing marketing teams. From 2005 to 2023, Mr. Liu worked at Shenzhen Mindray Bio-Medical Electronics Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300760.SZ, "**Mindray**"), primarily responsible for sales and successively served as regional manager, senior regional manager and department head. In 2024, Mr. Liu worked at Shanghai BioGerm Medical Technology Co., Ltd. as deputy general manager of marketing, where he assumed overall responsibility for the sales, marketing, technical support and commercial departments, and led the upgrade of the sales system and reconstruction of the distribution channels.

Mr. Liu received his bachelor's degree in marketing from Shandong University in 2005, and MBA degree from Capital University of Economics and Business in 2008.

Ms. Wu Xia (吳夏), born in 1981, was appointed as our Director on November 19, 2021 and was re-designated as our non-executive Director on December 16, 2021. She is primarily responsible for overseeing the management and operations of our Group.

Ms. Wu has over 14 years of experience in research and private equity investment focusing on healthcare industry. Ms. Wu joined CICC Jia Cheng Investment Management Company Limited (中金佳成投資管理有限公司) in July 2008 and served as vice president from January 2012 to December 2014 and as executive director from January 2015 to August 2018. Ms. Wu transferred into CICC Capital Management Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**") in August 2018 as an executive director and has been serving as a managing director of CICC Capital since January 2019, where she is primarily responsible for the overall investment and management of CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) (中金康瑞壹期(寧波)股權投資基金合夥企業(有限合夥)). Ms. Wu has also been serving as a director of Genetron Holdings Limited, a company whose shares were previously listed on the NASDAQ under the trading symbol of "GTH" and delisted in March 2024, since September 2017, and a non-executive director of MicroPort CardioFlow Medtech Corporation (微創心通醫療科技有限公司), a medical device company whose shares are listed on the Stock Exchange (stock code: 2160). She was awarded "Outstanding Young PE Investor of the Year 2018" by China Renaissance (華興資本) in 2018.

Ms. Wu obtained her bachelor's degree in finance from Peking University (北京大學) in the PRC in July 2003 and her master's degree in economics and finance from the University of Warwick in the United Kingdom in January 2005.

Independent non-executive Directors

Dr. Zhang Haixiao (張海曉), born in 1971, was appointed as our independent non-executive Director on June 22, 2022. She is also the chairperson of the Nomination Committee and a member of the Audit Committee.

Dr. Zhang has over 27 years of working experience in law firms and acquired extensive corporate governance experience by providing legal consulting services including but not limited to anti-corruption compliance consulting, internal compliance investigation, intellectual property and anti-unfair competition law consulting services to a number of multinational companies and listed companies. From October 1998 to March 2000, she served as a legal assistant at the Shanghai Representative Office of Schulz Noack Bärwinkel Law Firm (舒諾貝律師事務所上海辦事處). From March 2000 to July 2003, she served as a practicing lawyer at the Shanghai Office of Beijing Junhe Law Firm (北京市君合律師事務所上海分所). From September 2004 to July 2006, she worked at Shanghai Bangxinyang Law Firm (上海邦信陽律師事務所). From July 2006 to March 2008, she served as a senior associate at the Shanghai Representative Office of Weil Gotshal & Manages LLP (威嘉國際律師事務所上海代表處), where she was primarily responsible for providing legal advice on mergers and acquisitions. From March 2008 to May 2009, she successively served as a senior legal consultant at the Shanghai Representative Office of WongPartnership LLP and a partner at Shanghai Yuanda Law Firm (上海元達律師事務所). From July 2009 to April 2019, she served as a partner at Beijing Zhonglun (Shanghai) Law Firm (北京市中倫(上海)律師事務所), where she was primarily responsible for providing legal advice on anti-corruption, compliance, intellectual property and dispute resolution related matters. Since April 2019, she has been serving as a partner at Beijing Anjie Broad Law Firm (北京安傑世澤律師事務所), where she was mainly responsible for providing legal advice on anti-corruption, compliance, intellectual property and dispute resolution related matters. From 2015 to 2019, she was continuously rated as the "Leading Individual in Compliance" by the international legal ranking institution Legal Band. She has also been serving as an expert member of the Arbitration and Anti-Corruption Working Group of the ICC Arbitration and ADR Committee of the International Chamber of Commerce since November 2019.

Dr. Zhang obtained her first bachelor's degree in industrial management engineering from Tongji University (同濟大學) (formerly known as Shanghai Institute of Building Materials Industry (上海建築材料工業學院)) in the PRC in July 1993 and her second bachelor's degree in international economic law from Fudan University (復旦大學) in the PRC in July 1995. She obtained her master's degree in law from University of Pennsylvania in the United States in May 2002 and her doctor's degree in law from Fudan University (復旦大學) in the PRC in June 2013.

Mr. Fan Xin (樊欣), born in 1979, was appointed as our independent non-executive Director on June 26, 2024. He is also the chairperson of the Audit Committee and a member of the Remuneration Committee.

Mr. Fan has served as the chief financial officer at Bilibili Inc. (Nasdaq: BILI; HKEX: 9626) ("**Bilibili**") since September 2017. Prior to that, Mr. Fan served as Bilibili's vice president of finance since April 2016.

Prior to that, Mr. Fan served as a finance director at NetEase Inc. (Nasdaq: NTES; HKEX: 9999.HK) from 2011 to 2016. Prior to 2011, Mr. Fan held various positions at KPMG Huazhen for an aggregate of eight years and served as a senior manager there from 2008 to 2011. Mr. Fan has also served as an independent director of Sipai Health Technology Co., Ltd. (HKEX: 0314.HK) since May 2023.

Mr. Fan received his bachelor's degree in international accounting from Shanghai University of Finance and Economics in 2001. Mr. Fan is a regular member of the American Institute of Certified Public Accountants and a certified public accountant in China. He also holds licenses as chartered global management accountant and chartered certified accountant in the United Kingdom.

Mr. Li Zhiyong (李志勇), born in 1976, was appointed as our independent non-executive Director on June 27, 2025. He is also the chairperson of the Remuneration Committee and a member of the Nomination Committee, the Strategic Committee and the Commercialization Committee.

Mr. Li has served as Vice Chairman and Secretary General of China Association of Medical Equipment since April 2022. Prior to that, Mr. Li served as Project Specialist, Deputy Secretary General and Secretary General of China Association of Medical Equipment from 2007 to 2022.

Mr. Li has long been committed to the promotion of medical equipment technological innovation and industrial development. As the deputy editor-in-chief, he has published the "Development Status and Trend of Medical Equipment in China" (《中國醫學裝備發展狀況與趨勢》) and the "Patent Report of Medical Equipment in China" (《中國醫學裝備專利報告》), and has carried out the construction of medical-industrial collaborative innovation platforms and surgical skills application training centers, and has published more than 20 papers.

Mr. Li has served as an independent director of China Meheco Group Co., Ltd. (SHEX: 600056.SH) since February 2023. Mr. Li has also served as an independent director of TINAVI Medical Technologies Co., Ltd. (SHEX: 688277.SH) since September 2023.

Mr. Li obtained an Executive Master of Business Administration degree from Tsinghua University in 2019. Mr. Li is also a certified senior information system project manager.

Mr. Liu Thomas A. (劉安), born in 1964, was appointed as the independent non-executive Director on December 29, 2025. He is also a member of the Audit Committee, the Strategic Committee and the Commercialization Committee.

Mr. Liu is a seasoned executive with over 30 years of senior leadership experience in supply chain logistics, manufacturing, industrial automation, risk management, and operations across Asia Pacific, North America, and Europe. He currently serves as a senior advisor of China Harbour Engineering Company Limited and Investment Committee member of Hong Kong Science and Technology Parks Corporation. From August 2022 to August 2023, Mr. Liu served as an independent director of GigaCloud Technology Inc. (a company listed on NASDAQ, stock symbol: GCT). From September 2020 to December 2023, Mr. Liu served as the President of Greater China of Prologis Inc., overseeing operations, business development, capital deployment, venture capital investment, and mergers and acquisitions. Prior to these roles, from September 2014 to March 2020, Mr. Liu served as Head of Wanda Capital, overseeing capital deployment, strategic acquisition, fundraising and risk management for Dalian Wanda Group, a cross-industry multinational conglomerate. Furthermore, Mr. Liu's earlier roles include managing director at Blue Ridge Capital from August 2009 to September 2014, where he led operational value-add initiatives and fundraising, and a managing director at Honeywell Greater China from June 2006 to August 2009, where he propelled the company's substantial revenue growth. Mr. Liu also held leadership positions at Lear Corporation and Johnson Controls, driving significant growth in automotive and manufacturing sectors.

Mr. Liu received his bachelor's degree in manufacturing systems engineering from GMI Engineering & Management Institute (currently known as Kettering University) in September 1989, his master's degree in systems design engineering from University of Waterloo in April 1992 and his EMBA degree in finance and investment from Cheung Kong Graduate School of Business in April 2012.

SENIOR MANAGEMENT

Dr. Liao Wangcai (廖旺才), born in 1964, was appointed as the chief technology officer in January 2024 and is mainly responsible for the research and development affairs of the Group.

Dr. Liao has over 29 years of experience in medical research and development. Prior to joining the Group, Dr. Liao served as an assistant engineer at Wuhan School of Geodesy and Geomatics (武漢測繪學院) (now known as Wuhan University) from 1985 to 1988. From 1995 to 1997, 1998 to 1999 and 1999 to 2001, Dr. Liao was engaged in postdoctoral research at the Institute of Physics, Chinese Academy of Sciences, Rehabilitation Institute of Chicago and Northwestern University Medical School, Department of Pathology and Laboratory Medicine (DPALM) of University of Texas Houston Medical School. From 1997 to 1998, Dr. Liao served as an associate researcher in the Department of Psychology at the Chinese University of Hong Kong, mainly responsible for the research and development of electroencephalography systems. From 2001 to 2005, Dr. Liao served as senior engineer and chief engineer successively at ZOLL Medical Corporation. From 2005 to 2007, Dr. Liao served as a senior scientist at Guidant Corporation (later acquired by Boston Scientific Corporation (XNYS: BSX)) and Boston Scientific Corporation, leading and completing a number of research and development work related to pulmonary artery blood pressure and intracardiac blood pressure sensors. Dr. Liao served as chief engineer at InnerPulse, Inc. from 2007 to 2009, as chief scientist at Cyberonics, Inc. (NASDAQ: CYBX, later merged with Sorin S.p.A (BIT: SRN) to become LivaNova PLC) and subsequently at LivaNova PLC (NASDAQ: LIVN) from 2009 to 2018, and a chief auditor and medical product expert successively at TÜV SÜD, TÜV Rheinland and DEKRA from 2018 to 2022. From 2022 to 2023, Dr. Liao served as vice president of research and development at MicroPort Soaring CRM (Shanghai) Co., Ltd.

Dr. Liao received a bachelor's degree in radio from the Wuhan School of Geodesy and Geomatics (now known as School of Geodesy and Geomatics of Wuhan University) in China in June 1985, a master's degree in geophysics from the Institute of Geology, China Earthquake Administration in June 1991, and a PhD in biomedical engineering from Tsinghua University in June 1995. He has been an associate member of the Institute of Electrical and Electronics Engineers since 2002.

Mr. Duan Lei (段磊), born in 1982, joined our Group on October 1, 2014 as a senior vice president of sales and promotion of neurovascular disease treatment solutions. He was appointed as chief marketing officer in January 2024 and is primarily responsible for overall management of sales and promotion of neuro-interventional solutions of our Group.

Mr. Duan has over 20 years of experience in marketing and sales of medical devices. Prior to joining our Group, from July 2006 to September 2014, Mr. Duan successively served as a sales representative and sales manager in North China at Shanghai MicroPort Medical, where he was primarily responsible for the sales of coronary stents in North China from July 2006 to March 2012 and the sales of APOLLO™ Intracranial Stent in North China from March 2012 to September 2014.

Mr. Duan graduated from Jiangnan University (江南大學) in the PRC with a major in finance via distance learning in July 2018.

Ms. Lu Huina (盧惠娜), born in 1984, joined our Group on April 1, 2016 as a manager of strategy and project management. From January 2017 to April 2025, Ms. Lu successively served as a senior manager of project management and clinical affairs, director of project management and clinical affairs, advanced director of R&D and clinical affairs, and senior director of quality, regulatory and clinical affairs. Since April 2025, Ms. Lu has been serving as a vice president of quality, regulatory, and clinical affairs, primarily responsible for quality, regulatory and clinical affairs of our Group.

Prior to joining our Group, from March 2010 to March 2013, Ms. Lu served as a R&D engineer at Shanghai MicroPort Medical, where she was primarily responsible for R&D of neurovascular products. From April 2013 to March 2016, Ms. Lu served as a supervisor of product development of Shanghai MicroPort Medical, where she was primarily responsible for its product development. Ms. Lu received a Project Management Professional certificate from Project Management Institute in September 2012. She was awarded the Second Prize for Science and Technology Award of Shanghai Pudong New Area (上海市浦東新區科技進步二等獎) by the People's Government of Shanghai Pudong New Area in January 2017, Science and Technology Award of Shanghai (上海市科技進步獎) by the Shanghai Municipal People's Government in December 2020, Pudong's Pearl Engineer in November 2023 and selected for Shanghai Eastern Talent Plan in December 2024.

Ms. Lu obtained her bachelor's degree in polymer materials and engineering from Nanchang University (南昌大學) in the PRC in July 2007 and her master's degree in material science from Shanghai University (上海大學) in the PRC in April 2010.

Ms. Wu Zaoli (吳造力), born in 1983, joined our Group on December 7, 2012 as a manager of human resources and administration. From December 2012 to November 2020, Ms. Wu successively served as a manager, senior manager, director and advanced director of human resources and administration. Since November 2020, she has been serving as a senior director of human resources and administration, primarily responsible for human resources and administration management of our Group.

Prior to joining our Group, from September 2007 to December 2012, Ms. Wu successively served as a human resources promotion specialist, head of editorial department and corporate culture manager at Shanghai MicroPort Medical, where she was primarily responsible for corporate culture affairs.

Ms. Wu obtained her bachelor's degree in administrative management and master's degree in industrial economics from Shanghai Maritime University (上海海事大學) in the PRC in July 2005 and October 2007, respectively.

Ms. Hou Zhuoping (後卓萍), born in 1978, joined our Group on June 1, 2018 as a senior financial manager, and has successively served as a senior manager and advanced director of finance. Since July 2025, she has been serving as a senior director of finance, primarily responsible for finance of our Group.

Ms. Hou has over 26 years of experience in accounting and financial management. Prior to joining our Group, from June 1999 to April 2004, Ms. Hou successively worked at the Shanghai branch of Boli Food Industry (Kunshan) Co., Ltd. (波力食品工業(昆山)有限公司) ("**Boli Food**"), a food products manufacturer and distributor, Bote Plastics Industry (Shanghai) Co., Ltd. (波特塑料工業(上海)有限公司) and Boli Food. From July 2004 to March 2015, Ms. Hou successively served as an accountant and finance manager at Shanghai MicroPort Medical, where she was primarily responsible for its finance work. From March 2015 to May 2018, Ms. Hou served as a financial manager at MicroPort Endovascular where she was primarily responsible for its financial matters.

Ms. Hou obtained her bachelor's degree in accountancy from Fudan University (復旦大學) in the PRC in May 2008. Ms. Hou was certified as an Intermediate Accountant (中級會計師) by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in July 2010.

COMPANY SECRETARY

Ms. Yeung Siu Lam (楊兆琳), was appointed as our company secretary on August 14, 2024.

Ms. Yeung is a Senior Manager of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Yeung has over 9 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Yeung is currently the company secretary or joint company secretary of a few Hong Kong listed companies.

Ms. Yeung is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Yeung had obtained a Bachelor of Arts degree from The University of Hong Kong and a Master of Corporate Governance degree from The Hong Kong Metropolitan University.

The board (the "**Board**") of directors (the "**Directors**") of MicroPort NeuroScientific Corporation (the "**Company**" and together with its subsidiaries, the "**Group**") presents this report to the shareholders of the Company (the "**Shareholders**") together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is R&D, manufacturing and the sales of neuro-interventional products and the activities of its subsidiaries are set out in Note 12 to the consolidated financial statements. There are no significant changes in the nature of Group's activities during the year 2025.

FINANCIAL STATEMENTS

The financial position of the Group as at 31 December 2025 and the financial performance of the Group for the year then ended are set out in the consolidated financial statements on pages 171 to 260 of this annual report.

BUSINESS REVIEW

Overview

For the year ended 31 December 2025, the Company recorded the revenue of RMB790.5 million, representing an increase of 3.8% from the year ended 31 December 2024. The Group is committed to building a leading enterprise of emerging technologies in neuro intervention and brain science, providing trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives.

A review of the business of the Group during the year ended 31 December 2025, which includes an analysis of the Group's performance using financial key performance indicators are set out in the section headed "Management Discussion and Analysis" on page 11 to 38 of this annual report. An analysis of the Group's performance indicators is set out in the section headed "Management Discussion and Analysis" — "Financial Review" on page 31 of this annual report. The compliance with relevant laws and regulations which have significant impact on the Group is set out in this report of the Directors. These discussions form part of this annual report.

Environmental Policies and Performance

The Company is well aware of the importance of sustainable development to the Company, and integrates green and low-carbon operation, social responsibility value and other concepts into the Company's operation and management. We have established and improved our environmental management system to regulate the environmental protection of our production sites.

A comprehensive review of the Company's environmental policy and performance during the year ended 31 December 2025 is set out in the "Environmental, Social and Governance Report" on pages 89 to 160 of this annual report.

Compliance with Relevant Laws and Regulations

The Company recognises the importance of compliance with legal and regulatory requirements, as well as the risk of non-compliance. The Company has allocated system and staff resources to ensure ongoing compliance with applicable laws, rules and regulations including but not limited to, those laws, rules and regulations promulgated by the NMPA, the MOFCOM, the State Administration for Market Regulation, the government of the Hong Kong Special Administrative Region, and such regulators' global counterparts in countries where the Company conducts business. We maintain cordial working relationships with regulators through effective communications. Throughout the year ended 31 December 2025, we have strived to operate business in accordance with all applicable laws, rules and regulations in all material respects and there is no investigation, disciplinary proceeding or inquiry by, or order, decree, decision or judgment of any authority outstanding, or, to the best of the Company's knowledge, threatened or expected to be issued against any member of the Company or its respective assets or any person for whose acts or defaults it may be vicariously liable, and which is of a material nature.

PRINCIPAL RISKS AND UNCERTAINTIES

- We are largely dependent on the sales of our commercialised products. Our business, financial condition and results of operations would be materially and adversely affected if sales of these products were to decline;
- We are faced with the substantial competition. Our competitors may have substantially greater resources than we do and may be able to develop more effective products or offer their products at lower prices than we can, which could materially and adversely impact our business, financial condition and results of operations;
- Recently enacted and future legislation, such as the centralized procurement, may increase the difficulty and cost for us to obtain regulatory approval of and commercialize our product candidates and affect their prices;
- Failure to achieve broad market acceptance could have a material adverse impact on our business and results of operations;
- If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected;
- The manufacture of our products is highly complex and subject to strict quality controls. If we or any of our suppliers or logistics partners encounters manufacturing, logistics, or quality problems, including as a result of natural disasters, our business could suffer;
- If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected;
- Our historical operating results may not be representative of future performance. We may need to obtain additional financing to fund our operations. If we are unable to obtain that financing, we may be unable to complete the development and commercialization of our pipeline products; and

- We could be unsuccessful in obtaining or maintaining adequate patent protection for our products and pipeline products 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.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers, and shareholders.

Employees

The Group builds its success on employees' dedication and commitment. We are committed to providing as much opportunities as possible for employees' skills enhancement and career development. The Group aims at cultivating talents in a long run, encouraging employees to realize their full potential and to keep pace with growth of the Company.

As at 31 December 2025, the Group had 547 employees (31 December 2024: 527 employees).

Customers

The Group's principal customers are distributors and hospitals throughout the world. We have established an experienced sales team, a wide network of distributors and hospitals, and tried our best to provide perfect customer service, aiming at maintaining long-term cooperation and strengthening business competitive advantage.

The Group is committed to building "a brand belonging to patients", persisting in continuous innovation for the purpose of solving clinical needs, and enabling medical technology and innovative products that represent the highest technological level in the world to benefit patients around the world.

Shareholders

The Company considers that effective communication with shareholders is essential for enhancing investor relations ("**IR**") and investor understanding of the Company's business performance and strategies. Apart from transparent and timely disclosure of corporate information in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Company has kept effective communication with shareholders through the Company's website, Wechat Official Account, shareholder's hotline, and IR mailbox. Senior management are also pleased to receive shareholders' on-site visit and have one-on-one meetings with them to share the information which they are concerned and enable them to make rational investment decisions.

Future Business Development

The Company's future business development is set out in the "Management Discussion and Analysis" section on page 11 to 38 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, purchases from the Group's largest supplier and the five largest suppliers in aggregate accounted for 30% and 47% respectively of the Group's total purchase for the year. Sales to the Group's largest customer and the five largest customers in aggregate accounted for 25% and 76% respectively of the Group's total revenue for FY2025.

None of the Directors or any of their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest suppliers (except for the MicroPort Group) and customers.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in Note 25 to the consolidated financial statements.

DISTRIBUTABILITY OF RESERVES

As at 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB1,065,658,000 (31 December 2024: RMB1,139,290,000).

GROUP FINANCIAL SUMMARY

A summary of the Group's results and assets and liabilities for the past five financial years is set out in the section headed "Five Years' Financial Summary" of this annual report.

DIRECTORS

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

EXECUTIVE DIRECTORS
Mr. Xie Zhiyong
Mr. Wang Yiqun Bruce

NON-EXECUTIVE DIRECTORS
Dr. Chang Zhaohua *(Former Chairperson, resigned on 14 November 2025)*
Dr. Zhang Jie *(Chairperson, appointed on 14 November 2025)*
Mr. Sun Qingwei *(resigned on 14 November 2025)*
Mr. Liu Xudong *(appointed on 14 November 2025)*
Mr. Wang Lin *(retired on 27 June 2025)*
Ms. Wu Xia

INDEPENDENT NON-EXECUTIVE DIRECTORS
Dr. Xu Yi *(retired on 27 June 2025)*
Dr. Zhang Haixiao
Mr. Fan Xin
Mr. Li Zhiyong *(appointed on 27 June 2025)*
Mr. Liu Thomas A *(appointed on 29 December 2025)*

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 39 to 46 of this annual report.

DIRECTORS' SERVICE CONTRACT

As of the date of this report, the Company has entered into an appointment letter with each of the Director, for an initial term of three years commencing from each Director's appointment date, subject to retirement by rotation and re-election in accordance with the Articles of Association and is subject to termination as provided in the appointment letter.

None of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

COMPETING BUSINESS INTERESTS OF DIRECTORS

During the year ended 31 December 2025, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries pursuant to Rule 8.10 of the Listing Rules.

EMOLUMENT POLICY

We have a market-competitive remuneration and welfare system, which is based on employees' qualification and experience, attaching importance to welfare packages of employees. The comprehensive remuneration package includes fixed salary, allowances, short-term incentive, and long-term incentive, which demonstrates our respect and recognition to talents. Meanwhile, we have established a number of supplementary benefits on top of the statutory benefits. Our employees' compensation includes basic salary, performance-based cash bonuses, incentive shares and other incentives. We determine our employees' compensation based on each employee's performance, qualifications, position and seniority.

The remuneration committee is responsible for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has also adopted the Share Scheme and the Share Award Scheme to provide certain incentives for Directors and eligible employees. Details of the scheme are set out in the section "Share Scheme" and "Share Award Scheme" below.

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration bands of the senior management of the Company for the year ended 31 December 2025 are set out as follows:

Remuneration band (RMB)	Number of individuals
0	0
1–5,000,000	7
> 5,000,000	0

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with highest emoluments are set out in Note 7 and Note 8 to the consolidated financial statements.

PENSION SCHEME

According to relevant laws and regulations, as well as local policies, the Group's subsidiaries worldwide participate in retirement savings plans. Under these plans, the Group is required to pay the defined contribution to the plans by certain rules and up to certain maximums. The only obligation of the Group with respect to the retirement savings plans is to make required contributions under the plans. Contributions made under the retirement savings plans are charged in the statement of profit or loss as incurred.

The Company may not utilize any forfeited contributions in order to make fewer contributions than the current amounts.

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

As at 31 December 2025, the interests and short positions of Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required (a) 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 (b) to be and were entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

(a) Long positions in the shares and underlying shares of the Company:

Name of Director	Number of Shares	Nature/ Capacity of Interest	Notes	Percentage of Shareholding
Mr. Xie Zhiyong	1,378,775	Beneficial Owner	1	0.24%
Mr. Wang Yiqun Bruce	640,063	Beneficial Owner	2	0.11%
Dr. Zhang Jie	33,145	Beneficial Owner	3	0.01%

Notes:

1. As at the end of the Reporting Period, Mr. Xie Zhiyong was interested in (i) 634,775 underlying shares of the Company by virtue of the Award Shares (as defined below); and (ii) 744,000 underlying shares of the Company by virtue of options granted to him under the Company's share scheme(s). Please refer to the section headed "Share Schemes" below for further details.

2. As at the end of the Reporting Period, Mr. Wang Yiqun Bruce was interested in (i) 218,063 underlying shares of the Company by virtue of the Award Shares (as defined below); and (ii) 422,000 underlying shares of the Company by virtue of options granted to him under the Company's share scheme(s). Please refer to the section headed "Share Schemes" below for further details.

3. As at the end of the Reporting Period, Dr. Zhang Jie was interested in 33,145 shares of the Company.

Save as disclosed above, as at 31 December 2025, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2025, the following persons (other than Directors or chief executives of the Company), are directly or indirectly, interested in 5% or more of the shares or short positions in the shares and the underlying shares of the Company, which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholder	Nature of Interest	Number of Shares[1]	Percentage of Shareholding
MP Scientific[2]	Beneficial Owner	225,871,340 (L)	38.61%
MicroPort[2]	Interest of controlled corporation	225,871,340 (L)	38.61%

Notes:

1. The letter "L" denotes a long position in our Shares.

2. MP Scientific is directly wholly owned by MicroPort. By virtue of the SFO, MicroPort is deemed to be interested in the Shares in which MP Scientific is interested.

Save as disclosed above, as at 31 December 2025, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register which is required to be kept under section 336 of the SFO.

MANAGEMENT CONTRACT

During the year ended 31 December 2025, no contract concerning the management and administration of all or any substantial part of the business of the Company was entered into or existed.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party during the year ended 31 December 2025.

Save as disclosed in Note 28(a) to the consolidated financial statements, no contract of significance was entered into between any member of the Group and a controlling shareholder of the Company or any of its subsidiaries or contract of significance for the provision of services to any member of the Group by a controlling shareholder or any of its subsidiaries subsisted as at the end of the year of 2025 or during the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

The Company has maintained directors' liability insurance after Listing which provides appropriate cover for the Directors of the Company.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Apart from the details as disclosed under the heading "Interests and short positions of the Directors and Chief Executives in Shares, underlying Shares and debentures of the Company and its associated corporations" above, at no time during the year ended 31 December 2025 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them during the year; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

CONNECTED TRANSACTIONS

1. Master Catering Services Agreement

On 1 December 2023, the Company and MicroPort agreed to enter into the 2023 Master Catering Services Agreement, pursuant to which the MicroPort Group and its joint ventures and associates agreed to provide or procure the provision of catering services to the Group, including but not limited to provision of (i) daily meals for the employees; and (ii) catering services for conferences and business meals, details of which were set out in the Company's announcement dated 1 December 2023. The term of the 2023 Master Catering Services Agreement is from 1 January 2024 to 31 December 2026 (both dates inclusive).

It is estimated that the maximum transaction amounts for the procurement of the Catering Services for each of the three years ending 31 December 2026 will not exceed RMB3.3 million, RMB3.7 million and RMB3.9 million, respectively. In FY2025, the transaction amount under the agreement was RMB0.4 million.

2. Master Supporting Services Procurement Agreement

On 1 December 2023, the Group and MicroPort agreed to enter into the 2023 Master Supporting Services Procurement Agreement, pursuant to which the MicroPort Group and its joint ventures and associates agreed to provide the Group certain supporting services, including but not limited to animal testing services, product testing services, simulation technical services, sterilization services and administrative support services (the "**Supporting Services**"), details of which were set out in the Company's announcement dated 1 December 2023. The term of the 2023 Master Supporting Services Procurement Agreement is from 1 January 2024 to 31 December 2026 (both dates inclusive).

On September 27, 2024, the Group and MicroPort entered into a supplemental agreement to revise original annual caps for the continuing connected transactions under the 2023 Master Supporting Services Procurement Agreement for the three years ending December 31, 2026.

It is estimated that the maximum transaction amounts in relation to the procurement of the Supporting Services for each of the three years ending 31 December 2026 will not exceed RMB15.0 million, RMB20.0 million and RMB20.0 million, respectively. In FY2025, the transaction amount under the agreement was RMB7.2 million.

3. Master Materials Procurement Agreement

On 1 December 2023, the Company and MicroPort agreed to enter into the 2023 Master Materials Procurement Agreement, pursuant to which the Group agreed to procure from or procure through the MicroPort Group and its joint ventures and associates semi-finished products of stents and delivery systems and Rapamycin for use in its R&D and production of products, details of which were set out in the Company's announcement dated 1 December 2023. The term of the 2023 Master Materials Procurement Agreement is from 1 January 2024 to 31 December 2026 (both dates inclusive).

It is estimated that the maximum transaction amounts for the procurement under the 2023 Master Materials Procurement Agreement for each of the three years ending 31 December 2026 will not exceed RMB26.0 million, RMB26.5 million and RMB27.0 million, respectively. In FY2025, the transaction amount under the agreement was RMB3.0 million.

4. Master Technical Cooperation Service Agreement

On 1 December 2023, the Group and MicroPort entered into the Master Technical Cooperation Service Agreement (the "**Master Technical Cooperation Service Agreement**"), pursuant to which the MicroPort Group and its joint ventures and associates agreed to cooperate with the Group on multiple R&D projects and provide technical service to the Group including technical design and development, design verification and confirmation, supply chain management, entrusted production and processing in relation to the R&D projects, technical consultation and support, licenses and the transfer of technology and other technical services (the "**Technical Services**"), details of which were set out in the Company's announcement dated 1 December 2023. The term of the 2023 Master Technical Cooperation Service Agreement is from 1 December 2023 to 30 November 2026 (both dates inclusive).

It is estimated that the maximum transaction amounts in relation to the upcoming procurements of the Technical Services for the period from 1 December 2023 to 31 December 2023, the year ending 31 December 2024, the year ending 31 December 2025 and the eleven months ending 30 November 2026 will not exceed RMB1.5 million, RMB5.9 million, RMB5.9 million and RMB5.9 million, respectively. In FY2025, the transaction amount under the agreement was RMB1.5 million.

5. Master Distribution Agreement

On 27 June 2025, the Company and MicroPort entered into the Master Distribution Agreement (the "**Master Distribution Agreement**"), pursuant to which the Group agreed to grant a non-exclusive right to the MicroPort Group to commercialize and distribute the Group's neurointerventional medical devices in the target markets as set out in the Master Distribution Agreement, details of which were set out in the Company's announcement dated 27 June 2025. The term of the Master Distribution Agreement is from 27 June 2025 to 26 June 2028 (both dates inclusive).

It is estimated that the maximum transaction amounts under the Master Distribution Agreement for each of the period commencing from 27 June, 2025 to 31 December, 2025, the year ending 31 December, 2026, the year ending 31 December, 2027, and the period commencing from 1 January, 2028 to 26 June, 2028 shall be RMB6.0 million, RMB9.0 million, RMB12.0 million and RMB9.0 million, respectively. In FY2025, the transaction amount under the agreement was RMB4.5 million.

The Independent Non-executive Directors have reviewed the Company's continuing connected transactions and confirmed that the relevant transactions have been entered into:

— in the ordinary and usual course of business of the Group;

— on normal commercial terms; and

— on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole pursuant to the agreements governing such transactions.

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

The auditor has provided a letter containing their findings and conclusions in respect of the continuing connected transactions of the Group in accordance with Rule 14A.56 of the Listing Rules.

The Company's auditor has confirmed that regarding the continuing connected transactions of the Group, nothing has come to their attention that causes them to believe that:

— the disclosed continuing connected transactions have not been approved by the Board;

— for transactions involving the provision of goods or services by the Group, such transactions were not, in all material respects, in accordance with the pricing policies of the Group;

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

— the transaction amounts of the disclosed continuing connected transactions as mentioned above have exceeded the annual cap set by the Company.

Save as the aforesaid, there were no discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules in FY2025.

Save as the aforesaid, none of the "Material Related Party Transactions" as disclosed in Note 28 to the consolidated financial statements in FY2025 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent that the above "Material Related Party Transactions" constitute connected transactions or continuing connected transactions as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules in FY2025

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

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 26 June 2024 (the "**2023 AGM**"), the Directors were granted a general mandate to exercise the right to purchase on-market Shares not exceeding 10% of the aggregate number of issued Shares (excluding treasury shares) as at the date of the 2023 AGM (the "**Buy-back Mandate**"). During the Reporting Period, pursuant to the Buy-back Mandate, the Company bought back an aggregate of 1,772,000 Shares on the Stock Exchange at a total consideration of approximately HK$19,904,260, exclusive of commissions and other expenses.

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

Month of buy-back	Number of Shares bought back	Consideration per Share		Total consideration paid for the buy-back	Status of the Repurchased Shares
		Highest price paid	Lowest price paid		
	HK$	HK$	HK$		
April 2025	1,168,000	11.64	11.02	13,364,060	Held as Treasury Shares
May 2025	513,000	10.80	10.32	5,427,480	Held as Treasury Shares
June 2025	91,000	12.30	12.12	1,112,720	Held as Treasury Shares

As of 31 December 2025, 1,772,000 Repurchased Shares were not cancelled and were held by the Company as treasury shares (as defined in the Listing Rules) intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under the share scheme.

During the Reporting Period, the Company did not sell or transfer any treasury shares. During the Reporting Period, Trustee of the Share Award Scheme purchased 1,446,000 Shares on the Stock Exchange at the total consideration of HK$12,208,200 (equivalent to RMB11,306,399) and 1,772,000 Shares purchased by the Company as treasury shares of the Company at the total consideration of HK$19,904,260 (equivalent to RMB18,433,962) pursuant to the terms of the trust deed under the Share Award Scheme. Save as disclosed in this annual report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 December 2025.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

SHARE SCHEMES

Share option scheme

A share scheme (the "**Share Scheme**") was adopted by the Company on 12 July 2023 ("**Adoption Date**"), after the approval of the annual general meeting on 28 June 2023. The terms of the Share Option Scheme are governed by Chapter 17 of the Listing Rules.

A summary of the principal terms of the Share Scheme is set out below:

1. Purpose

   The purpose of the Share Scheme is to provide incentive to the Eligible Participants in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

2. Administration of the Share Scheme

The Share Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Scheme or its interpretation or application or effect shall (save as otherwise provided in the Share Scheme and in the absence of manifest error) be final and binding. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the Share Scheme, the Board shall have the right to (i) interpret and construe the provisions of the Share Scheme; (ii) determine the persons who will be offered Awards under the Share Scheme, and the number of Shares and the Exercise Price or Issue Price in relation to such Awards; (iii) make such appropriate and equitable adjustments to the terms of Awards granted under the Share Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the Share Scheme.

Subject to compliance with the Listing Rules, the authority to administer the Share Scheme may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board.

The Company may establish a trust ("**Trust**") and appoint a trustee to hold Shares for the purposes of (i) holding Award Shares allotted and issued by the Company and reserved for specified Eligible Participants; (ii) settling Awards; and (iii) taking other actions for the purposes of administering and implementing the Share Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee of the Trust holding unvested Award Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules.

3. Eligible Participants and the Basis of Eligibility

The Eligible Participants are the Employee Participants, the Related Entity Participants and the Service Provider Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (1) the performance of the Employee Participant; (2) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (3) the time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

A service provider participant (the "**Service Provider Participant**") refers to a person who provides services to any member of the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall be excluded.

4. Scheme Limits

The Scheme Mandate Limit

The total number of Shares which may be issued in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"), which is 58,265,810 Shares. Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. The maximum entitlement of each Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)-month period up to and including the date of such grant representing in aggregate shall not exceeding 1% of the Shares in issue.

The Service Provide Participant Sublimit

Subject to the above, the total number of Awards which may be issued in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the Shares in issue as at the Adoption Date (the "**Service Provider Participant Sublimit**") within the Scheme Mandate Limit. Awards lapsed in accordance with the terms of the Share Scheme will not be regarded as utilised for the purpose of calculating the Service Provider Participant Sublimit.

Refreshment

The Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and/or the Service Provider Participant Sublimit under the Share Scheme on or after the third anniversary of the date of the Shareholders' approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (i) the Awards under the Share Scheme and (ii) the options and awards to be granted under any other schemes of the Company as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph (3), the Company must send a circular to the Shareholders containing the information required under the Listing Rules. Any refreshment within any three-year period shall be subject to independent Shareholders' approval.

Grant in excess of the Scheme Mandate Limit

The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Awards exceeding the Scheme Mandate Limit provided that the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awards to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price or the Issue Price) of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval. For the grant of Share Options, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

The total number of shares available for issue under the Share Scheme are 58,265,810, representing 10% of the issued shares of the Company as at the date of the annual report.

5. Vesting Period

Save for the circumstances prescribed below, an Award must be held by the Grantee for a period that is not shorter than the Minimum Period before the Award can be exercised.

The Board may at its discretion grant Awards to Employee Participants only with a vesting period shorter than the Minimum Period in the following circumstances:

(1) grants of "make-whole" Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers;

(2) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;

(3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;

(4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or

(5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6. Exercise Period, Exercise Price, Issue Price and Exercise of Awards

The exercise period of the Share Scheme shall be determined and notified by the Company to the grantee at the time of making an offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant award.

The Exercise Price shall be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

(1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;

(2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and

(3) the nominal value of the Share on the offer date.

The Issue Price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the Offer Letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.

7. Remaining Life of the Scheme

The Share Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further options shall be granted. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the Share Scheme shall remain in full force and effect.

Subject to the early termination, the remaining life of the Share Scheme is approximately 7 years and 3 months as of the date of this annual report.

8. Outstanding Options Granted as of 31 December 2025

Categories of Grantees	Number of Shares underlying the granted options 1 January of 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercise price	Number of Shares underlying the granted options as of 31 December 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of options	Fair value of options at the date of grant	Share price of the Company immediately before the exercise date of options
Directors														
Xie Zhiyong	126,000	–	–	–	–	–	HK$13.52	126,000	28-07-2023	28-07-2028	2028/7/28–2033/7/27	HK$13.28	HK$6.96	N/A
	239,000	–	–	–	–	–	HK$8.496	239,000	28–03–2024	28–03–2029	2029/3/28–2034/3/27	HK$7.97	HK$4.13	N/A
	126,000	–	–	–	–	–	HK$7.73	126,000	13–09–2024	28–07–2028	2028/7/28–2034/9/12	HK$7.57	HK$2.56	N/A
	–	253,000	–	–	–	–	HK$10.68	253,000	06–05–2025	06–05–2026	2026/5/6–2035/5/5	HK$10.92	HK$2.30 to 4.16	N/A
Wang Yiqun Bruce	79,000	–	–	–	–	–	HK$13.52	79,000	28–07–2023	28–07–2028	2028/7/28–2033/7/27	HK$13.28	HK$6.96	N/A
	125,000	–	–	–	–	–	HK$8.496	125,000	28–03–2024	28–03–2029	2029/3/28–2034/3/27	HK$7.97	HK$4.13	N/A
	79,000	–	–	–	–	–	HK$7.73	79,000	13–09–2024	28–07–2028	2028/7/28–2034/9/12	HK$7.57	HK$2.56	N/A
	–	139,000	–	–	–	–	HK$10.68	139,000	06–05–2025	06–05–2026	2026/5/6–2035/5/5	HK$10.92	HK$2.30 to 4.16	N/A
Other employees of the Group	938,000	–	–	–	16,000	–	HK$13.52	922,000	28-07-2023	28-07-2028	2028/7/28–2033/7/27	HK$13.28	HK$6.93	N/A
	1,792,000	–	–	–	158,000	–	HK$8.496	1,634,000	28–03–2024	28–03–2029	2029/3/28–2034/3/27	HK$7.97	HK$4.12	N/A
	435,000	–	14,400	84,200	18,000	–	HK$6.99	402,600	05-07-2024	2025/7/5–2029/7/5	2025/7/5–2034/7/4	HK$6.88	HK$2.00	HK$14.53
	938,000	–	–	–	16,000	–	HK$7.73	922,000	13-09-2024	28-07-2028	2028/7/28–2034/9/12	HK$7.57	HK$2.54	N/A
	–	2,053,000	–	–	10,000	–	HK$10.68	2,043,000	06–05–2025	2026/5/6–2030/5/6	2026/5/6–2035/5/5	HK$10.92	HK$2.26 to 4.14	N/A
	–	402,300	–	–	9,600	–	HK$14.532	392,700	28–08–2025	2026/8/28–2030/8/28	2026/8/28–2035/8/27	HK$13.75	HK$2.18 to 4.18	N/A
	–	500,000	–	–	–	–	HK$11.302	500,000	20–11–2025	2026/11/20–2030/11/20	2026/11/20–2035/11/19	HK$10.68	HK$2.02 to 3.54	N/A
Total	4,877,000	3,347,300	14,400	84,200	227,600	–	–	7,982,300	–	–	–	–	–	–

Notes:

1. Details of the valuation of Options under the Share Scheme during the year ended 31 December 2025, including the accounting standard and policy adopted for the Share Scheme, are set out in Note 24(d) and Note 1(t(ii)) to the consolidated financial statements.

2. Save as determined by the Board and provided in the offer letter of the grant of an Option, the Share Scheme does not stipulate any performance target a grantee is required to achieve before the relevant award can be exercised.

3. No option was granted to Service Provider Participant since the Share Scheme was adopted. Therefore, the number of options available for grant under the Service Provide Participant Sublimit at the beginning and the end of the year of 2025 was 5,826,581 and 5,826,581, respectively. The number of options available for grant under the Share Scheme at the beginning and the end of the year of 2025 was 53,388,810 and 50,269,110, respectively.

4. The number of shares that may be issued in respect of options during the year of 2025 divided by the weighted average number of shares of the Company in issue for the year equals to 0.006.

5. During the Reporting Period, the weighted average closing price of the Company immediately before the exercise date of options was 14.53 HKD.

6. In relation to the related accounting policy, please refer to note 1(t)(ii) to the consolidated financial statements in the 2025 annual report of the Company.

The estimate of the fair value of the share options granted is measured based on a binomial tree model. The following inputs were used to calculate the fair values of the Options granted:

	Options granted on 6 May 2025	Options granted on 28 August 2025	Options granted on 20 November 2025
Fair value at measurement date	2.26 to 4.16	2.18 to 4.18	2.02 to 3.54
Share price	10.57	12.85	10.4
Exercise price	10.68	14.53	11.30
Expected volatility (expressed as weighted average volatility used in the modelling under binomial tree model)	38.4%	40.5%	40.1%
Option life	10 years	10 years	10 years
Expected dividends yield	1.0%	1.8%	1.8%
Risk-free interest rate	4.30%	3.11%	3.17%

The subjective input assumptions used in calculating the fair value of Options were based on the director's best estimates. Changes in the subjective input assumptions could affect the fair value estimate.

Share award scheme

The Group has adopted a share award scheme on its Board meeting held on 26 August 2022 (the "**Share Award Scheme**") as a means of recognising the contributions of selected employees of the Group. Pursuant to the Share Award Scheme, the Board may, from time to time and at its absolute discretion, award eligible participants by granting shares of the Company ("**Award Shares**"). A summary of the Share Award Scheme was set out in the announcement of the Company dated 26 August 2022.

Purpose and Objectives of the Share Award Scheme

The purpose of the Share Award Scheme is to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Participants of the Share Award Scheme

The Board may, from time to time, at its absolute discretion select any eligible participant (other than any excluded participant) for participation in the Scheme as a selected participant and determine the Award Shares for each of them. Participation in the Scheme limited to selected participants only. The Board is entitled to impose any conditions as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participant to the Award Shares.

The "eligible participants" include any employee or director of the Group; any director or employee of the MicroPort Group and associated companies of the Company who, in the sole and absolute direction of the Board, has contributed or will contribute to the development of the Group; and any service provider who provides service to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group.

Duration

Subject to any early termination or extension as may be determined by the Board according to the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on its adoption date.

Scheme Limit

The Board shall not make any further award of Award Shares which will result in the number of the shares which may be awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued shares of the Company as at the adoption date.

The maximum number of shares which may be awarded to a selected participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company as at the adoption date, save and except approved by the shareholders of the Company in a general meeting.

Operation

The Board shall, in respect of the Scheme and after having regard to the requirement under the Scheme, determines the number of shares to be purchased as scheme shares, and cause to be paid the reference amount from Company's resources to the trustee to be held on trust for purchase the scheme shares. After receiving the reference amount and written instruction from the Company, the trustee shall apply the same towards the purchase the maximum number of shares at the prevailing market price.

Vesting

Unless otherwise provided in the Share Award Scheme, subject to the receipt by the trustee of within the period stipulated in the vesting notice sent to the relevant Selected Participant by the Board or the Committee, and a confirmation from the Company that all vesting conditions having been fulfilled, the trustee shall transfer the relevant Award Shares to the Selected Participant(s) or his/her nominee(s) as soon as practicable after the Vesting Date. The Vesting Date shall be on any Business Day at the end of March of any year or any other date as stated in the Offer Letter or may be otherwise determined by the Board.

The Board may, from time to time, at its absolute discretion select any eligible participant (other than any excluded participant) for participation in the Scheme as a selected participant and determine the Award Shares for each of them. Participation in the Scheme limited to selected participants only. The Board is entitled to impose any conditions as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participant to the Award Shares. Upon receipt of the instruction from the Board as to the name of selected participant and the number of Award Shares to be granted to the selected participant, the trustee shall make relevant arrangement to convert the scheme shares to the Award Shares for the relevant selected participant.

The Share Award Scheme is funded by existing Shares to be purchased by the Trustee on the market. Therefore, no shares available for issue under the Share Award Scheme. As at the date of this report, the remaining life of the Share Award Scheme is approximately 6 years and 4 months.

		Number of Award Shares for the year ended 31 December 2025										
Categories of Grantees	Date of grant	Outstanding as of 1 January 2025	Closing price immediately prior to grant	Fair value of Award Shares at the date of grant[1]	Purchase price	Granted	Vested	Lapsed	Cancelled	Outstanding as of 31 December 2025	Weighted average closing price of Award Shares immediately before the Vesting Date	Vesting schedule
Directors												
Xie Zhiyong	08–04–2025	–	HK$9.20	HK$9.58	HK$0	253,000	253,000	–	–	0	HK$9.20	08–04–2025
Wang Yiqun Bruce	08–04–2025	–	HK$9.20	HK$9.58	HK$0	139,000	139,000	–	–	0	HK$9.20	08–04–2025
The five highest paid individuals of the Group in aggregate (excluding those who are also Directors of the Company)	08–04–2025	–	HK$9.20	HK$9.58	HK$0	282,000	282,000	–	–	0	HK$9.20	08–04–2025
Other employees of the Group	08–04–2025	–	HK$9.20	HK$9.58	HK$0	458,000	458,000	–	–	0	HK$9.20	08–04–2025

Notes:

1. Details of the valuation and the accounting standard and policy adopted for the Share Award Scheme during the year of 2025 are set out in the Note 24(d) and Note 1(t(ii)) to the consolidated financial statements.

2. Subject to fulfilment of vesting conditions including customized performance targets for each grantee, the Award Shares shall be vested according to the vesting schedule.

3. There is no performance target for the grantees to achieve before the relevant Award Shares can be vested.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025.

PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times as of the date of this report as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

DONATION

During the year ended 31 December 2025, the Group made donations of RMB2.0 million.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting (the "**2025 AGM**") of the Company will be held on 3 June 2026. The notice of the 2025 AGM will be sent to shareholders at least 21 clear days before the 2025 AGM.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK$0.09 (tax inclusive) per share (the "**Share**") for the year ended 31 December 2025 to the shareholders whose names appear on the register of members of the Company on Wednesday, 8 July 2026 and also to recommend the offer to the shareholders the right to select as an alternative, to receive such final dividend wholly by allotment of new Shares credited as fully paid in lieu of cash (the "**Scrip Dividend Scheme**"), subject to the approval of the shareholders on the payment of final dividend at the 2025 AGM and the granting by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued pursuant thereto.

Once the relevant resolution is passed at the 2025 AGM, the proposed final dividend is expected to be paid on or about Friday, 21 August 2026. Dividend warrants and share certificates for new shares to be issued under the Scrip Dividend Scheme will be dispatched by ordinary mail on or about Friday, 21 August 2026. The Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Shares save that they will not be entitled to the final dividend for the year ended 31 December 2025.

On the condition that the payment of the above final dividend is approved by the shareholders at the 2025 AGM, a circular containing details of the Scrip Dividend Scheme will be published on or about Thursday, 23 July 2026.

Closure of Register of Members

(a) For determining the entitlement to attend and vote at the 2025 AGM

The register of members of the Company will be closed from Friday, 29 May 2026 to Wednesday, 3 June 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the entitlement to attend and vote at the 2025 AGM is 3 June 2026. In order to be eligible to attend and vote at the 2025 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 28 May 2026 (Hong Kong time), being the last registration date.

(b) For determining the entitlement to the proposed final dividend

The proposed final dividend for the year ended 31 December 2025 is subject to approval by the shareholders at the 2025 AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Saturday, 4 July 2026 to Wednesday, 8 July 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for the proposed final dividend is 8 July 2026. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 3 July 2026 (Hong Kong Time), being the last registration date.

TAX RELIEF AND EXEMPTION

The Company is not aware of any particular tax allowances granted to the Company's shareholders due to their interests in its securities.

CORPORATE GOVERNANCE

The Company's principal corporate governance practices are set out in the Corporate Governance Report of this annual report.

AUDITOR

KPMG has acted as auditor of the Company for the financial year ended 31 December 2025. KPMG shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution may be proposed by our Company at the forthcoming 2025 AGM to re-appoint KPMG as auditor of the Company. There has been no change in auditor since the Listing Date.

On behalf of the Board
MicroPort NeuroScientific Corporation
Chairman and Non-Executive Director
Dr. Zhang Jie

25 March 2026

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the year ended 31 December 2025 ("**2025**" or the "**Reporting Period**").

CORPORATE GOVERNANCE CULTURE AND PURPOSE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

— satisfactory and sustainable returns to Shareholders;

— that the interests of those who deal with the Company are safeguarded;

— that overall business risk is understood and managed appropriately;

— the delivery of high-quality products and services to the satisfaction of customers; and

— that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

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

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the basis of the Company's corporate governance practices.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, the Company has complied with all the applicable code provisions as set out in the CG Code during 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS/MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code/code of conduct during 2025.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

As at 31 December 2025 and up to the date of this Annual Report, the Board currently comprises the following:

Executive Directors

Mr. Xie Zhiyong *(Chief Executive Officer)*
Mr. Wang Yiqun Bruce *(Senior Vice President)*

Non-executive Directors

Dr. Zhang Jie *(Chairperson)*
Mr. Liu Xudong
Ms. Wu Xia

Independent Non-executive Directors

Dr. Zhang Haixiao
Mr. Fan Xin
Mr. Li Zhiyong
Mr. Liu Thomas A.

The biographical information of the Directors is set out in the section headed "Biographies of Directors and Senior Management" of this Annual Report. The relationships between the Directors are disclosed in the respective Director's biography under the section "Biographies of Directors and Senior Management" of this Annual Report. Save as disclosed above, there is no relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the Chairman and the Chief Executive Officer.

Directors' Attendance Records

The attendance record of each Director at the Board meetings, and the Board Committee meetings and general meetings of the Company held during 2025 is set out in the table below:

	Attendance/Number of Meetings					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategic Committee	Commercialization Committee
Executive Directors						
Mr. Xie Zhiyong	4/4		2/2	1/1		
Mr. Wang Yiqun Bruce	4/4					
Non-executive Directors						
Dr. Chang Zhaohua *(Former Chairperson, resigned on 14 November 2025)*	3/4					
Dr. Zhang Jie *(Chairperson, appointed on 14 November 2025)*	0/4					
Mr. Sun Qingwei *(Resigned on 14 November 2025)*	4/4					
Mr. Liu Xudong *(Appointed on 14 November 2025)*	0/4					
Mr. Wang Lin *(Retired on 27 June 2025)*	2/4					
Ms. Wu Xia	4/4					
Independent Non-executive Directors						
Dr. Xu Yi *(Retired on 27 June 2025)*	2/4	2/3	1/2	1/1		
Dr. Zhang Haixiao	4/4	3/3		1/1		
Mr. Fan Xin	4/4	3/3	2/2			
Mr. Li Zhiyong *(Appointed on 27 June 2025)*	2/4	1/3	1/2			
Mr. Liu Thomas A. *(Appointed on 29 December 2025)*	0/4					

Note: The Strategic Committee and the Commercialisation Committee were established on 29 December 2025. No meetings of these two committees were held during 2025.

Board Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

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

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

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

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

Chairman and Chief Executive Officer

The position of Chairman is held by Dr. Chang Zhaohua up to 14 November 2025 and by Dr. Zhang Jie since 14 November 2025. The position of Chief Executive Officer is held by Mr. Xie Zhiyong. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Independent Non-executive Directors

During 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Board Independence Evaluation

The Company has established mechanisms to ensure independent views and input are available to the Board, which set out the processes and procedures to ensure a strong independent element on the Board. These mechanisms allow the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

Pursuant to these mechanisms, the Board will conduct annual review on its independence, and the Board will collectively discuss the results and the action plan for improvement, if appropriate. The Board will also review the implementation and effectiveness of such mechanisms on an annual basis.

Appointment and Re-election of Directors

The Non-executive Directors (including Independent Non-executive Directors) are appointed for a specific term of three years, subject to renewal after the expiry of the then current term.

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

Continuous Professional Development of Directors

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

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

Development of Directors is an ongoing process, which enables them to perform their duties appropriately. Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary.

During 2025, the Company organized training sessions conducted by the qualified professionals/legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/ legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

BOARD COMMITTEES

The Board has established five committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, Strategic Committee and Commercialization Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three, namely Mr. Fan Xin, Dr. Zhang Haixiao and Mr. Liu Thomas A.. Mr. Fan Xin is the chairperson of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During 2025, the Audit Committee held three meetings to review, in respect of the year ended 31 December 2025, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors three times without the presence of the Executive Directors.

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. Li Zhiyong, Mr. Fan Xin and Dr. Zhang Jie. Mr. Li Zhiyong is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include determining/reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Company has adopted a share award scheme as an incentive to Directors, Supervisors and eligible employees. Details of the scheme are set out in the section headed "Share Award Scheme" in the Report of the Directors.

During 2025, the Remuneration Committee met two times to review and determine the policy for the remuneration of executive directors, assess performance of executive directors, and review and approve matters relating to share schemes. In addition, the Remuneration Committee also reviewed and made recommendations to the Board on, among other things, the year-end bonus of senior management and the related remuneration policy.

Nomination Committee

The Nomination Committee consists of three members, namely Dr. Zhang Haixiao, Mr. Xie Zhiyong and Mr. Li Zhiyong. Dr. Zhang Haixiao is the chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy and the Company is in full compliance with the board diversity (requirements under Rule 13.92 of the Listing Rules).

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During 2025, the Nomination Committee held one meeting to review the Board composition, make recommendations to the Board on the appointment and succession planning of Directors, and assess the independence of Independent Non-executive Directors.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

With regard to gender diversity on the Board, the Company recognises the particular importance of gender diversity. As at the end of the Reporting Period, an analysis of the Board's current composition is set out below:

Gender	**Age Group**
Male: 7 Directors	40–49: 5 Directors
Female: 2 Directors	50–59: 3 Directors
	60–69: 3 Directors
Designation	**Educational Background**
Executive Directors: 2 Directors	Business Administration: 2 Directors
Non-executive Directors: 3 Directors	Account and Finance: 3 Directors
Independent Non-executive Directors: 4 Directors	Legal: 1 Director
	Other: 3 Directors
Nationality	**Business Experience**
Chinese: 7 Directors	Accounting & Finance: 3 Directors
American: 1 Director	Legal: 1 Director
Canadian: 1 Director	Experience related to the Company's Business: 6 Directors

The Nomination Committee and the Board considered that the current composition of Board is sufficiently diverse. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2025:

	Female	**Male**
Board	22.22%	77.78%
	(2)	(7)
Senior Management	42.86%	57.14%
	(3)	(4)
Other employees	65.37%	34.63%
	(353)	(187)
Overall workforce	65.08%	34.92%
	(356)	(191)

The Board has taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 87 to 158 of this Annual Report.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

The Company has adopted a director nomination policy. The director nomination policy contains the criteria for nomination and appointment of directors, as well as nomination process.

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Reputation for integrity;
- Accomplishment and experience in respect of the neuro-interventional medical device industry and other relevant industries;
- Commitment in respect of available time and relevant interest;
- Ability to assist and support the Board and make sufficient contribution to the Company;
- Board diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, talent, skills, knowledge and length of service;
- Compliance with relevant legal and regulatory requirements;
- Comply with the independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the appointment or reappointment of independent non-executive directors;
- Any other relevant factors as determined by the Nomination Committee or the Board from time to time.

For the appointment of new Director, the Nomination Committee shall conduct adequate due diligence on the proposing candidate and make recommendations for the Board's consideration and approval. With regard to the re-appointment of any current Board member, the Nomination Committee shall make recommendations to the Board for the re-appointment of the proposing candidate at the general meeting for its consideration and recommendation.

On 27 June 2025, the Board announced that: Mr. Wang Lin has retired as a non-executive Director; Dr. Xu Yi has retired as an independent non-executive Director, a member of the Audit Committee, the Chairman of the Remuneration Committee and a member of the Nomination Committee; Mr. Li Zhiyong has been appointed as an independent non-executive Director, a member of the Audit Committee, the Chairman of the Remuneration Committee and a member of the Nomination Committee, with effect from the same date.

Mr. Li Zhiyong has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 27 June 2025 and confirmed that he understood his obligations as a Director of the Company.

On 14 November 2025, the Board announced that: Dr. Chang Zhaohua has resigned as a non-executive Director and the Chairman of the Board due to the need to devote more time to other business endeavours; Mr. Sun Qingwei has resigned as a non-executive Director due to the need to devote more time to other business endeavours; Dr. Zhang Jie has been appointed as a non-executive Director and the Chairman of the Board, and Mr. Liu Xudong has been appointed as a non-executive Director, with effect from the same date.

Dr. Zhang Jie and Mr. Liu Xudong obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 14 November 2025. Both Dr. Zhang Jie and Mr. Liu Xudong confirmed that they understood their obligations as Directors of the Company.

On 29 December 2025, the Board announced that: Dr. Zhang Jie has been appointed as a member of the Remuneration Committee and the chairperson of the Strategic Committee; Mr. Xie Zhiyong has ceased to be a member of the Remuneration Committee and has been appointed as a member of the Strategic Committee and the Commercialization Committee; Mr. Liu Thomas A. has been appointed as an independent non-executive Director and a member of the Audit Committee, the Strategic Committee and the Commercialization Committee; Mr. Wang Yiqun Bruce has been appointed as the chairperson of the Commercialization Committee; Mr. Liu Xudong has been appointed as a member of the Commercialization Committee; and Mr. Li Zhiyong has ceased to be a member of the Audit Committee and has been appointed as a member of the Strategic Committee and the Commercialization Committee, with effect from the same date.

Mr. Liu Thomas A. obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 29 December 2025 and confirmed that he understood his obligations as a Director of the Company.

Save as disclosed above, there was no change in the composition of the Board during 2025. The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

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

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

Strategic Committee

The Company established Strategic Committee on December 29, 2025. The Strategic Committee consists of four members, including Dr. Zhang Jie, Mr. Xie Zhiyong, Mr. Li Zhiyong and Mr. Liu Thomas A., and Dr. Zhang Jie acts as the chairman.

The primary functions of the Strategic Committee is to conduct researches and submit proposals regarding the long-term development strategies and major development decisions of the Company.

During 2025, the Strategic Committee did not held any meetings.

Commercialization Committee

The Company established the Commercialization Committee on December 29, 2025. The Strategic Committee consists of five members, including Mr. Xie Zhiyong, Mr. Wang Yiqun Bruce, Mr. Liu Xudong, Mr. Li Zhiyong and Mr. Liu Thomas A., and Mr. Wang Yiqun Bruce acts as the chairman.

The primary functions of the Commercialization Committee is to further optimize the planning and implementation of the Company's commercialization system, and to fully leverage on the guidance of the Commercialization Committee, so as to enhance the competitiveness edges of the Company's products in the market during commercialization.

During 2025, the Commercialization Committee did not held any meetings.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

During 2025, the Audit Committee had reviewed the Group's internal control and risk management systems and processes which covered the whole financial year.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology. The Company has established legal department and internal review department with policies in relation contract management and compliance management. The legal department is primarily responsible for the comprehensive and centralized management of contracts with the power to guide and supervise the drafting, execution, consummation and management of contracts.

Through interviews and questionnaires, the internal audit department of the Company conducted independent risk assessment regularly to identify risks that potentially impact the business of the Group and various aspects including strategic risks, financial risks, market risks, operation risks, legal risks and so on.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, the impact, the vulnerability and the velocity. Also they provided treatment plans, and monitored the risk management progress.

The internal audit department of the Company is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department of the Company examined key issues in relation to the accounting practices and all material controls, provided its findings and recommendations for improvement auditees and report the remediation periodically to the Audit Committee.

The Board, as supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational and compliance controls periodically and considered such systems are effective and adequate.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. The Report Handling Team, comprised of the Internal Audit Department and the Compliance Management Department, investigates and deals with reports. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During 2025, two trainings regarding compliance importance, hospitality principles and conflicts of interest were held with 517 employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report of this Annual Report.

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	**Fees Paid/Payable RMB'000**
Audit Services	2,940
Non-audit Services	20
Total	2,960

COMPANY SECRETARY

Ms. Yeung Siu Lam has been appointed as the company secretary of the Company. Ms. Yeung Siu Lam was nominated by Tricor Services Limited, external service provider, and engaged by the Company as its company secretary in compliance with the Listing Rules.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. During 2025, Ms. Wang Jiashun, the Board secretary of the Company, has been designated as the primary contact person at the Company who would work and communicate with Ms. Yeung Siu Lam on the Company's corporate governance and secretarial and administrative matters.

During 2025, Ms. Yeung Siu Lam has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to the Articles 17.3 to 17.7 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting ("**EGM**").

Any one or more shareholders holding, at the date of deposit of the requisition, not less than 10% of the voting rights, on a one vote per share basis, of the issued shares which as at that date carry the right to vote at general meetings of the Company (the "**Eligible Shareholder(s)**"), shall at all times have the right, by written requisition to the directors of the Company (the "**Directors**"), to require an EGM to be called by the Directors for the transaction of any business specified in such requisition.

Eligible Shareholder(s) who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned at the principal office of the Company in Hong Kong at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, or in the event the Company ceases to have such a principal office, at the registered office of the Company at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Requisition must state the objects and the resolutions to be added to the agenda of the meeting. The Requisition must be signed by the Eligible Shareholder(s) concerned.

If there are no Directors as at the date of the deposit of the Requisition or if the Directors do not within 21 days from the date of the deposit of the Requisition duly proceed to convene an EGM to be held within a further 21 days, the Eligible Shareholder(s), or any of them representing more than one-half of the total voting rights of all of the Eligible Shareholders, may themselves convene an EGM, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association regarding procedures for Shareholders to put forward proposals at a general meeting Shareholders who wish to submit a proposal may request the Company to convene a general meeting in accordance with the procedure set out in the preceding paragraph, to consider the matters specified in the request.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 1661 Zhangdong Road, Zhangjiang High-tech Park, Shanghai, PRC (For the attention of the Board Secretary)
Fax: (86) (21) 5080 1305
Email: NeuroTech_IR@microport.com

For the avoidance of doubt, Shareholders 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 INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to, the directors' report and annual accounts together with a copy of the auditors' report, the interim report, a notice of meeting, a circular and a proxy form. Corporate communication will be provided to the Shareholders in plain language and in both English and Chinese versions to facilitate the Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

(b) Corporate Website

A dedicated Investor Relations section is available on the Company's website (www.microportneurosci.com). Information on the Company's website is updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc. All presentation materials provided in conjunction with the Company's annual general meeting and results announcement each year will be made available on the Company's website. All press releases and Shareholders' newsletters will be made available on the Company's website.

(c) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the annual general meetings will be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, the chairpersons of the Board committees or their delegates, appropriate senior management and external auditors will attend annual general meetings to answer Shareholders' questions. Shareholders are encouraged to attend Shareholders' activities organized by the Company, where information about the Company, including its latest strategic plan and services will be communicated.

(d) Shareholders' Enquiries

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders may send any enquiries to the Board by email (NeuroTech_IR@microport.com) or by post to the Company at its principal place of business.

Amendments to Constitutional Documents

During the year ended 31 December 2025, the Company did not make any changes to its Articles of Association.

Dividend Policy

Th Company has adopted the dividend policy for the payment of dividend. It is the policy of the Company to allow its shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth. The Board may declare special dividends as it considers appropriate. When determining/proposing dividend payment frequency, amount and forms during any financial year/period, various elements would be taken into consideration by the Board, including but not limited to the Company's operations and financial performance, working capital and cash position, capital requirement as well as business strategies.

Such details have been disclosed in this annual report of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

The *2025 Environmental, Social, and Governance Report* is the fourth ESG report issued by MicroPort NeuroScientific Corporation (hereinafter referred to as "**MicroPort NeuroScientific,**" "**we,**" "**our,**" "**the Company,**" or "**the Group**"). This report aims to disclose relevant information regarding the Group's ESG performance, in response to the interests and expectations of stakeholders concerning the Group's ESG management.

Basis of Preparation of the Report

This report is prepared in accordance with Appendix *C2-Environmental, Social and Governance Reporting Code* (the "**ESG Code**") of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by the Stock Exchange of Hong Kong Limited ("**HKEx**").

Scope and Boundary of the Report

Unless otherwise stated, the Report covers the Company and its subsidiaries. Unless otherwise stated, the Report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or the "**Year**"). The historical data cited in the Report are final statistics, and the financial data in the Report are in RMB unless otherwise indicated.

Principles of the Report

The report is prepared in accordance with the following principles:

Materiality: The Report identifies and ranks the importance of ESG issues that are important or relevant to stakeholders and the Group through stakeholder communication and materiality assessment.

Quantitative: The Report uses quantitative data to present key ESG performance indicators, with explanations of the quantitative data and comparative data provided where appropriate.

Balance: The Report follows the principle of balance, and objectively presents the ESG management status of the Group.

Consistency: Report adopts the same statistical methods for information disclosure as those used in the 2024 ESG Report. Any changes are explained in the respective places.

Sources and Guarantee of Reliability

The data and cases cited herein are mainly derived from statistical reports and relevant documents of the Group. The Board of Directors (the "**Board**") pledges that the Report does not contain any false records or misleading statements, and is responsible for the truthfulness, accuracy and completeness of the contents.

Confirmation and Approval of the Report

The report was approved by the Board upon confirmation from the management on March 25, 2026.

1. BOARD STATEMENT

The Group strictly abiding by the *ESG Code* of the HKEx, the Board of the Group gets increasingly involved in ESG-related issues and emphasizes its oversight role to refine ESG governance structure and management mechanism for the coordinated development of business and ESG governance.

1.1 Board of Directors' Responsibilities

The Board assumes the ultimate responsibility for the Group's ESG strategy and management. The Audit Committee under the Board cooperates with related business departments for the inclusion of ESG into the internal control and risk management and provides recommendations on related issues to the Board. The Board fully understands the Group's existing ESG management, makes the ultimate decision on ESG-related issues and is responsible for refining
the ESG management system.

1.2 Management Policy

The Board assesses relevant risks and opportunities and updates management approaches and strategies if necessary to keep up with the developments by staying up on ESG development trends and peer performance, together with the Company's development plan. The Group maintains close communication with internal and external stakeholders and assesses, analyzes and ranks significant ESG issues. The materiality analysis results have been reviewed and approved by the Board.

1.3 Target Review

The Group has formulated annual ESG management targets and corresponding measures regarding key ESG management issues such as resources utilization and health and safety. Regular reviews are carried out against the progress towards relevant targets with recommendations provided to accelerate the achievement.

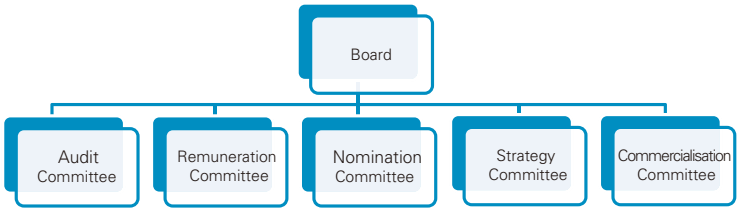
2. GOVERNANCE • STRENGTHENING GOVERNANCE EFFECTIVENESS

A sound corporate governance system is a vital safeguard for the Group's standardized operations and sustainable development. The Group continuously improves its governance structure, promotes the implementation of ESG-related management mechanisms, strengthens risk management and internal control systems, and strictly adheres to business ethics requirements, thereby providing institutional safeguards for the stable operation of the enterprise.

2.1 Corporate Governance

The Group strictly adheres to the laws and regulations applicable in its locations of operation and listing in conducting governance and business activities, continuously strengthening the foundation for lawful and compliant operations. To meet normative governance requirements, we have formulated and continuously improved core institutional documents such as the *Memorandum of Association*. Through institutionalized arrangements, we reinforce the segregation of duties and operational constraints, thereby promoting the standardized and systematic functioning of the governance mechanisms.

To ensure the efficient operation of the governance framework, the Group has established an Audit Committee, a Remuneration Committee, a Nomination Committee,a Strategy Committee and a Commercialisation Committee at the Board level, forming a decision-making and oversight system with clear division of labor and responsibilities. Each committee performs its duties within its delegated authority, reviews and oversees relevant matters, and provides professional recommendations to the Board, thereby enhancing the compliance and soundness of the decision-making process.



Board Governance Structure of the Company

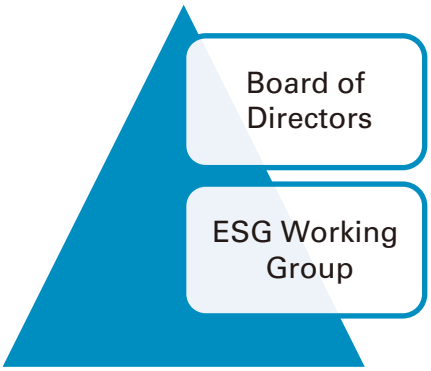
The Group has formulated and implemented a Board Diversity Policy. In the director nomination and evaluation processes, considering both business development needs and governance requirements, we comprehensively assess candidates' professional backgrounds, industry experience, independence, as well as factors such as gender, age, and educational background. This promotes a reasonable diversity in the Board's composition of skills and perspectives, supporting prudent decision-making. As of the end of the Reporting Period, the Board of the Group comprises 9 directors, including 2 Executive Directors, 4 Independent Non-executive Directors, and 3 Non-executive Directors.

2.2 ESG Management

The Group has established an ESG governance framework covering both the Board and management, incorporating sustainability-related topics into daily management and decision-making processes. We engage with stakeholders through multiple channels to collect their concerns, and conduct materiality identification and assessment in line with our business operations. This process help clarify priority management areas and supports the orderly advancement of environmental, social, and governance-related work.

2.2.1 ESG Management Structure

The Group conducts ESG management in accordance with the relevant disclosure requirements of the *ESG Code* issued by the HKEx and has integrated the associated responsibilities into its governance system. The Board of Directors bears overall oversight responsibility for the Group's ESG affairs, reviewing ESG-related risks, examining the operation of management mechanisms, and approving ESG information disclosures. At the implementation level, we have established an ESG working mechanism involving key functional departments to coordinate and advance all ESG-related initiatives. Responsible personnel regularly report on progress and key matters to the Board, forming a top-down oversight and execution path to ensure the effective implementation of ESG management initiatives.



ESG Governance Structure

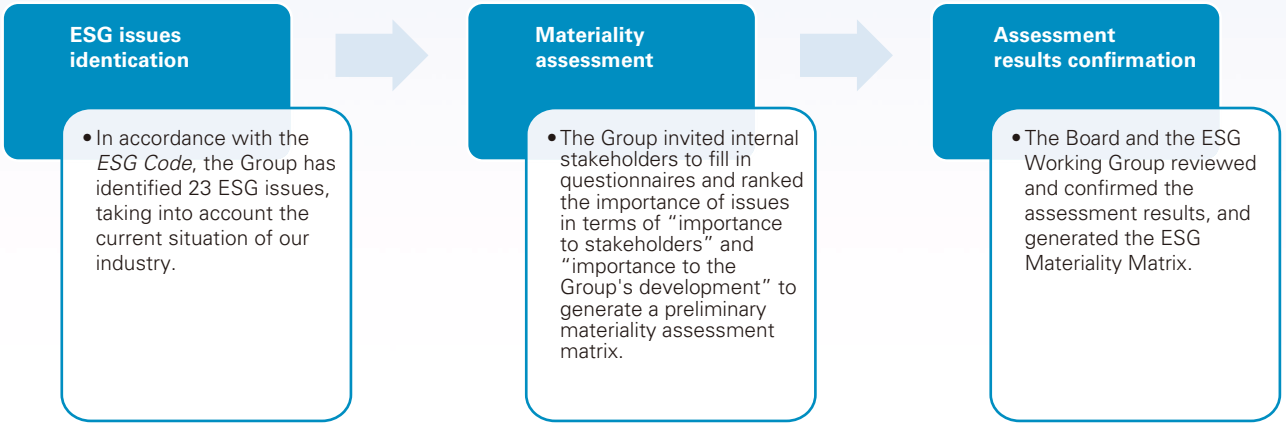
2.2.2 Stakeholder Communication

The Group has established engagement mechanisms for its primary stakeholders, collecting their concerns and feedback through multiple channels. This information is taken into consideration in ESG management and decision-making processes. The Group analyzes and addresses the relevant issues in the context of its business operations and continuously optimizes its management arrangements to support the implementation of all ESG initiatives.

Stakeholder Type	Concerned Issues	Communication Channels
Government and regulators	Compliant operation Risk management Business ethics Product safety and quality Emission management	On-site investigations Official correspondence Policy implementation Information disclosure
Shareholders and investors	Return on investment Information disclosure Technology and innovation Product safety and quality Intellectual property protection	Investor relations website Shareholders meetings Information disclosure Letter correspondence Teleconferences On-site visit Roadshows
Customers	Information security and privacy protection Product safety and quality Customer service Responsible marketing	Distributor meetings Customer surveys Technical seminars Customer service hotline Customer satisfaction surveys
Employees	Talent development Employee benefits and compensation Diversity, equality and inclusion Occupational health and safety	Employee management committee Employee training Employee activities Employee surveys Horizontal communication Internal publications
Suppliers	Product safety and quality Responsible supply chain	Supplier assessment Supplier communication and training
Community & Media	Community and public welfare Product safety and quality	Volunteer service Community activities Media communication and interviews

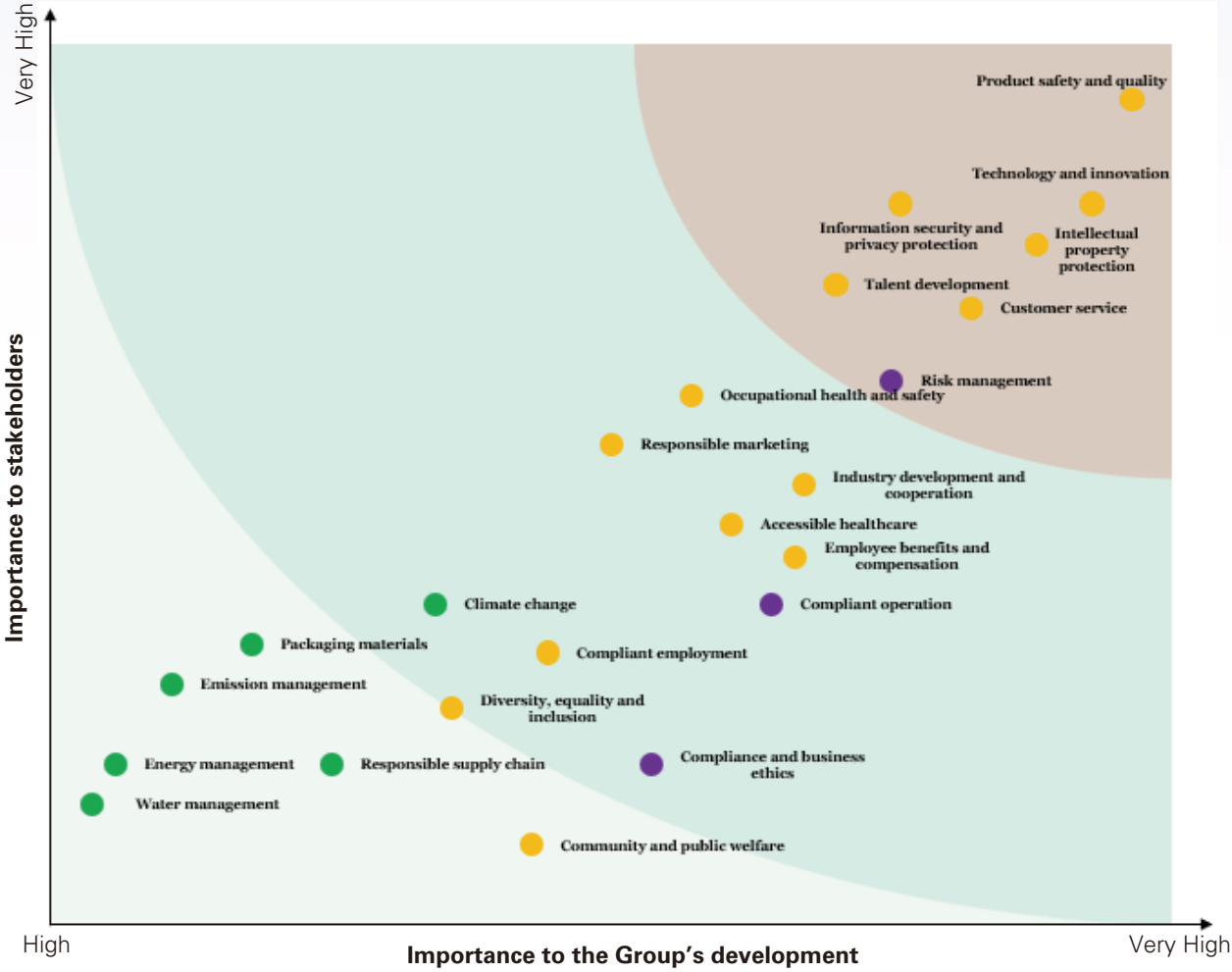
2.2.3 Materiality Assessment

Based on its operational characteristics and stakeholder concerns, the Group conducts identification and assessment of material topics, establishing a structured assessment process. Through questionnaires, internal discussions, and management reviews, we analyze and prioritize the importance of relevant topics. This process results in a materiality matrix, which is used to identify key management focus areas and guide resource allocation.



Materiality Assessment Process

During the Reporting Period, the Group systematically reviewed its existing material topics and assessment outcomes, examining them in light of the current business development stage and key stakeholder focus areas. The assessment concluded that the overall structure of the current topics remains stable, and the related results remain applicable. Therefore, they are continue to serve as the key reference for ESG management this year. The Group's current Materiality Matrix encompasses 23 topics across the three domains of environmental, social, and governance (ESG), covering key areas such as operational management, product responsibility, talent development, and environmental management.

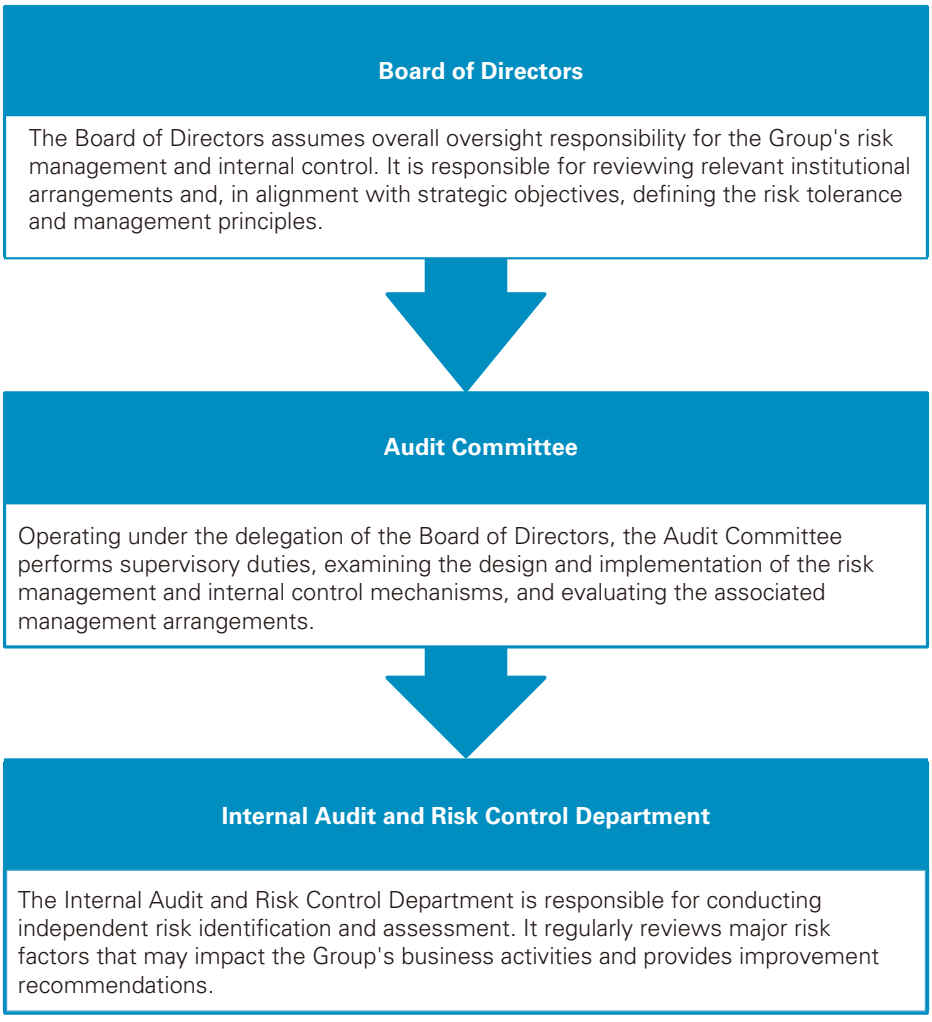


Environmental Issues | Governance Issues | Social Issues

ESG Materiality Matrix

2.3 Risk Management and Internal Control

The Group integrates risk management and internal control into its governance system, establishing corresponding management arrangements around its core business activities. We have formulated and continuously update institutional documents such as the *Risk Management System*, the *Internal Audit System*, and the *Working Rules of Internal Audit*. These documents clarify the processes for risk identification, assessment, and monitoring, and standardize the division of related responsibilities. Furthermore, the Group has established a risk management framework where the Board of Directors provides overall oversight, the Audit Committee fulfills professional review duties, and the internal audit and risk control departments are responsible for specific implementation. Each level conducts risk identification, monitoring, and remediation work within its authorized scope, ensuring that risk management requirements are integrated into daily business operations.



Risk Management Structure

The Group embeds risk management into its daily business management processes and constructs management arrangements that cover pre-identification, in-process control, and post-supervision. We carry out risk information sorting and analysis work around our main business activities, identifying, evaluating, and grading management of related risks.

The Group has systematically classified potential risks from strategic, financial, market, operational, and legal aspects. The Management, in conjunction with relevant department heads, conducts a comprehensive evaluation of the likelihood, impact, and urgency of risk events, and develops corresponding response measures based on the evaluation results. As of the end of the Reporting Period, there have been no significant risk events occurred in the Group.

The Group incorporates audit supervision into its risk management system and continuously reviews its business activities and internal control operations through internal and external audit mechanisms. We regularly organize internal and external audits, covering the Group and its subsidiaries, and carry out supervision and inspection on key business processes and risk areas. During the Reporting Period, the Group conducted an audit evaluation of the design and implementation of internal control systems based on the audit plan. In response to the issues found in the audit, we have clarified the responsibilities and time frame for rectification, and tracked the progress of rectification to ensure the implementation of relevant measures.

2.4 Business Ethics

The Group conducts its business activities in accordance with applicable laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China, and the Company Law of the People's Republic of China*, and incorporates compliance requirements into its daily operational management. We establish and implement internal standards such as the *Compliance Manual* and the *Code of Business Conduct and Ethics* to clarify the behavioral boundaries of employees and business activities, standardize market promotion, business dealings, and external cooperation processes, strengthen management and constraints on potential corruption, fraud, and unfair competition risks, and maintain a standardized and orderly business environment.

To strengthen the construction of compliance management system, the Group has established a hierarchical and responsible management structure, clarifying governance responsibilities and execution division. As the decision-making and supervisory body of compliance management, the board of directors bears overall responsibility for the effectiveness of compliance management. The legal department and internal audit and risk control department are responsible for formulating and implementing contract management and compliance management related institutional arrangements.

In terms of clean operation, the Group implements strict restraint mechanisms against corruption and bribery, and supervises and manages the professional behavior of employees and partners. As of the end of the Reporting Period, the Group was not involved in any corruption-related litigation cases.

In addition, in order to strengthen the requirements for clean operation, the Group regularly carries out anti-corruption related publicity to the Board of Directors and all employees in daily business meetings and internal management communication, continuously reminding the anti-corruption laws, regulations, and business ethics requirements.

3. PRODUCT • QUALITY LEADING NEW FUTURE

Facing the clinical needs of the field of neuroscience, the Group is committed to driving innovation to enhance product value, ensuring product safety and effectiveness through robust quality management, and providing safe, effective, and accessible medical solutions. We are well aware that excellent product quality is the cornerstone of sustainable development for enterprises, and R&D innovation is the core driving force for the long-term development of the Group. We further optimize the research and development process, strengthen the intellectual property protection mechanism, and continue to promote the construction of an ethical review system, laying a solid foundation for product lifecycle management. At the same time, we continuously improve the quality management system covering various aspects such as design and development, production and manufacturing, quality testing, customer service, etc., promote the transformation of quality management to digitalization and intelligence, and comprehensively improve product reliability and clinical satisfaction.

3.1 Innovation Driven

The Group has always adhered to the mission of "to provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives". We adhere to innovation as the core driving force, continue to promote breakthroughs in key technology research and development, and improve the layout and protection of the intellectual property system. At the same time, we strictly adhere to clinical ethical norms, attach importance to animal welfare protection, and are committed to promoting the efficient transformation of innovative achievements, providing patients with scientific and effective treatment plans.

3.1.1 R&D and Innovation

The Group always takes the needs of doctors and patients as the starting point, relies on strong research and development capabilities and efficient research and development system, focuses on tackling the challenges of brain diseases, brings good news to more patients through continuous technological innovation, and promotes the high-quality development of the enterprise. At present, the Group has established a complete interventional stroke treatment product portfolio, covering the three major disease fields of hemorrhagic stroke, atherosclerotic stenosis, and acute ischemic stroke, providing systematic solutions for the comprehensive treatment of cerebrovascular diseases. At the same time, the Group is gradually extending its reach into two new directions: neurosurgery and brain-computer interfaces.

The Group continues to improve the institutional system related to product design and R&D innovation, focusing on project management, talent incentives, quality control, and R&D efficiency improvement. We have developed and optimized a series of internal management systems, which provide institutional guarantees for the efficient operation of the R&D system.

The Group continues to increase research and development investment, promoting key progress in multiple core products, and achieving fruitful scientific research results. In 2025, the Group's multiple innovative products obtained regulatory approval or entered the accelerated approval channel, further consolidating the Group's leading advantage in the field of neurological intervention.

Hemorrhagic Stroke Products	• Tubridge® Flow Diverter was approved for expanded indication in small and medium aneurysms • Numen® Nest Coil obtained NMPA marketing approval • Tubridge V5® Flow Diverter obtained NMPA marketing approval • Numen® Lightning Coil obtained CE marketing approval • Nufairy™ Absorbable Coil was admitted to NMPA "Green Path"
Cerebral Atherosclerotic Stenosis Products	• Bridge® MAX Rapamycin Target Eluting Vertebral Stent System obtained NMPA marketing approval • APOLLO Dream® Stent System was granted FDA Breakthrough Device Designation
Acute Ischemic Stroke Products	• AISAdvance™ Stent Retriever Combined with Aspiration Technology received NMPA marketing approval • AISFast™ Forced Arterial Suction Thrombectomy received NMPA marketing approval
Access Products	• Sheathru™ Devlivery Catheter received NMPA marketing approval • Cerelmon™ Reverse Flow Tube received NMPA marketing approval
Surgical Products	• StraitPass® Neuroendoscope was admitted to NMPA "Green Path"

We have an independent research and development center, which has the full process research and development capabilities from design and development, design verification, registration of clinical trials, and registration applications. On the basis of continuously promoting independent innovation, we deepen the "Medical-Industrial Collaboration" research and development model, and work together with multiple medical institutions to promote multiple joint research and development projects. At the same time, we strengthen scientific research collaboration with many key domestic universities, jointly promoting cutting-edge technology research and efficient transformation of scientific and technological achievements.

MicroPort NeuroScientific™ Established a Chaos Brain-Computer Research Institute and steadily lay out a new race track for brain computer interfaces

In November 2025, MicroPort NeuroScientific held the unveiling ceremony of the Chaos Brain-Computer Research Institute in Shanghai. Chaos Brain-Computer Research Institute to MicroPort NeuroScientific™ is a key step towards the cutting-edge technology field of brain computer interface (BCI) is aimed at promoting forward-looking research and technological reserves in medical applications of BCI technology, and establishing a technical platform for exploring solutions to neurological diseases. The establishment of the Chaos Brain-Computer Research Institute is one of the strategic measures taken by the Group to improve its innovation pipeline and build long-term technological competitiveness. In the future, the research institute will serve as an internal innovation engine of the Group, continuously providing more innovative solutions.

During the Reporting Period, the Group is also actively promoting industrialization capacity construction. By continuously expanding production facilities, improving production team configuration, continuously improving overall production capacity, accelerating the transformation and implementation of innovative achievements, meeting the growing business development needs in China and overseas markets with faster speed and larger scale, and continuing to write a new chapter in the field of neuroscience.

MicroPort NeuroScientific™ Foundation laying and commencement of headquarters and innovation and industrialization base

In December 2025, the groundbreaking ceremony for the MicroPort NeuroScientific Headquarters and Innovation & Industrialization Base project was successfully held in Zhangjiang Science City, Pudong. This milestone marked a crucial step forward for MicroPort NeuroScientific™ in its industrial upgrading. After this innovation base is put into use, it will not only build a cutting-edge scientific research platform, but also accelerate the transformation and implementation of innovative achievements, promote the innovation process in the field of brain science.

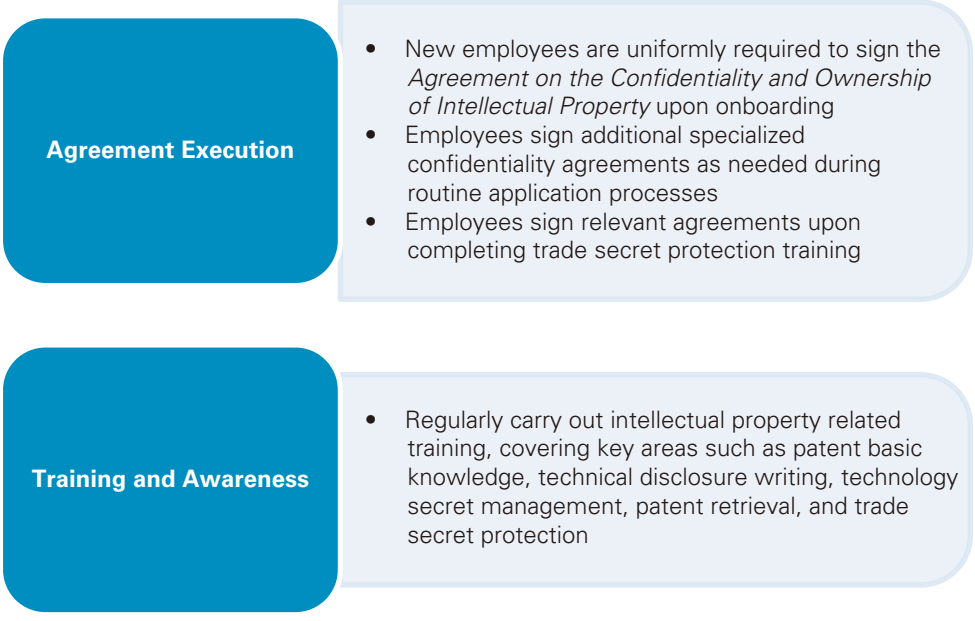
R&D Capacity Building

The Group attaches great importance to the introduction and cultivation of high-quality talents, and continues to improve the construction of innovative talent teams. As of the end of the Reporting Period, the R&D team of the Group has a total of 113 R&D personnel, of which over 65% have a master's degree or above. In addition, the Group continues to improve R&D incentive policies and mechanisms, provide rewards for R&D personnel who have made significant contributions, stimulate their enthusiasm for technological research, and promote the Group's innovative development and achievement transformation.

3.1.2 Intellectual Property Protection

The Group always adheres to the management principle of "development driven by technology and innovation and protected by intellectual property", continuously promoting technology research and innovation with independent intellectual property rights, and providing solid guarantees for scientific and technological achievements. We strictly follow laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Anti Unfair Competition Law of the People's Republic of China*, and strictly implement internal institutional requirements such as the *Intellectual Property Rights Manual* to ensure the standardized and systematic operation of intellectual property management in various stages such as research and development, procurement, and production.

We always adhere to the principle of "prevention-first", fully integrating intellectual property management into the enterprise risk management system, regularly conducting intellectual property risk investigation, timely identifying potential problems and taking effective response measures to minimize the impact of related risks. At the same time, we have signed confidentiality and intellectual property liability agreements with our employees, and through various training activities, we aim to enhance their awareness and ability in intellectual property protection and trade secret prevention, further enhancing the overall effectiveness of the Group's intellectual property management.



Intellectual Property Protection Measures

Special Training on the Protection of Trade Secrets under the "Secret Protection Action"

In 2025, to enhance employees' awareness and practical skills in protecting trade secrets, and to promote the effective implementation of relevant measures in daily work, we conducted multiple specialized training sessions on trade secret protection for new employees and R&D related functional employees, with a coverage rate of 50%. The training content revolves around the definition of trade secrets, relevant laws and regulations, typical case analysis, as well as technical communication risk points and best operating practices in the procurement process.

Training on Intellectual Property and Trade Secret Protection

During the Reporting Period, the Group did not engage in any infringement of patents, trade secrets, or trademark rights of others.

As of the end of the Reporting Period, the Group:

- A total of 229 authorized patents, including 41 overseas patents; over 290 patents pending
- A total of 194 registered trademarks

3.1.3 Ethical Research

The Group always regards clinical ethics and animal welfare as the core elements of our research and development system, strictly adhering to applicable laws, regulations, and standards such as the *Helsinki Declaration of the World Medical Association*, the *Good Clinical Practice for Drug Trials*, and the *Personal Information Protection Law of the People's Republic of China*. On this basis, the Group has developed and implemented multiple internal systems, including the *Controls in Clinical Trials*, the *Guidelines for the Clinical Trail Centre*, and the *Code of Practice for the Management of Animal Experiments*, to establish a full process management system covering trial approval, process supervision, and quality control, ensuring the scientific, compliance, and subject safety of clinical trials.

Clinical Trial Design Phase	Trial Execution Phase
• Fully evaluate the risks and benefits expected by the subjects and society in the experimental plan, ensuring that the experiment has a reasonable scientific and ethical basis • Clinical trials can only be initiated after obtaining approval or filing from relevant departments such as the Ethics Committee, the Human Genetic Resources Administration Office, Shanghai Medical Products Administration, and the National Medical Products Administration (if applicable)	• Strictly monitor the experimental process, timely record and evaluate adverse events, serious adverse events, device defects, and protocol deviations related to the device • Continuously conducting risk analysis and assessment to ensure the safety of subjects and the reliability of experimental data

Clinical Trial Management Mechanism

The Group strictly adheres to relevant national laws, regulations, and ethical standards in conducting clinical trials, committed to ensuring the safety and legitimate rights and interests of subjects. Before the subjects officially participate in the experiment, researchers will provide sufficient explanations on the purpose, process, potential risks, and potential benefits of the experiment, and assist them in signing the informed consent form to ensure that they voluntarily participate on a fully informed basis. At the same time, we implement strict confidentiality management for data related to the personal information of the subjects, and relevant personnel are also required to sign confidentiality agreements to ensure privacy and security.

In terms of animal experiment management, we always adhere to the necessity of scientific evaluation experiments and strictly implement the "3R" principle — replacement, reduction, optimization, minimizing the use of live animals as much as possible, and improving the humanity and scientific of experiments. We collaborate with qualified animal experiment suppliers and professional teams to participate in the design and execution of experimental protocols, and conduct pre experiments as necessary before formal research to ensure the safety and effectiveness of the study.

In addition, we continue to strengthen the awareness cultivation of employees in clinical ethics. Through the E-learning platform, relevant personnel are organized to participate in systematic training, covering management systems and operational procedures for animal experiments and clinical trials, comprehensively improving the Group's compliance and professionalism in ethical management.

3.2 Products and Services

The Group has built a systematic and standardized quality management system around the entire product lifecycle, covering various links from design and development, production and manufacturing, testing and release, and after-sales service. By continuously optimizing the quality management process, promoting the application of digital technology, strengthening the quality audit mechanism and product traceability ability, we continuously improve product quality and reliability, while actively cultivating the quality awareness of all employees, ensuring that they can respond quickly and effectively in the event of potential risks, and providing customers with safe, compliant, and trustworthy medical solutions.

3.2.1 Quality Management

Product quality is the fundamental commitment of medical device companies to patient safety and clinical trust. We have continuously improved the entire process quality management system covering research and development, production, testing, and service. Through standardized processes, strict audit mechanisms, and the application of advanced digital tools, we continuously improve the level of quality management. At the same time, we focus on the construction of a quality culture and the strengthening of risk prevention and control capabilities, ensuring that our products comply with national regulations and industry standards in every aspect, and creating long-term value for our customers.

Quality Management System

The Group strictly complies with the laws and regulations of the place of operation, such as the *Product Quality Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Medical Devices*, the Measures for the *Supervision and Management of Medical Device Production*, the Measures for the *Supervision and Management of Medical Device Operation*, the Standards for the *Quality Management of Medical Device Production*, and the Standards for the Quality Management of Medical Device Operation. We have developed and continuously improved the *Quality Manual* and over 30 control procedure documents, Further clarify key processes and management requirements, and promote the standardization and procedural implementation of quality management.

At the same time, we continue to promote the construction and improvement of the digital product quality control system, achieving full lifecycle management from product design traceability, development, manufacturing to after-sales service, and actively implementing the construction and certification of the quality management system. As of the end of the Reporting Period, MicroPort NeuroTech has obtained ISO 13485 medical device quality management system certification, the *Medical Device Single Audit Program* (MDSAP) quality management system certification, as well as the *European Union Medical Device Directive 93/42/EEC* (MDD) and the *European Union Medical Device Regulation* (EU 2017/745, MDR) The product registration certification and other authoritative certifications under this project cover the legal, regulatory, and standard requirements of countries and regions such as China, the European Union, Japan, South Korea, Argentina, Brazil, the United States, Canada, Australia, and Russia, further enhancing the Group's quality management level and market recognition worldwide. In addition, the Group's NeuroTechTC laboratory has been recognized by the China National Accreditation Service (CNAS) for Conformity Assessment.

Quality Audit

The Group regularly conducts internal and external quality audits, comprehensively evaluates the operation of the quality management system, and promptly implements necessary corrective and improvement measures to continuously ensure the effectiveness and stability of the system. During the Reporting Period, the Group conducted internal audits of various departments and key processes involved in the quality system in a comprehensive manner, in accordance with the annual quality system planning. This audit identified a total of 16 minor non conformities and 6 observation items, indicating that the Group's quality management system operates stably and controls effectively. At present, relevant issues have been included in the rectification plan and are being carried out in an orderly manner according to the established pace, ensuring that all issues are effectively addressed within the expected time.

At the same time, we actively participate in various external audits. During the Reporting Period, the Group underwent a total of 15 external audits (including registration audits, system certification, and regulatory inspections), of which 8 did not identify any non-conformities. The remaining non-conformities were rectified within the specified period.

In 2025, the Group achieved the goal of 100% pass rate in external audit of quality system

Quality Control

The Group has established a systematic process for product quality testing and release management, relying on advanced technology and fully functional internal laboratories, and cooperating with professional qualifications to ensure that all key links from raw materials entering the factory to finished products leaving the factory comply with relevant quality and technical standards. At the same time, in response to potential quality and safety risks that may exist in the product, we implement a preventive testing strategy to identify problems in advance and intervene in a timely manner, ensuring the reliability and safety of the product before it is launched on the market. We use a full process quality control mechanism to ensure that the testing data at each stage is traceable and verifiable, and product release can only be completed after all quality control requirements are met, effectively ensuring the safety and consistency of end products.

Product Testing

- Including raw material incoming inspection, production process inspection, and finished product factory inspection
- According to the characteristics of product design and manufacturing process, set scientific testing items and sampling plans at each key production node

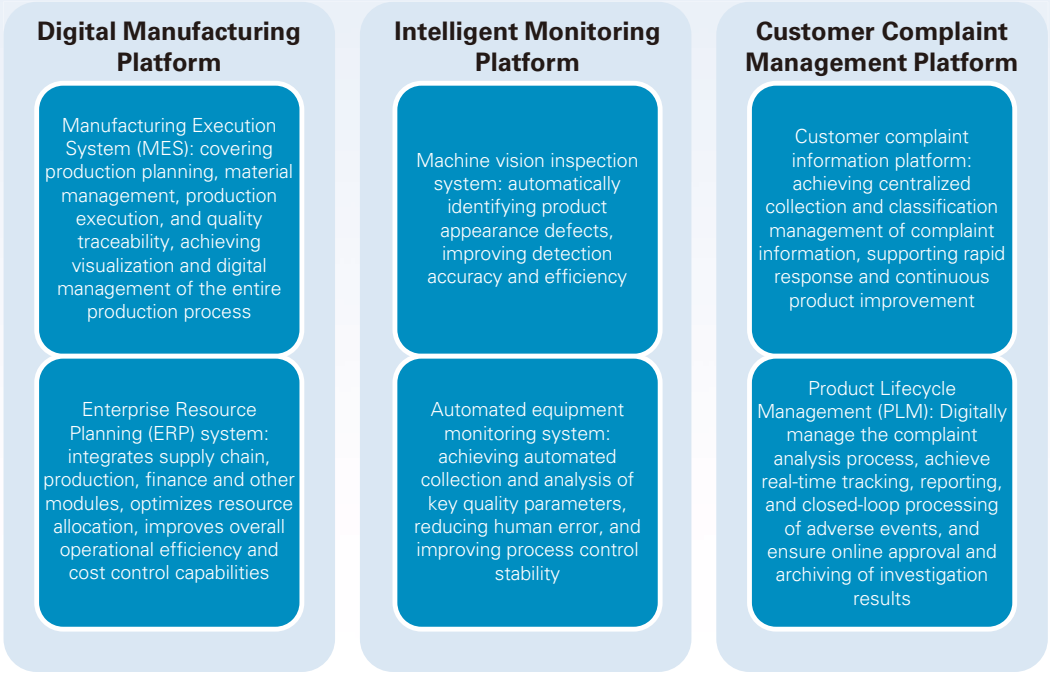
Product Release

- Strictly follow the production quality management standards to implement all process flows
- Products that meet the standards shall be released on the premise that the incoming, in-process, and final/factory-release inspection are complete and in order.

Product Testing and Release Management

Digital Empowerment of Quality Management

The Group continues to promote the digital and intelligent transformation of quality management, committed to improving quality control efficiency and accuracy through digital technology. By relying on digital manufacturing platforms, intelligent monitoring systems, and customer complaint management platforms, the entire process of data collection and quality analysis from production to after-sales is achieved, strengthening the quality traceability and controllability of the entire product lifecycle. By building an integrated quality data management platform, we have achieved the interconnection of quality information in various stages of manufacturing, testing, and service, improved the timeliness and depth of problem identification, and provided strong support for the continuous improvement of product quality and risk prevention and control.



Quality Management Digital Platform

Quality Management Culture

The Group regards the cultivation of quality awareness as an important foundation for the effective operation of the system, and continuously strengthens the concept of compliance and risk management for all employees through a combination of system promotion and specialized training. During the Reporting Period, we conducted 5 regulatory and quality management training sessions covering all employees, covering the basics of Chinese and international medical device regulations, the new version of the *Medical Device Production Quality Management Specification*, the *US Quality Management System Regulation (QMSR)*, etc., to help employees keep up with regulatory trends and strengthen compliance awareness. In addition, for key positions such as research and development, manufacturing, and quality, the Group has conducted specialized training on risk management, product specification writing, design verification, and process confirmation, to enhance the quality collaboration ability of cross functional teams throughout the entire product lifecycle.

"Quality Month" Activity

During the "Quality Month" in 2025, the Group organized more than ten specialized training and practical courses on topics such as improving internal audit capabilities, optimizing processes, applying tools, and supporting product development. For example, stimulating employees' innovative thinking through "quality competitions" and promoting continuous improvement of systems and processes; Enhance the depth and effectiveness of problem rectification through the *Cause Analysis Tool Use Promotion Course*; Enhance the team's quality control ability in complex scenarios through practical training courses such as the *Engineering Change*, the *Process Confirmation*, and the *Design Verification*. The activity covers a wide range of personnel, including internal audit, research and development, quality, registration, manufacturing, clinical and other multifunctional personnel, effectively promoting the implementation and deepening of quality culture.

In July 2025, the Group was awarded the "2025 Shanghai A-Level Quality Credit Medical Device Manufacturer" by the Shanghai Market Supervision and Administration Bureau, thanks to its stable quality management system and good market credit record.

Product Recall

The Group strictly follows the requirements of relevant laws and regulations such as the *Administrative Measures for Medical Device Recall*, the *Medical Device Law*, and the ISO 13485 quality management system standard, and combines with the actual regulatory regulations of major markets to develop and improve the *Product Recall Management System*, the *Product Recall Management System (USA)*, the *Provisions on the Management of Product Vigilance Systems (EU)*, the *Provisions on the Management of Product Vigilance Systems (Japan)*, multiple internal systems covering major business regions around the world are in place to ensure that response measures can be quickly initiated in the event of product defects, and to enhance emergency response capabilities for emergencies.

Based on the severity of medical device defects, we classify product recalls into three levels and provide corresponding response mechanisms to ensure the scientific and timely nature of recall actions. Once it is confirmed that the recall procedure needs to be initiated, we will submit the *Medical Device Recall Incident Report Form* to the relevant drug regulatory department for filing within five working days, and regularly submit Reports on the Implementation of the Recall Plan as required to ensure the transparency and completeness of regulatory information.

At the same time, we continue to evaluate and optimize the recall process, improve the execution efficiency of each link, and ensure that product traceability and processing can be completed quickly and effectively when necessary. During the Reporting Period, there was no product recall due to product safety issues or health risks.

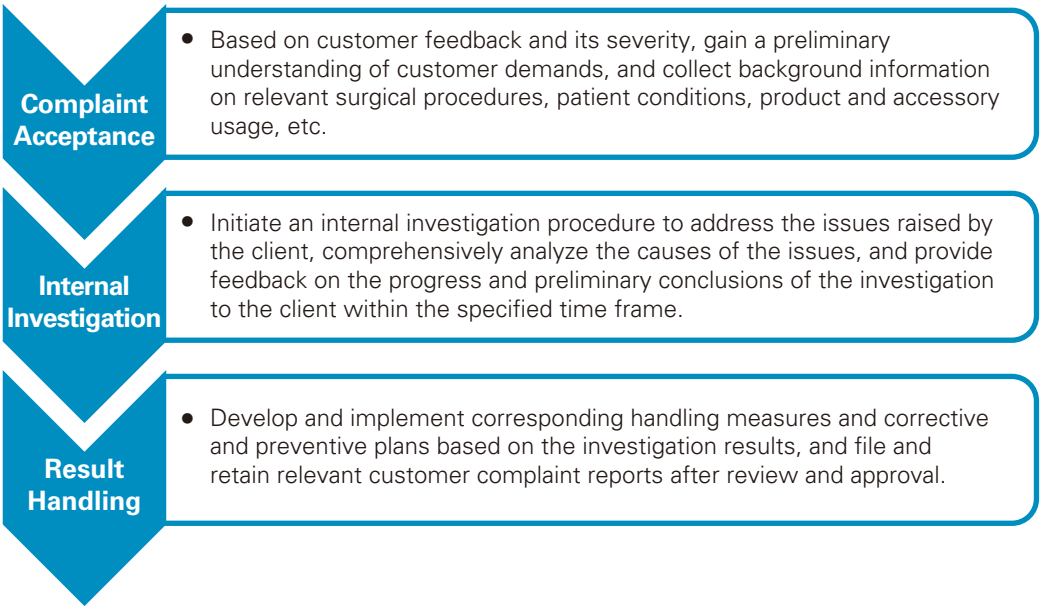
3.2.2 Customer Service

The Group always adheres to the service concept of "customer-centric" and is committed to building an efficient and convenient customer communication mechanism, continuously optimizing the service experience. We have developed and optimized internal systems such as the Administrative Regulations on Handling Customer Complaints, the Administrative Regulations on Overseas Complaints and the Feedback Control Procedures, clarifying the process and division of responsibilities for handling customer complaints, and ensuring the standardized and standardized operation of customer service work.

Customer service contact information

Hotline: +86 21 38954600–55200
Complaint Email: Complaints-NeuroTech@microport.com
WeChat Official Account: "微創神通"

We always value the voice of our customers and are committed to building an efficient and transparent customer feedback mechanism. In the product manual and various service materials, communication channels such as customer service hotline, fax, and email are clearly listed to ensure that customers provide opinions and suggestions. At the same time, we have established a systematic customer complaint handling process, covering complaint acceptance, information collection, internal investigation, result feedback, and the implementation of corrective and preventive measures, ensuring that every customer demand can be promptly responded to and properly handled, continuously improving customer satisfaction and trust.



Customer Complaint Handling Process

During the Reporting Period, the Group received a total of 1,312 customer complaints or feedback items, all of which have been promptly addressed and resolved, with improvement measures implemented. The handling rate reached 100%.

3.2.3 Responsible Marketing

The Group fully recognizes the importance of responsible marketing in fulfilling corporate social responsibility. In the process of market promotion, the Group strictly adheres to relevant laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Standards for Examination and Publication of Medical Device Advertisements*, has developed internal systems such as the *Management Measures for Product Promotion Materials for the International Market* based on business reality. The Group manages the entire process of designing, printing, and publishing promotional content to ensure the authenticity, accuracy, and compliance of the disclosed information.

In China, we carry out professional marketing activities through various forms such as case sharing, surgical promotion, surgical live streaming, intraoperative support, and academic exchanges; In the international market, brand influence is expanded through industry exhibitions and other platforms. All promotional activities adhere to the principles of science, compliance, and transparency, eliminating any form of false advertising, and ensuring that the product information conveyed to customers is objective and reliable.

Compliance Review Mechanism	Marketing Codes of Conduct	Patient Privacy Protection
• All market promotional materials need to be jointly reviewed by multiple relevant departments, including the Intellectual Property Department, to ensure that the content is legal and compliant.	• Require sales and marketing personnel to sign non-compete agreements to prevent them from engaging in activities that compete with the Group's business.	• All promotional content involving patients or doctors must be authorized in advance, and personal information must be desensitized to ensure privacy and security.

Responsible Marketing Management Measures

To enhance the compliance awareness of our marketing team, we regularly organize product knowledge and marketing compliance training to strengthen the behavioral norms of sales and marketing personnel during the promotion process. During the Reporting Period, the Group did not incur any administrative penalties or legal proceedings due to marketing violations.

3.2.4 Information Security and Privacy Protection

The Group strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law*, and the *Personal Information Protection Law*, and combines the characteristics of the Group's business to develop a series of internal systems such as the *Information Security Policy*, the *Employee Code of Conduct on Information Security*, and the *Data Security Management Process*, promoting the systematic and standardized operation of information security and privacy management.

The Group has established an Information Security and Privacy Management Committee as the highest decision-making body for information security strategy, responsible for coordinating the formulation and promotion of various information security policies and protective measures. During the Reporting Period, MicroPort NeuroTech continuously optimized its information security management system and maintained the effectiveness of ISO 27001 information security management system certification and ISO 27701 privacy information management system certification. In addition, the official website of the Group has successfully passed the second level certification of national information system security level protection, further consolidating the foundation of information security.

To comprehensively improve the security of information systems, we start from various aspects such as technical protection, event response, and employee awareness cultivation, systematically reducing information security risks, ensuring stable business operation and controllable data security.

Information System Security Construction

- Deploy firewalls, restrict storage device usage, and conduct security audits; During the Reporting Period, optimize employee account security strategies, complete a comprehensive vulnerability scan of the system, and achieve 100% vulnerability remediation rate through patch upgrades, closing unnecessary ports, adjusting security configurations, and other measures

Information Security Incident Management

- According to the "Information Security Incident Management Process", classify and respond to incidents, clarify the processing process and time limit, ensure that abnormal situations can be quickly identified and properly handled, and control risks within an acceptable range

Enhancing Employee Security Awareness

- Regularly organize information security training and promotion activities, conduct two full staff phishing email drills during the Reporting Period, and implement a combination of online and offline security special training for key position employees, effectively enhancing employees' security awareness and response ability

Information Security and Privacy Protection Measures

By continuously improving the information security governance architecture and technological protection capabilities, we continuously enhance the controllability of data assets and the stability of business systems, providing a solid guarantee for the high-quality development of the Group and customer trust.

4. SOCIETY • COLLABORATING FOR VALUE CO-CREATION

4.1 Employee Empowerment

An excellent talent team is the cornerstone for enterprises to achieve sustainable development. We always consider talent as the most valuable asset, strictly abide by laws and regulations during the employment process, and protect the legitimate rights and interests of employees. We are committed to providing employees with systematic training and clear career development channels, continuously improving the occupational health and safety management system, actively building an equal, diverse, and inclusive work environment, to promote the common growth of employees and organizations, and inject lasting momentum into the long-term value creation of the enterprise.

4.1.1 Compliant Employment

The Group strictly adheres to national laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Provisions on the Prohibition of Using Child Labor* in its employment practices. In accordance with internal systems such as the *Employee Manual*, the *Measures on Remuneration Management*, and the *Measures on Welfare Management*, the Group continuously improves its employment management system and safeguards the legitimate rights and interests of all employees through a systematic and standardized management mechanism.

In the talent recruitment process, the Group conducts recruitment through diversified channels such as campus recruitment, social recruitment, and internal recommendation, and strictly reviews the identity information of applicants to fundamentally eliminate the use of child labor. If any violations are found, the Group will immediately initiate an investigation procedure and take corresponding measures, including terminating labor relations, in accordance with relevant laws and group systems. At the same time, the Group explicitly prohibits all forms of forced or compulsory labor, and for employees who submit applications and obtain approval for overtime, overtime pay or compensatory leave arrangements shall be made in accordance with the law. During this Reporting Period, the Group did not experience any incidents involving the use of child labor or forced labor.

We are committed to building and maintaining an equal, diverse, and inclusive work environment. Throughout the recruitment and personnel management process, discrimination based on race, nationality, age, gender, skin color, ethnicity, religious beliefs, family background, and other reasons is strictly prohibited to ensure fair and just employment opportunities and treatment. The Group implements a "zero tolerance" policy for workplace sexual harassment and bullying, and has established and operated smooth reporting and appeal channels to encourage employees to report relevant issues in a timely manner. During the Reporting Period, there were no confirmed incidents of workplace discrimination or sexual harassment.

In addition, the Group respects and supports employees in exercising their right to freedom of association in accordance with the law. It has officially established trade union organizations and women's federations, actively promoting collective negotiation and contract signing, including the *Special Agreement for the Protection of Female Employees*, in order to continuously consolidate and improve the mechanism for safeguarding employee rights and interests.

Index	Unit	2025
Number of Employees		
Total Number of Employees	Person	**547**
Number of Employees by Gender		
Male	Person	**191**
Female	Person	**356**
Number of employees by age		
30 Years Old and Below	Person	**97**
31–50 Years Old	Person	**445**
Over 50 Years Old	Person	**5**
Number of Employees by Region		
China	Person	**530**
Overseas	Person	**17**
Number of Employees by Employee Level		
Senior-level Management	Person	**7**
Middle-level Management	Person	**54**
Other Employees	Person	**486**
Employee Turnover Rate		
Employee Turnover Rate	%	**10.21**
Employee Turnover Rate by Gender		
Male	%	**12.04**
Female	%	**9.21**
Employee Turnover Rate by Age		
30 Years Old and Below	%	**21.95**
31–50 Years Old	%	**7.10**
Over 50 Years Old	%	**20.00**
Employee turnover rate by region		
China	%	**10.14**
Overseas	%	**13.33**
Employee Turnover Rate by Employee Level		
Senior-level Management	%	**0.00**
Middle-level Management	%	**6.98**
Other Employees	%	**10.63**

4.1.2 Employee Care

In the construction process of the salary and welfare system, the Group strictly implements relevant systems such as the *Measures on Remuneration Management*, the *Measures on Welfare Management*, and the *Measures on Leave Management*, and establishes and continuously improves a market-oriented salary incentive system based on job value, performance, and personal contribution. We have constructed a clear hierarchical and incentive oriented salary structure by integrating various forms such as fixed salary, performance rewards, job allowances, and medium to long-term incentives. The aim is to continuously stimulate employees' potential, empower their career growth, and enhance the comprehensive competitiveness of the enterprise in talent attraction and retention.

The Group continues to pay attention to the diverse needs of employees in different career stages and life scenarios, and is committed to creating a comprehensive and precise support welfare network. On the basis of fully implementing various statutory benefits in accordance with the law, we have systematically launched a series of supplementary welfare measures, including health management services, supplementary medical insurance, child education support, and flexible work system, focusing on key areas such as health security, family care, personal development, and work life balance. These measures aim to effectively enhance employees' sense of belonging, achievement, and happiness, further consolidate harmonious and mutually beneficial employment relationships, and inject humanistic impetus into the sustainable development of the enterprise.

Statutory Benefits	Employee Support	Family Care	Work-Life Balance
• The Group implements employee insurance and housing fund programs in accordance with regulatory requirements • Employees are entitled to statutory holidays, paid time off, maternity leave, etc.	• In addition to statutory bene ts, the Group also provides commercial insurance, employee health check-ups, dormitory bene ts, summer heat consolation, nutritious work meals, etc. • Employees who are dispatched to work in other places are entitled to special subsidies	• The Group provides supple-mentary housing fund, rental allowances, wedding bonuses, newborn bene ts, birthday/festival gifts etc.	• Flexible working arrangements are in place • The Group enhances the development of the "Love Maternity Room" to provide convenience and care for female employees during pregnancy and lactation • Employee-friendly service areas have been established

The Group attaches great importance to the opinions and feedback of employees, and ensures that their demands are effectively conveyed and responded to in a timely manner by building a diversified and normalized communication mechanism. We regularly hold ' Meeting Senior-level Management' lunch meetings to promote direct communication between employees at different levels and management; At the same time, establish a "Woodpecker Reporting mailbox" to support employees to express their opinions and provide suggestions to designated executives in real name or anonymous manner. The management team will respond and follow up based on this, helping employees resolve doubts and difficulties encountered in their work. In 2025, we launched the employee engagement and satisfaction survey project for the year 2025. A total of 520 questionnaires were distributed, and 461 responses were received, resulting in a response rate of 88.7%. The survey results indicate that engagement has increased by 1.9 compared to last year, and satisfaction has risen by 3.5 compared to last year.

In terms of employee care, the Group has established a systematic care and cohesion enhancement mechanism. We implement the "On Board Care Anniversary" program, which presents customized commemorative cards on employees' onboarding anniversaries to convey the organization's importance to each member. In addition, the Group regularly organizes cultural and sports activities such as suburban hiking, Dragon Boat Festival mugwort handicrafts, and National Day flower lantern production, enriching employees' leisure life, promoting team integration and physical and mental health. To demonstrate our special care for female employees, we have established a mother and baby room to provide convenience for breastfeeding employees; Implement flexible work arrangements for female employees who need to pick up and drop off their children; And distribute holiday gifts to all female employees on Women's Day, creating a respectful and inclusive organizational atmosphere.

4.1.3 Talent Cultivation

The Group attaches great importance to the systematic cultivation and career development of talents, and has constructed and continuously improved the "One Point, Two Paths, Three Plans" talent development strategy system. Based on this strategy, we have established a clear promotion channel of "two tracks and eighteen levels" to provide employees with diverse, transparent, and fair career development platforms and promotion opportunities, comprehensively assisting employees in achieving sustained career growth and ability improvement.

"One Point": Talent Review

- Initiates annual organization and talent assessment process to create more career development opportunities for management talents at different stages.

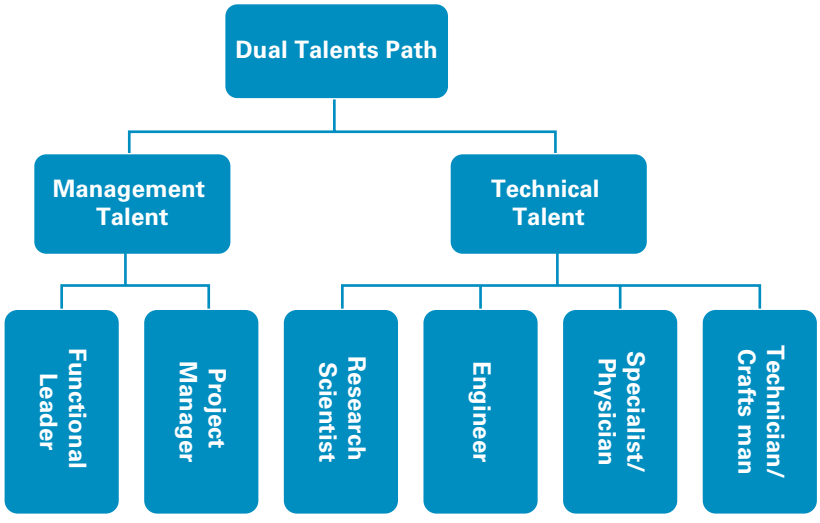
"Two Paths": Dual Talent Paths

- Dual talent paths of career development regarding "Management Talent" and "Technical Talent" are designed to encourage and guide employees to select the right track for their individual development.
- Set up the "Two Career Paths and Eighteen Ranks Career Development" talent development track. Each development channel consists of 18 job grades to guide employees to gradually achieve their development goals.

"Three Programs": Three Talent Programs

- Provide three types of incentive programs customized for technology talent under different growing stages: "Overseas Returnee Leadership Program", "Next Generation Leadership Program", and "Future Talent Program".

"One Point, Two Paths, Three Programs" Talent Development Strategy



The "Two Career Paths and Eighteen Ranks" Talent Promotion Pathway

The Group takes the "Career Development Plan" as the core and has systematically constructed a talent cultivation mechanism that combines internal and external factors, as well as online and offline linkage. We have established a specialized training platform that covers four dimensions: leadership development, innovation qualification cultivation, cutting-edge technology training, and corporate culture cultivation — including Jixia Enterprise Leadership College, Innovation Qualification and Ability School, Emerging Technology Knowledge and Action Training Institute, and Culture&Philosophy Lecture Hall, continuously improving the professional literacy and comprehensive ability of all employees. During the Reporting Period, multi-dimensional training was conducted around different groups such as new employees, management teams, and technical backbones, covering a total of 9,377 people. Each employee received training for 13.5 hours, with an overall training coverage rate of 99% and a training satisfaction score of 91 points.

In terms of experience inheritance and newcomer integration, the Group implements a mentor guidance mechanism in accordance with the *Internal Instructor Management System* and the *Internal Mentor Management System*, with senior employees serving as internal lecturers and career mentors to assist new employees in quickly mastering job skills and integrating into team culture. Through specialized training programs such as sales newcomer training camps and R&D management trainee programs, a total of 21 sales newcomers were trained during the Reporting Period, and the positions of 3 R&D management trainees were finalized.

To further motivate employees to continue learning and development, the Group has formulated the *Reimbursement Guidance for Further Education*, which provides hierarchical reimbursement support for employees participating in professional further education and education improvement based on their job level. It encourages employees to continuously improve their professional abilities and promote organizational sustainable development while achieving personal growth.

Indicator	Unit	2025
Percentage of Trained Employees by Gender		
Male Employees	%	**35.52**
Female Employees	%	**64.48**
Percentage of Trained Employees by Employee Level		
Senior-level Management	%	**1.60**
Middle-level Management	%	**7.28**
Other Employees	%	**91.12**
Average Training Hours per Employee by Gender		
Male Employees	Hours	**12.36**
Female Employees	Hours	**13.53**
Average Training Hours per Employee by Employee Level		
Senior-level Management	Hours	**11.66**
Middle-level Management	Hours	**13.38**
Other Employees	Hours	**13.12**

4.1.4 Health and Safety

The Group fully implements the requirements of laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and builds and continuously optimizes the internal management system based on this foundation. We have developed and implemented a series of system documents, including the *Safety Production Responsibility System for All Employees*, the *Safety Education and Training Management System*, the *Hidden Disease Investigation and Management System*, the *Occupational Health Management System*, the *Occupational Disease Prevention and Control Publicity*, the *Education and Training System*, and the *Occupational Disease Protection Supplies Management System*. By clarifying the safety responsibilities and operating standards at all levels, Systematically promote the construction of a safe and healthy working environment. During the Reporting Period, its subsidiary MicroPort NeuroTech continued to maintain the qualification of "Safety Production Standardization Level 2 Enterprise" and successfully passed the annual supervision and audit of ISO 45001 occupational health and safety management system.

In order to strengthen the execution and collaboration of safety management, the Group has established a cross departmental safety working group, led by the Senior Director of Supply Chain of the Group, responsible for coordinating, guiding and continuously supervising the safety practices of various affiliated groups and functional departments, thereby comprehensively improving the efficiency of safety governance throughout the Group.

To fully implement the safety policy, we have established annual safety goals to ensure the orderly progress and solid implementation of safety work. As of the end of the Reporting Period, the annual safety goals of the Group have been achieved.

2025 Safety Goals

- Zero death and serious injury, zero responsible traffic accident, zero accident due to fire, explosion, poisoning, major environmental pollution;
- The rectification rate of accident-related hazards is 98%, the timely rectification rate is 100%, and the timely reporting of hazard investigation information is 100%;
- The pass rate of special equipment inspection is 97%;
- Establish a safety training plan to ensure a 100% implementation rate of various safety trainings;
- The certificate holding rate of staff in charge, production safety administrator and operators in special or other areas reaches 100%;
- Zero improper management and use of hazardous chemicals;
- The completion rate of occupational disease hazard inspection, environmental inspection, fire inspection, special equipment inspection and other related inspections is 100%;
- The indicators of employee's working environment meet the national occupational health standards, and the incidence rate of occupational diseases is 0.

The Group has adopted a number of safety management initiatives, covering the identification of hazard detection, safety management on chemicals, occupational health monitoring, safety training, emergency drills, etc., to ensure that the production safety policy is implemented.

Hazard detection

- The Group has formulated the *Hazard Detection and Management System*, requiring regular inspections on equipment and facilities, including seasonal inspections, quarterly special inspections, comprehensive inspections, holiday inspections and occasional daily inspections, to strictly identify safety risk factors and effectively eliminate and avoid potential safety hazards. During the Reporting Period, two minor non-conformities had been identified and rectified on time.

Safety management on chemicals

- The Group has formulated chemical management systems such as the *Hazardous Chemical Management System* and the *Chemical Reagent Management System*, and the Group deals prudently with the entire process of "warehousing, storage, use, and disposal" of chemicals. All explosion-proof electrical appliances are used in chemical storage warehouses and have passed explosion-proof tests to ensure the safety and effectiveness in the processes of purchasing, using, storing, and disposing of waste.
- The Group conducts monthly chemical safety inspections, and the local police officers visit monthly to inspect highly toxic chemicals and chemicals prone to explosion.
- The Group organized hazardous chemical practitioners and pressure vessel operators to participate in external training and obtain relevant certificates to work on their posts, so as to enhance the chemical safety management capabilities of key personnel.

Occupational health monitoring

- The Group arranges pre-employment, in-service and post-employment occupational disease physical examinations for personnel exposed to occupational disease hazard factors every year, and provides protective equipment. During the Reporting Period, no occupational diseases were found in the physical examinations.
- The Group also invites a third-party testing agency every year to conduct on-site testing of occupational disease hazard factors and publicly release the test data. During the Reporting Period, the results of on-site testing of occupational disease hazard factors all met the requirements.

Safety training

- The Group has established a systematic safety training mechanism, requiring all personnel who need to hold certificates to complete pre job training and pass assessments. Only after obtaining corresponding operational qualifications can they participate in actual operations. During the Reporting Period, we organized a series of special safety training, covering multiple fields such as three-level safety education for new employees, external training on hazardous explosive and chemical warehouse management, and specialized training on occupational disease risk prevention and control. The relevant training has been conducted a total of 18 times, with 240 participants and a total training time of 20 hours.

Emergency drills

- The Group continues to organize and carry out safety emergency drills, covering multiple scenarios such as special drills for hazardous chemical accidents, fire evacuation drills, food poisoning drills, electric shock accident drills, pressure vessel explosion drills, and in-plant motor vehicle injury drills, in order to enhance employees' awareness of safety risk prevention and emergency response capabilities. During the Reporting Period, we completed three emergency drills.

Table: Safety Management Initiatives

In the past three years, there have been no work-related accidents in the Group. During the Reporting Period, the Group experienced 0 work-related accidents, resulting in a loss of 0 working days due to work-related injuries.

Indicator	Unit	2025	2024	2023
Work-Related Death/Work Injury				
Number of Fatal Accidents in the Past Three Years	Case	**0**	0	0
Number of Work-Related Accidents	Case	**0**	0	1
Number of Lost Days Related to Work Injury	Days	**0**	0	140

4.2 Coordinated Development

The Group systematically builds and continuously refines management systems for suppliers, distributors, and agents, committed to creating a resilient, responsible, and sustainable supply chain ecosystem. By actively participating in industry exchanges and collaboration, we drive the overall enhancement of the industrial chain, achieving synergistic development and long-term shared value with our partners.

4.2.1 Supplier Management

The Group adheres to compliant operations, strictly abides by the laws and regulations of the jurisdictions in which it operates, and has systematically built a supplier management system through the *Procurement Control Procedure* and the revised the *Supplier Management System*. During the Reporting Period, we further optimized the annual reassessment cycle and quality audit frequency requirements for suppliers, promoting the continuous improvement of full lifecycle supplier management.

Regarding the division of responsibilities, we have established a cross-functional collaboration mechanism involving the procurement, quality assurance, and technical departments in the entire process of supplier screening, evaluation, and supervision. This ensures that procured products and services consistently meet the Group's quality requirements and business development needs.

For newly introduced suppliers, we implement a rigorous qualification assessment process. This process comprehensively evaluates their qualifications, commercial terms, quality systems, and overall performance, resulting in the *Comprehensive Evaluation Report of Suppliers*. Based on this report, the *List of Qualified Suppliers* is dynamically maintained. For existing suppliers, we conduct regular performance evaluations from both commercial cooperation and quality performance perspectives, and organize on-site audits of their quality management system operations.

As of the end of the Reporting Period, the total number of the Group's suppliers reached 285, including 246 domestic suppliers and 39 overseas suppliers. In accordance with the *Management Regulations on Classification of Raw Materials and Technical Inspection Requirements*, suppliers are classified into categories A, B, and C based on the criticality of the supplied raw materials and their impact on product quality. Differentiated tiered management is implemented with corresponding audit frequencies. A systematic supplier audit plan is formulated annually. Suppliers that fail the audit are required to implement corrective actions within a specified period. Cooperation with those who still fail to meet the standards after rectification will be terminated. During the Reporting Period, a total of 64 supplier audits were completed, all with satisfactory results.

4.2.2 Sustainable Supply Chain

The Group deeply integrates the concept of sustainable development into its supply chain management system. During the process of supplier evaluation and selection, we systematically consider ESG-related dimensions such as their business ethics, social responsibility, environmental performance, and quality management standards. We prioritize establishing partnerships with suppliers that have obtained relevant certifications for the ISO 13485 Quality Management System in the Medical Device Industry, the ISO 14001 Environmental Management Systems and the ISO 9001 Quality Management Systems.

We require all suppliers to sign the *Commitment to Social Responsibility and Integrity*, pledging to strictly comply with national laws and business ethics in their operations, fulfill confidentiality obligations, prohibit any form of discrimination, child labor, and forced labor, ensure workplace safety, and commit to ecological and environmental protection. During the Reporting Period, the Group secured 4 new signatories to this commitment. Concurrently, we promote a green procurement strategy, encouraging suppliers to implement circular recycling practices, and to jointly foster a resource-efficient and environmentally friendly supply chain ecosystem.

To ensure the sustainability and stability of the supply chain, during the Reporting Period, the Group carried out the identification of environmental and social risks in each link of the supply chain. The Group identified risk factors such as temperature and humidity risks, extreme weather risks, storage risks, hazardous materials transportation risks, international trade risks, and supplier existence risks, and actively implemented safety stock setting, inventory structure optimization, procurement plan optimization, backup supplier development and other response measures. These measures effectively reduced the potential impact of related risks on the stability of the Group's supply chain. During the Reporting Period, the Group achieved "zero material shortage" in the supply of critical materials.

We are committed to long-term synergistic growth with our suppliers and regularly conduct capacity-building and knowledge exchange activities. Through formats such as on-site forums and technical seminars, we communicate sustainability requirements and advanced industry technologies to our suppliers. During the Reporting Period, we organized a total of 40 supplier training sessions covering topics including product technology, material processes, and applications. These sessions enhanced our understanding of suppliers' manufacturing capabilities and informed subsequent product development and process improvements.

4.2.3 Distributors and Agents Management

The Group adheres to the collaborative philosophy of "Solidarity, Cooperation and Win-Win" to establish and maintain long-term, stable partnerships with distributors and agents. We have systematically built a standardized management mechanism covering access review and ongoing supervision through the Distributor Management Policies. Comprehensive evaluations are conducted based on their multi-dimensional performance, including industry background, professional capabilities, and practical experience. Diligence is also performed on their relevant qualifications, such as business licenses and operating permits. Concurrently, the Group implements a periodic distributor assessment mechanism, dynamically reviewing their financial status, sales performance, and regulatory adherence to ensure they continuously possess the qualifications and capabilities for compliant medical device business operations.

Regarding compliance management, the Group has established a systematic compliance framework for distributors and agents. It explicitly requires them to strictly adhere to all provisions in the *Compliance Manual*, comply with national anti-corruption and anti-bribery laws and regulations, and sign the *Standard Provisions for Anti-Corruption Compliance* as a fundamental agreement for cooperation. To continuously enhance our partners' compliance awareness, the Group organizes specialized compliance training annually. Through these systematic training sessions, we deepen their understanding of compliance requirements, working together to uphold an ethical and transparent business environment.

Industry Development

Guided by the core philosophy of "innovation, communication, exchange and sharing", the Group is deeply embedded within the industry ecosystem. By establishing high-level platforms for dialogue, engaging with medical experts and industry partners both in China and abroad, and jointly conducting seminars on cutting-edge technologies, we promote advanced neurointerventional treatment solutions and contribute to raising overall industry standards.

Launching International Physician Exchange Programs to Foster Academic Collaboration and Technological Advancement in the Industry

In 2025, MicroPort® NeuroTech successfully organized several MindShare International Physician Exchange Programs at its headquarters in Shanghai, China, attracting nearly a hundred physicians specializing in neurointervention from around the world. The events aimed to promote global academic exchange and long-term development in the field of neurointervention. Activities included a headquarters tour, product demonstrations, round-table academic discussions, and linkage with an international academic conference (2025 WLNC-OCIN), systematically showcasing the company's product portfolio. In-depth cross-regional exchanges were conducted on cutting-edge topics such as hemorrhagic and ischemic stroke, as well as stenosis.

During the product experience session, the team conducted pre-visit research to understand physicians' interests and pain points, customizing usage pathways accordingly. In regional promotion, priority was given to key products based on local market launch progress and sales strategies, enhancing the efficiency and value of the hands-on experience. For product iteration and optimization, the team maintained close communication with the R&D department, incorporating products still in the research and development phase into the experience process, thereby achieving preliminary validation.

MindShare International Doctor Exchange Program

Hosting Academic Conference for Young Physicians to Empower Talent Development and Technological Innovation in Neurointervention

On November 8, 2025, with the support of MicroPort NeuroTech™, the Northeast Division meeting of the "8090" Club of Neurointervention was successfully held in Yanji. The conference brought together experts and academic leaders in the field of neurointervention from across the country. Under the theme of "Exchange, Growth, Collaboration, Innovation, and Win-Win," the event featured high-quality clinical case sharing and technical practice exchanges, showcasing the professional commitment and innovative vitality of young physicians in advancing the discipline.

The conference emphasized that young physicians are the backbone of the field, and the "8090" Club serves as a crucial platform for growth and a bridge for communication. Through keynote presentations and case discussions, the event delved into cutting-edge topics, including the application of the WILLIS covered stent, clinical use and troubleshooting of flow diverter (FD) devices, interventional treatment strategies for various complex intracranial aneurysms and vertebrobasilar dolichoectasia (VBD), as well as the management of aneurysms associated with arterial stenosis. The conference concluded that evidence-based medicine should serve as the guiding principle, with clinical cases at the core, to enhance the interventional skills and clinical decision-making capabilities of young physicians, thereby translating technological advancements into tangible clinical benefits for patients.

Neurointervention "8090" Club — Northeast China Chapter Conference

4.3 Social Welfare

The Group consistently upholds its corporate mission of "providing trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping lives". By integrating its own resources and professional capabilities, the Group continuously carries out inclusive healthcare and public welfare initiatives. It is committed to bringing hope to more patients, creating sustainable value for society, and safeguarding public life and health through practical actions.

4.3.1 Accessible Healthcare

The Group actively promotes inclusive healthcare practices, striving to eliminate healthcare resource disparities, lower barriers to medical services, and ensure the provision of accessible, affordable, and high-quality medical solutions for all patients. It focuses on genuinely reducing their medical costs, enabling high-quality medical products to reach a broader population, and fulfilling corporate social responsibility through concrete actions.

We firmly believe that life is paramount, and every patient has an equal right to access high-quality medical care. For certain products with higher price points, the Group provides targeted donation support to patients facing financial hardship and an inability to afford medical expenses. This assistance aims to help them overcome disease challenges, restore their health, and ensure that advanced medical technology truly benefits those in need.

4.3.2 Public Welfare and Charity

The Group actively responds to the national "Healthy China" strategy and thoroughly implements the requirements set forth in the *Opinions of the State Council on Implementing the Healthy China Initiative*. We systematically conduct disease education and public support initiatives. Through ongoing initiatives such as organizing stroke prevention and treatment awareness campaigns, establishing and operating the "We Love NeuroTech" special relief fund, we focus on enhancing public disease awareness and health consciousness, providing tangible assistance to patient groups. By putting corporate social responsibility into practice, we contribute to advancing the construction of a Healthy China.

Launching a Stroke Prevention Science Popularization Public Welfare Initiative to Enhance Public Health Awareness

In October 2025, MicroPort NeuroTech launched a comprehensive internal and external stroke prevention science popularization public welfare initiative, centered on the theme of "Early Recognition, Immediate Medical Attention." The initiative aimed to bridge the "last mile of awareness" in stroke treatment. It provided support to nearly 100 hospital departments across the country, distributed over 12,000 educational pamphlets, and is estimated to have directly benefited over ten thousand members of the public, delivering essential prevention knowledge to the community.

Stroke Prevention Science Popularization Public Welfare Initiative

5. ENVIRONMENT • CONTRIBUTING TO A LOW-CARBON FUTURE

In accordance with the national "Dual Carbon" policy and relevant environmental regulations, the Group carries out environmental management by integrating energy use, resource consumption, and emission controls into its daily operations. We have established corresponding management mechanisms to monitor and manage energy efficiency and emissions within our production and operational processes, thereby continuously optimizing our environmental management practices.

5.1 Environmental Management

The Group conducts environmental management in compliance with applicable laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*. We clarify management responsibilities and operational requirements through institutionalized arrangements. The Group formulates and implements relevant internal management documents, such as the *Environmental and Occupational Health and Safety Management Manual*. and continuously supplements and refines the management system based on actual business needs to support the standardized execution of environmental management.

Regarding organizational structure, the Group has established a dedicated management team to oversee environmental affairs. The team leader is responsible for overall coordination and resource allocation, while team members implement environmental management requirements in their respective domains according to their assigned duties, thereby establishing a tiered accountability-based structure.

During the Reporting Period, the Group carried out environmental monitoring and waste management work aligned with the annual management objectives, strengthening process control and compliance checks for key areas. The designated environmental management objectives for 2025 were achieved.

Environmental Goals for 2025
• 100% completion of environmental testing • A 100% eligible disposal rate of hazardous waste, medical waste, general industrial solid waste and domestic waste • 100% completion rate for submission of quarterly reports, annual reports for pollutant discharge permits, environmental statistics, and other mandatory filings

To enhance the standardization level of safety and environmental management, the Group continuously advances the construction of relevant management systems. During the Reporting Period, the Group obtained the certification of the Level II Enterprise of Standardization of Occupational Safety and Health[1].

The Group has developed environmental protection training arrangements based on actual production operations, focusing on environmental risk control and standard operating requirements. During the Reporting Period, two environmental protection training sessions were organized in the first and second half of the year, respectively, covering approximately 100 relevant production personnel involved in the management of waste gas, wastewater, solid waste, and noise. The training included management of pollutant collection and disposal, chemical handling practices, control of wastewater collection and discharge, and emergency response procedures for sudden environmental incidents. All trainees completed the assessment with a 100% pass rate.

[1] The Level II Standardized Enterprise for Occupational Safety and Health is a graded certification for work safety management. It is awarded by the competent authority upon assessment in accordance with the Guideline for China's Occupational Safety and Health Management System and other relevant requirements. The certification reflects that the enterprise has met the requisite standards in its work safety management system, risk control, and continuous improvement.

5.2 Climate Change Response

The Group actively monitors climate change issues and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), disclosing information regarding its climate change risk management system and response actions across four dimensions: Governance, Strategy, Risk Management, and Metrics and Targets.

5.2.1 Governance

The Group integrates climate change-related issues into its comprehensive Environmental, Social, and Governance (ESG) management framework. The Board of Directors, as the highest governing body responsible for climate-related matters, provides overall oversight of climate change management. Management is responsible for identifying, assessing, and addressing climate-related risks and opportunities, and drives the implementation of relevant measures in line with operational needs. At the execution level, relevant functional departments carry out specific duties according to their mandates, including the prevention and control of extreme weather events, energy conservation management, and compliance monitoring[2].

To address acute climate events such as typhoons and torrential rain, the Group has established an emergency command and response system. This system defines the roles and responsibilities of emergency teams to ensure the rapid deployment of measures — including flood control, personnel evacuation, power outage protection, and hazardous material isolation — in the event of an incident, thereby mitigating impacts on employee safety, production facilities, and the environment.

[2] We intend to progressively evaluate the necessity and feasibility of integrating climate-related performance into its remuneration policies, and will disclose relevant information at an appropriate time.

5.2.2 Strategy

The Group proactively identifies and evaluates the potential impacts of climate change on its business operations. It formulates targeted management measures addressing physical risks, transition risks, and potential opportunities, thereby continuously building its capacity for climate change mitigation and adaptation. In 2025, we further refined emergency response plans for extreme weather scenarios, strengthening the prevention and control of production safety and environmental risks. As the Group's climate data management system remains under continuous development, and the associated scenario assumptions, financial sensitivity parameters, and assessment models are still being established, we currently assess the potential impacts of climate change on areas such as production operations, supply chain stability, and compliance costs primarily through qualitative means. Given that the direct impact of climate-related risks on the Group's financial position is currently limited, and the foundational data and methodological frameworks needed for comprehensive quantitative analysis require further strengthening, we have not yet undertaken a systematic quantitative scenario assessment. Moving forward, we will progressively advance the quantitative analysis of climate-related financial impacts by continuously enhancing data accumulation and management capabilities. We will also increase the depth and completeness of our disclosures in step with the maturation of our reporting.

Risk/Opportunity Category		Time Period		Potential Impact	Likelihood	Impact	Financial Impact[3]
Risk	Physical Risks	Acute Physical Risks	Medium-term	Increasing frequency of extreme weather events may disrupt daily operations or cause supply chain disruptions, leading to reduced production capacity.	Low	Weak	Increased operational costs
		Chronic Physical Risks	Long-term	Persistently high temperatures due to climate change may lead to power supply anomalies or require increased energy consumption to maintain the necessary indoor environment temperature.	Low	Medium	Increased operational costs

Risk/Opportunity	Category	Time Period		Potential Impact	Likelihood	Impact	Financial Impact[3]
	Transition Risks	Policy and Law	Medium-term	Increasingly stringent climate change policies and regulatory requirements may elevate the Group's compliance and operational costs.	Low	Medium	Increased operational costs
		Technology	Short-term	The adoption of low-carbon technologies may require additional capital investment, and existing production and operational models may face compatibility issues with new low-carbon technologies.	High	Medium	Increased operational costs
		Market	Medium-term	Rising prices of raw materials (e.g., energy, water) and evolving emission requirements (e.g., waste treatment) may lead to higher production costs.	High	Medium	Increased operational costs
		Reputational	Medium-term	Stakeholders are increasingly focusing on the Group's actions regarding climate change and the transparency of its disclosures. Failure to disclose or disclosures falling below stakeholder expectations may affect the Group's reputation and investor decisions.	Low	Weak	Decreased revenue
Opportunity	Resource efficiency	Medium-term		Improving the efficiency of energy, water, and other resource usage through measures such as design optimization, process improvements, and equipment upgrades, leading to lower operational costs.	High	Medium	Decreased operational costs

Based on the systematic identification of climate change-related risks and opportunities, MicroPort NeuroScientific formulates corresponding strategies to address climate change for the short, medium, and long term, in accordance with its own operational realities and resource endowment. These strategies are dynamically adjusted in response to changes in the external environment and internal operations.

Climate Change Management Strategy

Short-term (<1 Year)	Identify and assess climate change risks and opportunities, and update the list and corresponding response measures
Medium-term (1–5 Years)	Review the effectiveness of climate change response efforts based on external changes, internal management, and medium-term performance. Swiftly optimize strategic direction to ensure strategic resilience
Long-term (>5 Years)	Align with the carbon peaking and carbon neutrality goals, striving to achieve long-term results in climate change mitigation and adaptation.

5.2.3 Risk Management

The Group incorporates climate change-related risks into its overall risk identification and management processes. It manages these risks according to established procedures of identification, assessment, response, and monitoring, thereby forming a robust climate risk management mechanism.

Risk Identification	Identify physical and transition risks, such as extreme weather, high temperatures, policy tightening, and energy price volatility, that may impact operations, supply chain, and compliance, based on local climate characteristics, regulatory trends, and business operations.
Risk Assessment	Conduct a comprehensive assessment from the dimensions of both likelihood of occurrence and magnitude of impact, focusing on potential threats to employee safety, production continuity, asset integrity, and compliant operations.
Risk Response	Develop emergency response plans (e.g., for flood prevention) for acute risks, strengthening the emergency response mechanism. For transition risks, continuously monitor policy changes, optimize resource efficiency, and reduce compliance and cost pressures.
Risk Monitoring	Dynamically track changes in the external environment and internal operations, continuously optimize risk identification and response measures, and promote the organic integration of climate risks into daily operational management.

5.2.4 Metrics and Targets

The Group actively responds to the national strategic goals of "carbon peaking" and "carbon neutrality" and continuously focuses on managing greenhouse gas (GHG) emissions and improving resource efficiency. On the basis of compliant operations, we have formulated a feasible pathway to progressively advance energy conservation, consumption reduction, and green operational practices, reduce GHG emissions, and improve energy and resource efficiency[4].

During the Reporting Period, the Group's GHG emissions are detailed in the table below:

Indicator	Unit	2025[5]	2024	2023
Greenhouse Gas (GHG) Emissions[6]				
Scope 1 GHG Emissions	Tonne of CO_2 Equivalent	**88.82**	43.76	89.32
Scope 2 GHG Emissions	Tonne of CO_2 Equivalent	**2,604.93**	1,556.24	1,575.80
Total GHG Emissions	Tonne of CO_2 Equivalent	**2,693.76**	1,600.00	1,665.12
Intensity of GHG Emission	Tonne per Million RMB Revenue	**3.41**	2.10	2.50

5.3 Resource Utilization

The Group manages key resource elements such as energy, water, and packaging materials, integrating resource conservation requirements into daily production and operational arrangements. Through institutionalized management and technological optimization measures, we continuously improve resource use efficiency and reduce overall resource consumption.

5.3.1 Energy Management

The Group conducts energy management in accordance with the *Energy Conservation Law of the People's Republic of China* and other relevant regulations, and has established corresponding management mechanisms to monitor and control energy use. In the production and operation process, we enhance energy utilization efficiency and reduce unnecessary energy consumption through measures such as optimizing air conditioning operations, adjusting lighting control modes, applying energy-saving equipment, and standardizing equipment operation arrangements during holidays.

4 We plan to progressively improve our climate-related target management and monitoring framework. Relevant quantitative targets, progress tracking, and review mechanisms will be disclosed at an appropriate time.

5 Due to the expansion of the Group's production scale in 2025, overall energy consumption increased significantly, leading to a corresponding rise in carbon emissions data.

6 The greenhouse gas emission factors are referenced in accordance with the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission in 2015, and the grid emission factor for purchased electricity is referenced in accordance with the *Notice on the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Sector for 2023–2025 issued by the Ministry of Ecology and Environment in 2023*. We are gradually advancing the investigation and quantification of Scope 3 emissions and will disclose it at an appropriate time.

Management of Energy Consumption of Air Conditioning	In response to the air conditioning system, a major source of energy consumption in office areas, the Group has established operational management arrangements, adjusting its operating modes based on different functional zones and seasonal changes to reduce energy consumption in office areas.
Optimization of Lighting Control	During the Reporting Period, the subsidiary MP NeuroTech Shanghai optimized air conditioning operating hours, transitioning from the original 24-hour operation to an 8- to 12-hour operation mode, resulting in a reduction in electricity consumption of over 55%.
Application of Energy-saving Equipment	The Group advances energy-saving lighting management by adopting intelligent lighting systems that adjust illumination levels based on actual needs, reducing lighting energy consumption while meeting usage requirements.
Adjustment of Operation during holidays	Newly constructed plants uniformly utilize energy-efficient LED lighting equipment, and combine holiday schedules to optimize electricity management, reducing unnecessary power consumption.

Energy Conservation Measures

The Group continues to advance its daily energy management arrangements by implementing the "Senior Management Inspection" project. Under this program, the management conducts regular inspections of energy usage, focusing on anomalies and wastage during energy consumption, and drives the implementation of improvement measures. Concurrently, the Group has established the "Thought with Green Actions" energy-saving group, which carries out energy conservation optimization efforts starting from details in office and production settings, encouraging employees to identify opportunities for energy-saving improvements in their daily work. Furthermore, we have launched the "MicroPort NeuroTech Carpool" campaign, guiding employees to commute by carpooling to reduce energy consumption and carbon emissions associated with commuting.

Indicator	Unit	2025[7]	2024	2023
Energy Consumption[8]				
Direct Energy Consumption				
Gasoline	kWh	**21,699.86**	4,339.97	13,712.75
Diesel	kWh	**24,897.56**	5,975.41	25,229.19
Natural Gas	kWh	**385,494.36**	205,300.49	327,615.89
Indirect Energy Consumption				
Purchased Grid Electricity	kWh	**4,273,185.55**	2,657,512.00	3,751,908.00
Purchased Renewable Electricity	kWh	**2,461,332.98**	0	0
Total Energy Consumption	kWh	**7,166,610.30**	2,873,127.87	4,118,465.83
Intensity of Total Energy Consumption	kWh per Million RMB Revenue	**9,066.12**	3,771.69	6,179.87

7 Due to the expansion of the Group's production scale in 2025, overall energy consumption data increased significantly.

8 The Group's total energy consumption is calculated with reference to the *GB/T 2589–2020 General Rules for Calculation of the Comprehensive Energy Consumption* released by the State Administration for Market Regulation and the Standardization Administration.

5.3.2 Water Resource Management

The Group manages water usage in accordance with the *Water Law of the People's Republic of China* and other relevant regulations, and incorporates water resource consumption into the scope of daily operational controls. We reduce unnecessary water consumption by standardizing water use registration and metering management, strengthening equipment maintenance, and investigating and addressing leaks and wastage, while simultaneously reinforcing water-saving reminders aligned with job responsibilities. During the Reporting Period, the Group's total water consumption decreased by approximately 19.25% year-on-year.

Water Conservation Initiatives	Installation of water purification equipment to reduce the consumption of bottled and barreled water, thereby lowering associated resource use. Regular inspection and maintenance of water-using equipment to ensure proper operation and prevent water resource wastage due to equipment malfunction. Placement of water-saving reminder signs in office and production areas to prompt employees to regulate their water usage behavior.

We continuously monitor and manage water usage to promote its efficient utilization and conservation. During the Reporting Period, the Group's water resource consumption metrics are as follows:

Indicator	Unit	2025	2024	2023
Total Water Consumption	Tonne	**27,202.86**	33,688.00	34,283.00
Intensity of Water Consumption	Tonne per Million RMB Revenue	**34.41**	44.22	51.44

5.3.3 Packaging Material Management

The Group attaches great importance to the management of packaging materials. The Group follows the relevant requirements of the packaging materials for terminal sterilized medical devices of ISO 11607 and has formulated management policies such as the *Packaging Design Management Specification* and the *Packaging Raw Material Storage Cycle*. These policies clarify the requirements for the selection of packaging materials, structural design, etc., which ensure the compatibility of packaging with products and meet the specific needs of different countries and markets.

Under the premise of ensuring product safety and compliance, the Group continuously improves the efficiency of the use of packaging materials and minimizes the use of packaging materials through methods such as reduction and recycling. The Group has implemented packaging reduction measures for some products by eliminating non-essential packaging components and optimizing packaging design, thereby effectively achieving reduction in packaging material consumption while enhancing the practicality of transport packaging and improving product protection standards. The Group reuses sterilization containers when they meet relevant standards, reducing the consumption of packaging materials.

As of the end of the Reporting Period, the Group's packaging materials consumption metrics are as follows:

Indicator	Unit	2025	2024	2023
Total Amount of Packaging Materials Consumption	Tonne	**109.11**	86.74	45.90
Packaging Use Density	Tonne per Million RMB Revenue	**0.14**	0.11	0.07

5.4 Emissions Management

The Group manages waste, wastewater, air emissions, and noise in accordance with applicable environmental protection regulations and incorporates emission controls into its production and operational management processes. We monitor and control emissions according to relevant standards, implementing reduction measures to minimize environmental impact while ensuring compliance with regulatory requirements. During the Reporting Period, the Group did not record any environmental violations.

5.4.1 Waste Management

The Group carries out waste management activities in compliance with *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other relevant regulations. We have established the *Management System for Solid Wastes Prevention and Control* which standardizes procedures for waste classification, temporary storage, record-keeping, and the transfer and disposal of hazardous waste. This system clearly defines the division of responsibilities among departments and record-keeping requirements to ensure orderly waste management.

At the implementation level, the Group implements classified management for solid waste generated from production, office, and daily activities. General solid waste is centrally collected and handled by a designated department. Hazardous waste is managed by specialized personnel and entrusted to qualified units for disposal, with the mandatory waste transfer manifest procedures and reporting processes duly fulfilled. Whole-process documentation and supervision are strengthened. During the Reporting Period, the Group achieved the goal of 100% compliant waste disposal.

2025 Waste Management Targets
• 100% compliant and harmless disposal of hazardous waste, medical waste, and general solid waste.

5.4.1.1 Non-Hazardous Waste Management

Non-hazardous waste generated during the Group's production and daily operations primarily comprises general industrial solid waste and municipal solid waste from office activities. General industrial solid waste is collected and temporarily stored in accordance with classification requirements, then entrusted to qualified third-party organizations for standardized transfer and disposal, with final treatment conducted through methods such as recycling, incineration, or landfill. Municipal solid waste from offices is collected and transported by the municipal sanitation department.

Simultaneously, the Group aims to reduce waste generation during processing by optimizing product design and production processes, adopting more precise manufacturing methods, and promoting digital drawing management. In the procurement phase, priority is given to easily recyclable and biodegradable raw and packaging materials to reduce the use of hazardous substances. Inventory, production, and supply chain management are concurrently optimized by rationalizing production planning to reduce the expiration of raw and auxiliary materials and the generation of scrap from related processes, thereby controlling the volume of solid waste at the source.

5.4.1.2 Hazardous Waste Management

Hazardous waste generated during the Group's production and operations primarily includes medical waste and chemical waste liquids. Such waste is collected separately in accordance with management requirements, transferred to a designated hazardous waste temporary storage area, and is regularly collected, transported, and disposed of by qualified third-party organizations, ultimately processed through methods such as incineration. Concurrently, the Group works to reduce the generation of non-hazardous waste by adjusting production processes and optimizing operational designs. During the Reporting Period, following process optimization, the volume of non-hazardous waste generated decreased compared to previous periods.

Indicator	Unit	2025	2024	2023
Hazardous Waste				
Total Amount of Hazardous Waste Generated	Tonne	**34.19**	31.27	33.90
Intensity of Hazardous Waste Generated	Tonne per Million RMB Revenue	**0.04**	0.04	0.05
Non-Hazardous Waste				
Total Amount of Non-Hazardous Waste Generated	Tonne	**48.56**	56.36	62.84
Total Amount of Non-Hazardous Waste Recycled	Tonne	**48.56**	56.36	62.84
Intensity of Non-Hazardous Waste Generated	Tonne per Million RMB Revenue	**0.06**	0.07	0.09

5.4.2 Wastewater Management

The Group manages wastewater in accordance with *the Law of the People's Republic of China on the Prevention and Control of Water Pollution* and other relevant regulations. We have established the *Management System for Water Pollution Prevention and Control* that details wastewater operating procedures, safety production requirements, and record-keeping arrangements. The system also includes emergency response plans for incidents such as wastewater leaks and pipeline damage, thereby standardizing the entire wastewater treatment process.

Wastewater management responsibilities are integrated into the organizational structure, with a designated person held accountable for environmental compliance. Professional management personnel are assigned to oversee daily operations, monitoring, and documentation, ensuring classified wastewater treatment and compliant discharge. During the Reporting Period, we achieved the set wastewater discharge targets.

2025 Wastewater Discharge Targets

- 100% compliance rate for wastewater discharge monitoring.

The Group has established segregate treatment pathways based on the different sources of wastewater, clearly defining the management requirements for domestic sewage versus production and R&D wastewater. Office and domestic sewage is discharged into the municipal wastewater treatment system via the campus pipeline network for centralized treatment. Production and R&D wastewater is conveyed via the campus network to the on-site wastewater treatment station for treatment to ensure it meets discharge standards. Furthermore, the facility implements separate stormwater and sewage management systems to prevent mixing and unauthorized discharges.

The Group conducts wastewater testing in accordance with *the Law of the People's Republic of China on Environmental Impact Assessment* and the *Regulations on the Administration of Pollutant Discharge Permits*, completing data submission and information disclosure. During the Reporting Period, the Group achieved a 100% fulfillment rate for all relevant compliance management requirements. We implement a classified monitoring system for different types of wastewater. Based on the wastewater category, we monitor parameters including pH, suspended solids, ammonia nitrogen, chemical oxygen demand (COD), five-day biochemical oxygen demand (BOD5), total phosphorus, and total nitrogen. Discharge indicators are controlled through this tiered monitoring mechanism.

Furthermore, the Group has entered into a wastewater disposal agreement with the park's operator, MicroPort CardioFlow Medtech Corporation. The wastewater is centrally treated by the park's wastewater treatment station. Through daily operation and maintenance management, the stability of the treatment facilities is ensured, and discharge concentrations are maintained within the standard limits.

In addition, the Group integrates water conservation and wastewater management training with specific job responsibilities. By optimizing operational procedures and enhancing training and awareness, the Group works to reduce water loss and minimize wastewater generation.

As of the end of the Reporting Period, the data related to the Group's wastewater emissions are as follows.

Indicator	Unit	2025	2024	2023
Wastewater				
Total Amount of Wastewater	Tonne	**23,122.43**	16,000.00	11,017.00
Intensity of Wastewater	Tonne per Million RMB Revenue	**29.25**	21.00	16.55

5.4.3 Waste Gas Management

The Group manages waste gas emissions in accordance with the *Law of the People's Republic of China* on the *Prevention and Control of Air Pollution* and other relevant regulations. We have established the *Management System for Air Pollution Prevention and Control* to standardize procedures for the generation, collection, and treatment of waste gas. Classification-based treatment measures are implemented according to the characteristics of different pollutants. For example, Volatile Organic Compounds (VOCs) are treated using activated carbon adsorption, while acidic waste gases are purified through alkaline adsorption materials. These measures ensure that emission indicators comply with relevant standard requirements. During the Reporting Period, we achieved the established waste gas emission targets.

2025 Air Emission Targets
• 100% compliance rate for air emission monitoring.

During daily operations, employees are required to activate the air emission treatment equipment and confirm its operational status before commencing work. Any anomalies must be promptly reported to the equipment management personnel for handling, and related work activities are to be suspended during equipment maintenance. Positions involving the use of volatile chemicals in production and R&D must operate under effective collection facilities, such as fume hoods or capture hoods, to minimize fugitive emissions. Management personnel conduct annual air emission monitoring as required by regulations and complete the corresponding data submission and information disclosure. Furthermore, the Group advances air emission reduction management across three levels: source control, process control, and end-of-pipe treatment, continuously optimizing emission control measures.

Source Control	Process Control	End-of-pipe Control
• Optimize raw material selection by prioritizing low-VOC content materials to reduce pollutant emissions at the source.	• Strengthen management during production and R&D processes by standardizing chemical use through sealed operations, fume hoods, and exhaust systems, improving collection efficiency and reducing fugitive emissions.	• Enhance the efficiency of air emissions treatment equipment and strengthen monitoring of emission outlets. Total emissions in 2025 decreased by approximately 10% compared to the previous year.

Waste Gas Emission Reduction Initiatives

As of the end of the Reporting Period, the data related to the Group's air emissions are as follows.

Indicator	Unit	2025	2024	2023
Waste Gas Emissions				
Total Amount of Waste Gas Emissions	Tonne	**0.08**	0.05	0.07
Intensity of Waste Gas Emissions	Kg per Million RMB Revenue	**0.10**	0.07	0.11

5.4.4 Noise Management

The Group complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, formulates and implements the *Management System for Noise Pollution Prevention and Control*, clarifies responsibilities for noise management, and implements source control, factory layout optimization, and personal protection requirements. The system requires noise indicators to be included in technical evaluations during equipment procurement and installation, arranges high-noise equipment rationally, implements protective measures for personnel entering high-noise areas, and standardizes noise risk management.

Through routine monitoring, source prevention, and construction process management, the Group monitors the operation of key equipment, strengthens management arrangements during production and construction, and reduces the impact on the surrounding environment.

Routine Monitoring	Source Control	Construction Process Management
• Noise monitoring is conducted according to plan, with key areas inspected and results recorded. All monitoring results during the Reporting Period complied with relevant standard requirements.	• Low-noise equipment is prioritized during the equipment selection stage, and operational noise is reduced through regular maintenance and rational layout.Vibration damping and sound insulation measures are implemented for high-noise equipment. • Employees entering high-noise work areas are required to use hearing protection, such as earplugs.	• Management of construction and work processes is strengthened, with a focus on controlling noise at the facility boundary to minimize the impact of construction activities on the surrounding area.

Noise Management

6. APPENDIX: INDEX TO THE HKEX'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Environmental, Social and Governance Aspects and General Disclosures and KPIs			Chapter
A. Environmental			
A1: Emissions	**General Disclosure**	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5.3 Resource Utilization 5.4 Emissions Management
	A1.1	The types of emissions and respective emissions data	5.4 Emissions Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Emissions Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	5.4 Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.4 Emissions Management
A2: Use of Resources	**General Disclosure**	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	5.3 Resource Utilization
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.3 Resource Utilization
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.3 Resource Utilization
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.3 Resource Utilization
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.3 Resource Utilization
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5.3 Resource Utilization
A3: The Environment and Natural Resources	**General Disclosure**	Policies on minimizing the issuer's significant impact on the environment and natural resources.	5.1 Environmental Management 5.3 Resource Utilization
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	5.1 Environmental Management 5.3 Resource Utilization

Environmental, Social and Governance Aspects and General Disclosures and KPIs			Chapter
B. Social			
Employment and Labor Practices			
B1: Employment	**General Disclosure**	Information on: (a) the policies; and (b) compliance to relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Employee Empowerment
	B1.1	Total workforce by gender, employment type (for example, full or part-time) , age group and geographical region.	4.1 Employee Empowerment
	B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Employee Empowerment
B2: Health and Safety	**General Disclosure**	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.1 Employee Empowerment
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.1 Employee Empowerment
	B2.2	Lost days due to work injury.	4.1 Employee Empowerment
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.1 Employee Empowerment
B3: Development and Training	**General Disclosure**	Policies on improving employees' knowledge and skills of discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	4.1 Employee Empowerment
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	4.1 Employee Empowerment
	B3.2	The average training hours completed per employee by gender and employee category.	4.1 Employee Empowerment
B4: Labour Standards	**General Disclosure**	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Employee Empowerment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Employee Empowerment
	B4.2	Description of steps taken to eliminate such violations when discovered.	4.1 Employee Empowerment

Environmental, Social and Governance Aspects and General Disclosures and KPIs			Chapter
Operational Management			
B5: Supply Chain Management	**General Disclosure**	Policies on managing environmental and social risks of the supply chain.	4.2 Coordinated Development
	B5.1	Number of suppliers by geographical region.	4.2 Coordinated Development
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.	4.2 Coordinated Development
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Coordinated Development
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2 Coordinated Development
B6: Product Responsibility	**General Disclosure**	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.2 Coordinated Development
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Products and Services
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.2 Products and Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1 Innovation-Driven
	B6.4	Description of quality assurance process and product recall procedures.	3.2 Products and Services
	B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	3.2 Products and Services
B7: Anti-corruption	**General Disclosure**	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.5 Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	2.5 Business Ethics
	B7.2	Description of preventive measures and whistleblowing procedures and how they are implemented and monitored.	2.5 Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	2.5 Business Ethics
Community			
B8: Community Investment	**General Disclosure**	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take the communities' interests into consideration.	4.3 Social Welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	4.3 Social Welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	4.3 Social Welfare

Part D: Climate-related Disclosures			Chapter
(I) Governance	1.	An issuer shall disclose information about:	
	(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	5.2 Climate Change Response
	(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	5.2 Climate Change Response
	(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	5.2 Climate Change Response
	(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 19 to 22) , including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	5.2 Climate Change Response
	(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	5.2 Climate Change Response
	(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	5.2 Climate Change Response

Part D: Climate-related Disclosures		Chapter
(II) Strategy	**Climate-related risks and opportunities**	
	2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	5.2 Climate Change Response
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	5.2 Climate Change Response
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	5.2 Climate Change Response
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	5.2 Climate Change Response
	Business model and value chain	
	3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	5.2 Climate Change Response
	(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	5.2 Climate Change Response

Part D: Climate-related Disclosures		Chapter
	Strategy and decision-making	
4.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	5.2 Climate Change Response
(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	5.2 Climate Change Response
(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies) , or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	5.2 Climate Change Response
(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)) , described in accordance with paragraphs 19 to 22; and	5.2 Climate Change Response
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	5.2 Climate Change Response
5.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a).	5.2 Climate Change Response

Part D: Climate-related Disclosures		Chapter
	Financial position, financial performance and cash flows	
	Current financial effect	
	6. An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	5.2 Climate Change Response
	(b) the climate-related risks and opportunities identified in paragraph 6(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	5.2 Climate Change Response
	Financial position, financial performance and cash flows	
	Anticipated financial effect	
	7. The issuer shall provide qualitative and quantitative disclosures about:	
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	5.2 Climate Change Response
	(ii) its planned sources of funding to implement its strategy; and	5.2 Climate Change Response
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	5.2 Climate Change Response
	Climate resilience	
	8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	

Part D: Climate-related Disclosures			Chapter
	(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i)	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	5.2 Climate Change Response
	(ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	5.2 Climate Change Response
	(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	5.2 Climate Change Response
	(b)	how and when the climate-related scenario analysis was carried out, including:	
	(i)	information about the inputs used, including:	5.2 Climate Change Response
	(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2)	whether the analysis included a diverse range of climate-related scenarios;	
	(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6)	time horizons the issuer used in the analysis; and	
	(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii)	the key assumptions the issuer made in the analysis; and	5.2 Climate Change Response
	(iii)	the reporting period in which the climate-related scenario analysis was carried out.	5.2 Climate Change Response

Part D: Climate-related Disclosures			Chapter
(III) Risk Management	9.	An issuer shall disclose information about:	
	(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	5.2 Climate Change Response
	(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	5.2 Climate Change Response
	(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	5.2 Climate Change Response
	(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	5.2 Climate Change Response
	(v)	how the issuer monitors climate-related risks; and	5.2 Climate Change Response
	(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	5.2 Climate Change Response
	(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Part D: Climate-related Disclosures		Chapter
(IV) Metrics and Targets	**Greenhouse gas emissions**	
	10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	5.2 Climate Change Response
	(a) Scope 1 greenhouse gas emissions;	5.2 Climate Change Response
	(b) Scope 2 greenhouse gas emissions; and	5.2 Climate Change Response
	(c) Scope 3 greenhouse gas emissions.	5.2 Climate Change Response
	11. An issuer shall:	5.2 Climate Change Response
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	5.2 Climate Change Response
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	5.2 Climate Change Response
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	5.2 Climate Change Response
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b) , disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	5.2 Climate Change Response
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c) , disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	5.2 Climate Change Response

Part D: Climate-related Disclosures		Chapter
	Climate-related transition risks	
12.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	5.2 Climate Change Response
	Climate-related physical risks	
13.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	5.2 Climate Change Response
	Climate-related opportunities	
14.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	5.2 Climate Change Response
	Capital deployment	
15.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	5.2 Climate Change Response
	Internal carbon prices	
16.	An issuer shall disclose:	
(a)	an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	5.2 Climate Change Response
(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	5.2 Climate Change Responsey
	Remuneration	
17.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a) (iv).	5.2 Climate Change Response
	Industry-based metrics	
18.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable

Part D: Climate-related Disclosures		Chapter
	Climate-related targets	
19.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a)	the metric used to set the target;	5.2 Climate Change Response
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	5.2 Climate Change Response
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	5.2 Climate Change Response
(d)	the period over which the target applies;	5.2 Climate Change Response
(e)	the base period from which progress is measured;	5.2 Climate Change Response
(f)	milestones or interim targets (if any);	5.2 Climate Change Response
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	5.2 Climate Change Response
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	5.2 Climate Change Response
20.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a)	whether the target and the methodology for setting the target has been validated by a third party;	5.2 Climate Change Response
(b)	the issuer's processes for reviewing the target;	5.2 Climate Change Response
(c)	the metrics used to monitor progress towards reaching the target; and	5.2 Climate Change Response
(d)	any revisions to the target and an explanation for those revisions.	5.2 Climate Change Response
21.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	5.2 Climate Change Response

Part D: Climate-related Disclosures		Chapter
22.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
(a)	which greenhouse gases are covered by the target;	5.2 Climate Change Response
(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	5.2 Climate Change Response
(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	5.2 Climate Change Response
(d)	whether the target was derived using a sectoral decarbonisation approach; and	Not applicable
(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Not applicable
(ii)	which third-party scheme(s) will verify or certify the carbon credits;	Not applicable
(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Not applicable
(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Not applicable
Applicability of cross-industry metrics and industry-based metrics		
23.	In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Not applicable

Independent auditor's report to the shareholders of MicroPort NeuroScientific Corporation
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of MicroPort NeuroScientific Corporation ("**the Company**", formerly known as MicroPort NeuroTech Limited) and its subsidiaries ("**the Group**") set out on pages 171 to 260 which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory 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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") 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 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 these requirements and 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.

Revenue recognition

Refer to note 3 to the consolidated financial statements and the accounting policies on pages 196 to 198.

The Key Audit Matter	How the matter was addressed in our audit
The Group recognises revenue from the sale of medical devices at a point in time when control of goods is transferred to the customer. The amount to which the Group expects to be entitled can vary due to sales rebates granted to customers explicitly identified in the sales contracts signed with customers. The Group uses distributorship business model to sell its medical devices. In addition to the distribution agreements, the Group also signs consignment agreements with certain distributors. Thus, the time when control of goods is transferred may vary under different circumstances.	Our audit procedures to revenue recognition included the following: • obtaining an understanding of and assessing and testing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition; • inspecting, on a sample basis, key customer contracts to identify terms and conditions relating to transfer of goods control and sales rebates and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;

Key audit matters (continued)

Revenue recognition

Refer to note 3 to the consolidated financial statements and the accounting policies on pages 196 to 198.

The Key Audit Matter	How the matter was addressed in our audit
The sales rebates granted to customers are based on different factors, including purchase volume from distributors, sales volume to end-customers. Revenue from sales subject to rebate arrangements is recognised at the net amount of consideration to which the Group is entitled, after adjusting for the estimated amount that the Group may be required to rebate to the customer in respect of these sales, unless it is highly probable that the customer will not satisfy the rebate entitlement criteria within the rebate period. We identified the recognition of revenue as a key audit matter because (i) revenue is a key performance indicator of the Group and is, therefore, subject to possible manipulation through the timing of revenue recognition to meet targets or expectations, (ii) the variety of different terms of sale may affect the timing of the recognition of revenue.	• selecting, on a sample basis, key distributors to send confirmations to verify the accuracy and completeness of the Group's sales rebate accruals and disbursement amounts; • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with relevant underlying documentation, which included goods dispatch notes, shipping documents and other documents, as applicable under the different sales contracts, to assess whether the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the respective sales contracts; and • inspecting underlying documentation for journal entries relating to revenue which met specific risk-based criteria.

Key audit matters (continued)

Assessing potential impairment of intangible assets

Refer to note 11 to the consolidated financial statements and the accounting policies on page 190.

The Key Audit Matter	How the matter was addressed in our audit
The carrying values of the Group's intangible assets as at 31 December 2025 was RMB203 million (2024: RMB189 million). Intangible assets are primarily related to capitalised development costs for certain products. Management performs annual impairment assessments of the intangible assets that are not yet available for use and also performs impairment assessments for specific intangible assets when the management identifies related impairment indicators by comparing the carrying values of these assets with their recoverable amounts being the higher of the fair value less costs of disposal and the value in use. The preparation of discounted cash flow forecasts involves the exercise of significant management judgment, in particular in assessing future revenue growth, future gross margins, future capital expenditure and working capital movements and appropriate discount rates.	Our audit procedures to assessing potential impairment of intangible assets included the following: • evaluating management's identification of the impairment indicators related to the intangible assets and assessing the appropriateness of the methodology adopted by management in its impairment assessments with reference to the requirements of the prevailing accounting standards; • evaluating the reasonableness of certain assumptions adopted in the discounted cash flow forecasts by comparing data in the discounted cash flow forecasts with the relevant data, including forecast revenue ("**assumptions**") by comparing with the financial budgets which was approved by the board of directors and with available industry statistics; and assessing whether the discount rate applied was within the range adopted by other companies in the same industry;

Key audit matters (continued)

Assessing potential impairment of intangible assets

Refer to note 11 to the consolidated financial statements and the accounting policies on page 190.

The Key Audit Matter	How the matter was addressed in our audit
We identified the assessment of potential impairment of intangible assets as a key audit matter because such assessment, if any, involves a significant degree of management judgement, which can be inherently uncertain and could be subject to management bias.	• comparing the assumptions included in discounted cash flow forecasts prepared in the prior year with the current year's performance to assess how accurate the prior year's discounted cash flow forecasts were and making enquiries of management as to the reasons for any significant variations identified and whether there was any indication of management bias; • involving our internal valuation specialists in assessing the appropriateness of the impairment assessment model with reference to the prevailing accounting standards and the discount rate applied in the discounted cash flow forecast by benchmarking against those of comparable companies and external market data if available; • performing a sensitivity analysis on future revenue growth rates and the discount rates applied in the discounted cash flow forecasts and considering the resulting impact on the recoverable amount and whether there were any indicators of management bias in the selection of these assumptions; and • considering the reasonableness of the disclosures in the consolidated financial statements in respect of management's impairment assessments of intangible assets with reference to the requirements of the prevailing accounting standards.

Key audit matters (continued)

Assessing impairment of investment in Rapid Medical Ltd. ("Rapid Medical") which was accounted for as an associate

Refer to note 13 to the consolidated financial statements and the accounting policies on page 190.

The Key Audit Matter	How the matter was addressed in our audit
The Group has 22.3% interest in Rapid Medical, which is accounted for under the equity method. The Group's share of the net assets in Rapid Medical as at 31 December 2025 was nil (2024: RMB86 million). As at 31 December 2025, management determined that there was an indicator of impairment of investment in Rapid Medical and, therefore, assessed the recoverable amounts with reference to the higher of value-in-use ("**VIU**") and fair value less costs of disposal. Management determined VIU based on a discounted cash flow forecast prepared by an external valuer, which involved significant judgement in assessing terminal growth rate and discount rate.	Our audit procedures to assess impairment of investment in Rapid Medical included the following: • obtaining an understanding of and testing the design and implementation of the key internal controls related to the impairment assessment; • evaluating management's identification of the existence of impairment indicators of the interests in Rapid Medical with reference to the requirements of the prevailing accounting standards; • evaluating the competence, capabilities and objectivity of the external valuer engaged by management; • challenging the reasonableness of the key assumptions adopted in the preparation of the discounted cash flow forecast supporting the VIU by comparing the forecasted revenue and forecasted gross margins with historical data and available economic and industry forecasts;

Key audit matters (continued)

Assessing impairment of investment in Rapid Medical Ltd. ("Rapid Medical") which was accounted for as an associate

Refer to note 13 to the consolidated financial statements and the accounting policies on page 190.

The Key Audit Matter	How the matter was addressed in our audit
Based on the assessment, the Group recognised impairment losses of RMB60 million for the year ended 31 December 2025 (2024: Nil). We identified assessing impairment of the investment in Rapid Medical as a key audit matter because such assessment requires significant judgement and estimation, which increases the risk of error or potential management bias.	• involving our internal valuation specialists to assess the appropriateness of methodology used in the preparation of the discounted cash flow forecast with reference to the requirements of the prevailing accounting standards and the reasonableness of discount rate and terminal growth rate applied by benchmarking against those of comparable companies and external market data if available; • evaluating the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors 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. This 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.

- 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.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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 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 Au Yat Fo *(practising certificate number: P04854)*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Revenue	3	**790,483**	761,762
Cost of sales		**(209,762)**	(205,835)
Gross profit		**580,721**	555,927
Other net income	4	**47,490**	56,580
Research and development costs		**(77,919)**	(96,482)
Distribution costs		**(167,770)**	(132,472)
Administrative expenses		**(63,015)**	(55,832)
Other operating costs	5(c)	**(2,011)**	(900)
Profit from operations		**317,496**	326,821
Finance costs	5(a)	**(1,597)**	(3,531)
Share of losses of an associate		**(25,347)**	(20,557)
Impairment loss on investment in an associate		**(59,572)**	—
Profit before taxation	5	**230,980**	302,733
Income tax	6(a)	**(47,229)**	(53,878)
Profit for the year		**183,751**	248,855
Attributable to:			
Equity shareholders of the Company		**184,510**	254,165
Non-controlling interests		**(759)**	(5,310)
Profit for the year		**183,751**	248,855
Earnings per share (RMB)	9		
Basic		**0.32**	0.44
Diluted		**0.32**	0.44

The notes on pages 178 to 260 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 25(b).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Expressed in Renminbi)

	2025 RMB'000	2024 RMB'000
Profit for the year	**183,751**	248,855
Other comprehensive income for the year, (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	**(22,071)**	17,802
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries	**15,641**	(9,783)
Other comprehensive income for the year	**(6,430)**	8,019
Total comprehensive income for the year	**177,321**	256,874
Attributable to:		
Equity shareholders of the Company	**178,080**	262,184
Non-controlling interests	**(759)**	(5,310)
Total comprehensive income for the year	**177,321**	256,874

The notes on pages 178 to 260 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	10	**221,394**	119,850
Investment property	10	**12,239**	12,582
		233,633	132,432
Intangible assets	11	**202,639**	189,287
Investment in associates	13	**50,000**	85,966
Financial assets at fair value through profit and loss	15	**—**	11,298
Time deposit	18	**52,086**	50,768
Deferred tax assets	22(b)	**24,683**	18,567
Other non-current assets	14	**46,186**	184,143
		609,227	672,461
Current assets			
Financial assets measured at fair value through profit or loss	15	**406,779**	372,480
Inventories	16	**118,658**	157,318
Trade and other receivables	17	**362,002**	176,991
Pledged deposit and time deposit	18	**—**	40,705
Cash and cash equivalents	18	**611,254**	622,581
		1,498,693	1,370,075
Current liabilities			
Trade and other payables	19	**204,847**	213,398
Contract liabilities	20	**6,038**	3,193
Lease liabilities	21	**13,947**	22,359
Income tax payables	22(a)	**24,624**	22,588
		249,456	261,538
Net current assets		**1,249,237**	1,108,537
Total assets less current liabilities		**1,858,464**	1,780,998

The notes on pages 178 to 260 form part of these financial statements.

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Lease liabilities	21	**1,993**	14,763
Deferred income	23	**46,927**	46,022
Other non-current liabilities		**16,491**	13,378
		65,411	74,163
NET ASSETS		**1,793,053**	1,706,835
CAPITAL AND RESERVES	25		
Share capital		**76**	76
Reserves		**1,797,464**	1,710,487
Total equity attributable to equity shareholders of the Company		**1,797,540**	1,710,563
Non-controlling interests		**(4,487)**	(3,728)
TOTAL EQUITY		**1,793,053**	1,706,835

Approved and authorised for issue by the board of directors on 25 March 2026.

Zhang Jie
Chairman

Xie Zhiyong
Director

The notes on pages 178 to 260 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in Renminbi)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Statutory general reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		76	1,377,791	413	(11,168)	63,743	204,650	1,635,505	2,746	1,638,251
Changes in equity for 2024										
Profit/(loss) for the year		—	—	—	—	—	254,165	254,165	(5,310)	248,855
Other comprehensive income		—	—	8,019	—	—	—	8,019	—	8,019
Total comprehensive income		—	—	8,019	—	—	254,165	262,184	(5,310)	256,874
Capital contributions from non-controlling interests		—	—	—	3,864	—	—	3,864	(1,164)	2,700
Repurchase of shares under share award scheme	25(c)(ii)	—	—	—	(112,391)	—	—	(112,391)	—	(112,391)
Shares granted under share award scheme	24(d)	—	—	—	5,935	—	—	5,935	—	5,935
Equity-settled share-based transactions	24	—	—	—	5,743	—	—	5,743	—	5,743
Business combination under common control	25(d)(iii)	—	—	—	(18)	—	—	(18)	—	(18)
Issuance of ordinary shares under scrip dividend scheme	25(c)(i)	—	10,778	—	—	—	—	10,778	—	10,778
Dividends approved in respect of the previous year	25(b)	—	(58,496)	—	—	—	—	(58,496)	—	(58,496)
Dividends declared in respect of the current year	25(b)	—	(42,541)	—	—	—	—	(42,541)	—	(42,541)
Balance at 31 December 2024		76	1,287,532	8,432	(108,035)	63,743	458,815	1,710,563	(3,728)	1,706,835

The notes on pages 178 to 260 form part of these financial statements.

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2025

(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company								
		Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Statutory general reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		76	1,287,532	8,432	(108,035)	63,743	458,815	1,710,563	(3,728)	1,706,835
Changes in equity for 2025										
Profit/(loss) for the year		–	–	–	–	–	184,510	184,510	(759)	183,751
Other comprehensive income		–	–	(6,430)	–	–	–	(6,430)	–	(6,430)
Total comprehensive income		–	–	(6,430)	–	–	184,510	178,080	(759)	177,321
Repurchase of shares under share award scheme	25(c)(ii)	–	–	–	(29,740)	–	–	(29,740)	–	(29,740)
Shares granted under share award scheme	24(d)	–	–	–	9,938	–	–	9,938	–	9,938
Equity-settled share-based transactions	24	–	–	–	7,736	–	526	8,262	–	8,262
Appropriation of statutory general reserve	25(d)(iv)	–	–	–	–	18,022	(18,022)	–	–	–
Issuance of ordinary shares under share option scheme	25(c)(i)	–	113	–	–	–	–	113	–	113
Issuance of ordinary shares under scrip dividend scheme	25(c)(i)	–	4,368	–	–	–	–	4,368	–	4,368
Dividends approved in respect of the previous year	25(b)	–	(57,891)	–	–	–	–	(57,891)	–	(57,891)
Dividends declared in respect of the current year	25(b)	–	(26,153)	–	–	–	–	(26,153)	–	(26,153)
Balance at 31 December 2025		76	1,207,969	2,002	(120,101)	81,765	625,829	1,797,540	(4,487)	1,793,053

The notes on pages 178 to 260 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	18(b)	**253,332**	327,479
Tax paid		**(51,309)**	(43,069)
Net cash generated from operating activities		**202,023**	284,410
Investing activities			
Payments for the purchase of property, plant and equipment		**(19,720)**	(8,866)
Payments for intangible assets, including expenditures on capitalised development costs		**(27,943)**	(43,700)
Placement of time deposits		**—**	(50,000)
Proceeds from redemption of pledged deposits and time deposits		**40,000**	23,370
Interest received		**1,399**	1,434
Payments for the purchase of financial assets at fair value through profit and loss	26	**(1,746,000)**	(1,016,086)
Proceeds from redemption of financial assets at fair value through profit and loss	26	**1,717,570**	639,019
Proceeds from disposal of financial assets at fair value through profit and loss		**—**	289,137
Payment for investment in associates		**(48,500)**	(1,500)
Payment for consideration and deposit for land use rights		**—**	(4,051)
Proceed from refund of land deposit		**16,043**	10,695
Net cash used in investing activities		**(67,151)**	(160,548)
Financing activities			
Capital element of lease rentals paid		**(25,101)**	(23,988)
Interest element of lease rentals paid		**(1,179)**	(2,316)
Capital contribution from non-controlling interests		**—**	2,700
Proceeds from shares issued under share option scheme		**113**	—
Payment for repurchase of shares under share award scheme		**(29,740)**	(112,391)
Dividends paid to equity shareholders of the Company		**(84,044)**	(90,259)
Net cash used in financing activities		**(139,951)**	(226,254)
Net decrease in cash and cash equivalents		**(5,079)**	(102,392)
Cash and cash equivalents at 1 January		**622,581**	721,175
Effect of foreign exchanges rates changes		**(6,248)**	3,798
Cash and cash equivalents at 31 December		**611,254**	622,581

The notes on pages 178 to 260 form part of these financial statements.

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by MicroPort NeuroScientific Corporation ("**the Company**") and its subsidiaries ("**the Group**") are disclosed below.

The HKICPA has issued certain new or amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— investments in debt and equity securities (see Note 1(f)).

— derivative financial instruments (see Note 1(g)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

1 Material accounting policies (continued)

(c) Changes in accounting policies

(i) New and amended HKFRSs

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 1(q) and (r) depending on the nature of the liability.

1 Material accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)(ii)).

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the expected credit losses ("**ECL**") model to such other long-term interests where applicable (see Note 1(l)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

1 Material accounting policies (continued)

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 26(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

— amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income from the investment is calculated using the effective interest method (see Note 1(w)(iv)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— fair value through other comprehensive income ("**FVOCI**")-recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 Material accounting policies (continued)

(f) Other investments in securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such an election is made for a particular investment at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 1(w)(iii)).

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 1(k)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see Note 1(l)(ii)). Depreciation is calculated to write off the cost of investment property less its estimated residual value using the straight-line method over its estimated useful life. Rental income from investment properties is accounted for as described in Note 1(w)(ii).

1 Material accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases over leasehold properties and of underlying plant and equipment (see Note 1(k)) are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 1(l)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings — 43–45 years
- Leasehold improvements are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being 3 to 10 years from the date of completion;
- Equipment and machinery — 10 years
- Office equipment, furniture and fixtures — 5 years
- Motor vehicles — 5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(j) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(l)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

1 Material accounting policies (continued)

(j) Intangible assets (continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

—	Software	3 years
—	Capitalised development costs	10 years

The useful life of capitalised development costs is estimated based on the expected life cycle of the underlying product since the commercialisation. Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

1 Material accounting policies (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 1(i) and 1(l)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 1(f)(i), 1(w)(iv) and 1(l)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

1 Material accounting policies (continued)

(k) Leased assets (continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 1(w)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 1(k)(i), then the Group classifies the sub-lease as an operating lease.

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on:

— financial assets measured at amortised cost (including cash and cash equivalents, time deposits and trade and other receivables, that are held for the collection of contractual cash flows which represent solely payments of principal and interest;

— contract assets (see Note 1(n)); and

— lease receivables.

1 Material accounting policies (continued)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate; and

— lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

1 Material accounting policies (continued)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 1(f)(i)).

1 Material accounting policies (continued)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 Material accounting policies (continued)

(l) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 Material accounting policies (continued)

(m) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the moving weighted average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value represents the estimated selling price less any estimated costs of completion and costs to be incurred in selling the property.

(n) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 1(w)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 1(l)(i)) and are reclassified to receivables when the right to the consideration become unconditional (see Note 1(o)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 1(w)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable is also recognised (see Note 1(o)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 1(w)).

(o) Trade and other receivables

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 1(l)).

1 Material accounting policies (continued)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs (see Note 1(l)(i)).

(q) Preference share capital

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

(r) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 Material accounting policies (continued)

(s) Convertible bonds that contain an equity component

Convertible bonds that can be converted into ordinary shares at the option of the holder, where a fixed number of shares are issued for a fixed amount of cash or other financial assets, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured at the fair value based on the future interest and principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The equity component is the difference between the initial fair value of the convertible bonds as a whole and the initial fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is not remeasured and is recognised in the capital reserve until either the bonds are converted or redeemed.

If the bonds are converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, the capital reserve is released directly to retained profits.

When the Group extinguishes the bonds before maturity through an early redemption or repurchase in which the original conversion privileges are unchanged, the Group allocates consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the bonds at the date of such transaction. The method used in allocating is consistent with that used in the original allocation when the bonds were issued. Once the allocation is made, any resulting gain or loss relating to the liability and equity components is recognised in profit or loss and in equity, respectively.

1 Material accounting policies (continued)

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

1 Material accounting policies (continued)

(u) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

1 Material accounting policies (continued)

(v) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(l)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(w) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

1 Material accounting policies (continued)

(w) Revenue and other income (continued)

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of medical devices

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

The amount of the revenue recognised is adjusted for the expected returns, which are estimated based on the historical return rate. Accordingly, a refund liability and a right to recover returned good asset are recognised, where applicable.

The right to recover returned goods asset is recognised only when the returned goods are available to resell. The refund liability is included in other payables and the right to recover returned goods, if any, is included in the inventories. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the assets and liabilities accordingly.

(ii) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

1 Material accounting policies (continued)

(w) Revenue and other income (continued)

(iii) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(iv) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI are recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

1 Material accounting policies (continued)

(x) Translation of foreign currencies (continued)

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

1 Material accounting policies (continued)

(z) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities 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).

(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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Accounting judgements and estimates

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

(i) Research and development expenses

Development expenses incurred on the Group's pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the pipeline so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are recognised as an expense in profit or loss when incurred. Management will assess the progress of each of the development projects and determine the criteria met for capitalisation.

(b) Sources of estimation uncertainty

Notes 24 and 26(e) contain information about the assumptions and their risk factors relating to fair value of equity-settled share-based payment transactions and financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Impairment of capitalised development costs

The Group is required to test capitalised development costs assets not available for use on an annual basis. Intangible assets are tested whenever events or changes in circumstances indicate that the carrying amount of those assets exceeds its recoverable amount. The recoverable amount is determined based on the higher of fair value less cost to sell and value in use.

Determination of the value in use is an area involving management judgement in order to assess whether the carrying value of the intangible assets can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of (i) timing of commercialisation, productivity and market size; (ii) revenue compound growth rate; (iii) costs and operating expenses; and (iv) the selection of discount rates to reflect the risks involved.

(ii) Sale returns

The Group only permits the distributors to return or exchange the near-expiry products under the situations specified in the distribution agreements. The Group assesses that such return/exchange would not result in any significant outflow of the Group's embodying economic benefits. The Group has recorded refund liabilities under trade and other payables based on the expected return/exchange rate.

2 Accounting judgements and estimates (continued)

(b) Sources of estimation uncertainty (continued)

(iii) Impairment of investment in an associate

The Group assesses whether there are any indicators of impairment for investment in an associate at the end of each reporting period. An impairment exists when the carrying amount of the investment in an associate exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Determination of the value in use is an area involving management judgement in order to assess whether the carrying value of the investment in an associate can be supported by its share of the net present value of future cash flows expected to be generated by the associate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of (i) revenue compound growth rate; (ii) costs and operating expenses; and (iii) the selection of discount rates to reflect the risks involved.

3 Revenue and segment reporting

(a) Revenue

The Group sells medical devices through appointed distributors.

For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and the timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of medical devices — point in time	**789,293**	760,509
Revenue from other sources		
Gross rentals	**1,190**	1,253
	790,483	761,762

3 Revenue and segment reporting (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

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

	2025 RMB'000	2024 RMB'000
Customer A	**196,801**	186,045
Customer B	**143,974**	202,237
Customer C	**114,935**	211,142

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts of medical devices such that the Group does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from customers and (ii) the Group's property, plant and equipment, investment property, intangible assets, interest in associates and other non-current financial assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment property, the location of the operation to which they are allocated, in the case of intangible assets and other non-current financial assets, and the location of operations, in the case of interest in associates and other non-current financial assets.

Revenue from customers

	2025 RMB'000	2024 RMB'000
The PRC (place of domicile)	**685,554**	686,468
Outside the PRC	**104,929**	75,294
	790,483	761,762

3 Revenue and segment reporting (continued)

(b) Geographical information (continued)

Specified non-current assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
The PRC (place of domicile)	**486,272**	321,719
Israel	**—**	97,264
	486,272	418,983

4 Other net income

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Changes in fair value of financial assets measured at fair value *(Note 15)*	**(5,178)**	10,316
Government grants (i)	**35,921**	29,499
Interest income on financial assets measured at amortised cost	**15,603**	15,870
Net foreign exchange gain	**1,113**	427
Net gain on disposal of property, plant and equipment	**—**	370
Others	**31**	98
	47,490	56,580

Note:

(i) Majority of the government grants are subsidies received from government for encouragement of research and development projects and overseas markets developments.

5 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**1,179**	2,316
Others	**418**	1,215
	1,597	3,531

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Contributions to defined contribution retirement plans *(Note)*	**18,044**	17,108
Equity-settled share-based payment expenses *(Note 24)*	**18,815**	12,321
Salaries, wages and other benefits	**142,146**	132,236
	179,005	161,665

Note: As stipulated by the labour regulations of the PRC, the Group also participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at a specified percentage of the eligible employees' salaries during the year.

(c) Other operating costs

	2025 RMB'000	2024 RMB'000
Donations	**2,011**	900

5 Profit before taxation (continued)

(d) Other items

	2025 RMB'000	2024 RMB'000
Amortisation of intangible assets# *(Note 11)*	**17,497**	16,138
Depreciation charge# *(Note 10)*		
— owned property, plant and equipment and investment property	**19,577**	20,063
— right-of-use assets	**24,325**	24,406
Less: Capitalised into intangible assets	**(2,907)**	(1,638)
	58,492	58,969
Research and development expenditure	**108,768**	150,523
Less: Development costs capitalised into intangible assets *(Note 11)*	**(30,849)**	(54,041)
	77,919	96,482
Cost of inventories# *(Note 16(b))*	**222,319**	230,950
Auditors' remuneration		
— audit services	**2,940**	2,790
— non-audit services	**20**	26
	2,960	2,816

Cost of inventories includes RMB81,484,000 (2024: RMB68,659,000), relating to depreciation and amortisation expenses and staff costs, which is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax — PRC Corporate Income Tax ("CIT")		
Provision for the year	**53,345**	61,326
Deferred tax		
Origination and reversal of temporary differences	**(6,116)**	(7,448)
	47,229	53,878

(i) Cayman Islands and British Virgin Islands tax

Pursuant to the current rules and regulations of Cayman Islands and British Virgin Islands, the Company and its subsidiaries located in the Cayman Islands and British Virgin Islands are not subject to any income tax in these jurisdictions.

(ii) Hong Kong Profits Tax

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong Profits Tax at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2025 and 2024 as there are no assessable profits during the year.

(iii) PRC CIT

Pursuant to the CIT Law of the PRC, all of the Company's PRC subsidiaries are liable to PRC CIT at a rate of 25%, except for MicroPort NeuroTech (Shanghai) Co., Ltd. ("**MP NeuroTech Shanghai**"), which is entitled to a preferential income tax rate of 15% as it is certified as a "High and New Technology Enterprise" ("**HNTE**") during the year ended 31 December 2025 and 2024. According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

According to a new tax incentives policy promulgated by the State Tax Bureau of the PRC, an additional 100% of qualified research and development expenses incurred from 1 January 2021 onwards is allowed to be deducted.

6 Income tax in the consolidated statement of profit or loss (continued)

(a) Taxation in the consolidated statement of profit or loss represents: (continued)

(iii) PRC CIT (continued)

The CIT law and its relevant regulations also impose a withholding tax at 10% on the foreign investors with respect to dividend distributions made out of the PRC entities from earnings accumulated from 1 January 2008, unless the foreign investors meet certain requirements specified in the relevant tax regulations in the PRC and accordingly are entitled to a preferential rate of 5%.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Profit before taxation	**230,980**	302,733
Notional tax on profit before taxation, calculated at the rates applicable to profit in the countries concerned	**82,184**	79,416
Effect of the preferential income tax rate *(Note 6(a)(iii))*	**(35,308)**	(35,675)
Effect of other non-deductible expenses	**8,528**	15,173
Effect of additional deduction on research and development expenses *(Note 6(a)(iii))*	**(8,479)**	(8,840)
Effect of tax losses not recognised	**304**	3,804
Actual tax expenses	**47,229**	53,878

7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2025					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Equity-settled share-based payments *(note)* RMB'000	Total RMB'000
Executive director						
Zhiyong Xie	–	1,073	–	–	2,846	3,919
Yiqun Bruce Wang	–	1,576	–	–	1,577	3,153
Non-executive directors						
Zhaohua Chang *(a)*	–	–	–	–	–	–
Qingwei Sun *(b)*	–	–	–	–	125	125
Jie Zhang *(c)*	–	–	–	–	–	–
Xudong Liu *(d)*	–	–	–	–	–	–-
Lin Wang *(e)*	–	–	–	–	–	–
Xia Wu	–	–	–	–	–	–
Independent non-executive directors						
Yi Xu *(f)*	–	–	–	–	–	–
Haixiao Zhang	200	–	–	–	–	200
Xin Fan	200	–	–	–	–	200
Zhiyong Li *(g)*	90	–	–	–	–	90
An Liu *(h)*	–	–	–	–	–	–
	490	2,649	–	–	4,548	7,687

7 Directors' emoluments (continued)

	Year ended 31 December 2024					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Equity-settled share-based payments *(note)* RMB'000	Total RMB'000
Executive director						
Zhiyong Xie	—	1,181	—	—	2,268	3,449
Yiqun Bruce Wang	—	1,576	1,023	—	187	2,786
Non-executive directors						
Zhaohua Chang	—	—	—	—	—	—
Qingwei Sun	—	—	—	—	46	46
Lin Wang	—	—	—	—	—	—
Xia Wu	—	—	—	—	—	—
Independent non-executive directors						
Yi Xu	—	—	—	—	—	—
Haixiao Zhang	251	—	—	—	—	251
Siu Chi Hung	50	—	—	—	—	50
Xin Fan	153	—	—	—	—	153
	454	2,757	1,023	—	2,501	6,735

7 Directors' emoluments (continued)

Note:

These represent the estimated value of share-based transactions with the directors, the details of which are disclosed in Note 24. The value of these share-based transactions is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 1(t)(ii).

(a) Zhaohua Chang has resigned as a non-executive director and chairman of the Company on 14 November 2025.

(b) Qingwei Sun has resigned as a non-executive director of the Company on 14 November 2025.

(c) Jie Zhang has been appointed as a non-executive director and the chairman of the Company on 14 November 2025. Jie Zhang has been appointed as the chairman of the Strategic Committee and a member of the Remuneration Committee on 29 December 2025.

(d) Xudong Liu has been appointed as a non-executive director of the Company on 14 November 2025. Xudong Liu has been appointed as a member of the Commercialization Committee on 29 December 2025.

(e) Lin Wang has resigned as a non-executive director of the Company on 27 June 2025.

(f) Yi Xu has resigned as an independent non-executive director, the chairman of the Remuneration Committee, and a member of the Audit Committee and a member of the Nomination Committee of the Company on 27 June 2025.

(g) Zhiyong Li has been appointed as an independent non-executive director, the chairman of the Remuneration Committee, and a member of the Audit Committee and a member of the Nomination Committee of the Company on 27 June 2025. Zhiyong Li has resigned as a member of the Audit Committee and has been appointed as a member of the Strategic Committee and a member of the Commercialization Committee on 29 December 2025.

(h) An Liu has been appointed as an independent non-executive director, a member of the Strategic Committee, a member of the Commercialization Committee and a member of the audit committee of the Company on 29 December 2025.

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2024: two) are directors whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	**3,390**	3,173
Equity-settled share-based payments	**3,144**	2,236
	6,534	5,409

The emoluments of the individuals who are not director and with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK$Nil to HK$1,000,000	**—**	—
HK$1,000,001 to HK$1,500,000	**—**	—
HK$1,500,001 to HK$2,000,000	**1**	2
HK$2,000,001 to HK$2,500,000	**1**	1
HK$2,500,001 to HK$3,000,000	**1**	—

9 Earnings per share

(a) Basic earnings per share

The calculation of the basic earnings per share during the year is based on the earning of the year attributable to ordinary equity shareholders of the Company divided by the weighted average number of ordinary shares in issue, calculated as follows:

(i) Earnings of the year attributable to ordinary equity shareholders of the Company

	2025 RMB'000	2024 RMB'000
Earnings of the year attributable to ordinary equity shareholders of the Company	**184,510**	254,165

9 Earnings per share (continued)

(a) Basic earnings per share (continued)

(ii) Weighted average number of ordinary shares

	2025 '000	2024 '000
Issued ordinary shares at 1 January	**584,595**	582,658
Issuance of ordinary shares *(note 25(c)(i))*	**152**	693
Purchase of own shares *(note 25(c)(ii))*	**(15,032)**	(4,812)
Share options exercised *(note 24(e)(i))*	**6**	—
Share awards *(note 24(d))*	**828**	518
Weighted average number of ordinary shares at 31 December	**570,549**	579,057

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of 184,510,000 (2024: 254,165,000) and the weighted average number of ordinary shares of 571,008,000 shares (2024:579,057,000), calculated as follows:

(i) Weighted average number of ordinary shares (diluted)

	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December	**570,549**	579,057
Deemed issue of shares under the Company's share option scheme *(note 24(e))*	**459**	—
Weighted average number of ordinary shares (diluted) at 31 December	**571,008**	579,057

10 Investment property and property, plant and equipment

(a) Reconciliation of carrying amount

	Buildings held for own use RMB'000	Leasehold improvements RMB'000	Equipment and machinery RMB'000	Office equipment, furniture and fixtures RMB'000	Motor vehicles RMB'000	Right-of-use assets RMB'000	Construction in progress RMB'000	Sub-total RMB'000	Investment property RMB'000	Total RMB'000
Cost:										
At 1 January 2024	14,973	70,938	67,495	5,216	1,179	123,540	229	283,570	15,527	299,097
Transfer	—	2,037	2,699	49	—	—	(4,785)	—	—	—
Additions	—	—	—	—	—	—	5,116	5,116	—	5,116
Disposals	—	—	(2,331)	(342)	(1,179)	(1,730)	—	(5,582)	—	(5,582)
At 31 December 2024 and 1 January 2025	**14,973**	**72,975**	**67,863**	**4,923**	**–**	**121,810**	**560**	**283,104**	**15,527**	**298,631**
Transfer	**–**	**40**	**2,624**	**20**	**–**	**–**	**(2,684)**	**–**	**–**	**–**
Additions	**–**	**–**	**951**	**11**	**–**	**2,695**	**141,855**	**145,512**	**–**	**145,512**
Disposals	**–**	**–**	**(484)**	**–**	**–**	**–**	**–**	**(484)**	**–**	**(484)**
At 31 December 2025	**14,973**	**73,015**	**70,954**	**4,954**	**–**	**124,505**	**139,731**	**428,132**	**15,527**	**443,659**
Accumulated depreciation and amortisation:										
At 1 January 2024	3,496	34,353	17,360	2,776	1,123	62,859	—	121,967	2,602	124,569
Charge for the year	313	11,724	7,038	645	—	24,406	—	44,126	343	44,469
Written back on disposals	—	—	(371)	(321)	(1,123)	(1,024)	—	(2,839)	—	(2,839)
At 31 December 2024 and 1 January 2025	**3,809**	**46,077**	**24,027**	**3,100**	**–**	**86,241**	**–**	**163,254**	**2,945**	**166,199**
Charge for the year	**313**	**11,926**	**6,384**	**611**	**–**	**24,325**	**–**	**43,559**	**343**	**43,902**
Written back on disposals	**–**	**–**	**(75)**	**–**	**–**	**–**	**–**	**(75)**	**–**	**(75)**
At 31 December 2025	**4,122**	**58,003**	**30,336**	**3,711**	**–**	**110,566**	**–**	**206,738**	**3,288**	**210,026**
Net book value:										
At 31 December 2024	11,164	26,898	43,836	1,823	—	35,569	560	119,850	12,582	132,432
At 31 December 2025	**10,851**	**15,012**	**40,618**	**1,243**	**–**	**13,939**	**139,731**	**221,394**	**12,239**	**233,633**

10 Investment property and property, plant and equipment (continued)

(b) Investment property

As at 31 December 2025, the investment property located in Shanghai in the PRC was rented out under terms of operating leases. The fair value of investment property during the year ended 31 December 2025 is approximately RMB23 million (2024: RMB23 million), which is determined by management with reference to the market price of comparable properties.

(c) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Properties leased for own use, carried at depreciated cost	**13,939**	35,569

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	**24,325**	24,406
Interest on lease liabilities (Note 5(a))	**1,179**	2,316
Expense relating to short-term leases	**2,544**	294

Details of total cash outflow for leases and the maturity analysis of lease liabilities and future cashflow for leases are set out in Notes 18(d) and 26(b), respectively.

The Group leases manufacturing plants, warehouses and office buildings under leases expiring in no more than five years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

10 Investment property and property, plant and equipment (continued)

(d) Leases as lessor

The Group leases out its investment property under operating leases. The lease typical run for an initial period of 2 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place from the investment property at the reporting date will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**1,260**	1,260

11 Intangible assets

	Capitalised development costs RMB'000	Software RMB'000	Total RMB'000
Cost			
At 1 January 2024	202,597	2,081	204,678
Additions	54,041	—	54,041
At 31 December 2024 and 1 January 2025	**256,638**	**2,081**	**258,719**
Additions	**30,849**	**—**	**30,849**
At 31 December 2025	**287,487**	**2,081**	**289,568**
Accumulated amortisation:			
At 1 January 2024	52,132	1,162	53,294
Amortisation charge for the year	15,641	497	16,138
At 31 December 2024 and 1 January 2025	**67,773**	**1,659**	**69,432**
Amortisation charge for the year	**17,139**	**358**	**17,497**
At 31 December 2025	**84,912**	**2,017**	**86,929**
Net book value:			
At 31 December 2024	188,865	422	189,287
At 31 December 2025	**202,575**	**64**	**202,639**

Included in intangible assets were an amount of RMB87,717,000 and RMB109,149,000 that are not yet available for use as of 31 December 2024 and 2025, respectively. These intangible assets were solely related to capitalised development costs.

Majority of amortisation of intangible assets is recognised in "cost of sales" in the consolidated statement of profit or loss.

(Expressed in Renminbi unless otherwise indicated)

11 Intangible assets (continued)

(a) Impairment test

The capitalised development costs not yet available for use are tested annually based on the recoverable amount of each individual asset at the product level.

As of 31 December 2025, the capitalised development costs not yet available for use included Rebridge® Intracranial Visualized Stent ("**Rebridge**"), NuFairy™ Absorbable Coil Embolization System ("**NuFairy**"), Intracranial Drug-Coated Balloon Catheter System, Liquid Embolic Agent, Intracranial Self-Expanding Rapamycin Target Eluting Stent and Intracranial Balloon-Expandable Rapamycin Target Eluting Stent.

The recoverable amount of each product was determined based upon the fair value less costs of disposal calculations, which adopted the multi-period excess earnings method.

The cash flow projections are based on the financial budgets approved by the directors of the Company. Revenue forecasts are based on management's expectations of the timing of the commercialisation, productivity and the market size of related products. Management estimates the products will have a 10 years' useful life commencing from the approval for commercialisation with higher rates of revenue growth in the earlier years and declining revenue during the remaining years of the estimated useful life. The discount rates used are pre-tax and reflect specific risks relating to the relevant products.

The key assumptions used for recoverable amount calculations of each individual asset are as follows:

Rebridge	**As at 31 December 2025**	As at 31 December 2024
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**21%**	25%
Revenue for the remaining useful life (% annualised compound growth rate)	**-10%**	-11%
Pre-tax discount rate	**25.8%**	26.4%

(Expressed in Renminbi unless otherwise indicated)

11 Intangible assets (continued)

(a) Impairment test (continued)

NuFairy	As at 31 December 2025	As at 31 December 2024
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**31%**	43%
Revenue for the remaining useful life (% annualised compound growth rate)	**–12%**	–9%
Pre-tax discount rate	**27.3%**	29.9%

Intracranial Drug-Coated Balloon Catheter System	As at 31 December 2025	As at 31 December 2024
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**24%**	29%
Revenue for the remaining useful life (% annualised compound growth rate)	**–13%**	–24%
Pre-tax discount rate	**23.4%**	24.6%

Liquid Embolic Agent	As at 31 December 2025	As at 31 December 2024
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**32%**	25%
Revenue for the remaining useful life (% annualised compound growth rate)	**-12%**	–13%
Pre-tax discount rate	**23.8%**	24.5%

Intracranial Self-Expanding Rapamycin Target Eluting Stent	As at 31 December 2025
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**13%**
Revenue for the remaining useful life (% annualised compound growth rate)	**–10%**
Pre-tax discount rate	**23.1%**

(Expressed in Renminbi unless otherwise indicated)

11 Intangible assets (continued)

(a) Impairment test (continued)

Intracranial Balloon-Expandable Rapamycin Target Eluting Stent	As at 31 December 2025
Revenue from the maturity to the peak sales (% annualised compound growth rate)	**27%**
Revenue for the remaining useful life (% annualised compound growth rate)	**–15%**
Pre-tax discount rate	**23.0%**

The Company's products generally enter into the mature sales stage in the third year after being commercialised and reach the sales peak in the eighth or nineth year.

(b) Impact of possible changes in key assumptions

The recoverable amount of Rebridge is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB33 million (2024: RMB21 million).

The recoverable amount of NuFairy is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB34 million (2024: RMB6 million).

The recoverable amount of Intracranial Drug-Coated Balloon Catheter System is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB15 million (2024: RMB11 million).

The recoverable amount of Liquid Embolic Agent is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB7 million (2024: RMB12 million).

The recoverable amount of Intracranial self-expanding drug-eluting stent is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB29 million.

The recoverable amount of Balloon-expandable drug-eluting stent is estimated to exceed its carrying amount at 31 December 2025 by approximately RMB28 million.

There was still sufficient headroom for all products based on the assessment. The directors of the Company do not believe that a reasonably possible change in key assumptions would cause the carrying amount of each individual asset to exceed its respective recoverable amount.

(Expressed in Renminbi unless otherwise indicated)

12 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Issued/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
MicroPort NeuroTech Corporation	BVI	USD24,902,468.92	100%	100%	—	Investment holding
MicroPort NeuroTech Company Limited	Hong Kong	USD42,702,569.91	100%	—	100%	Investment holding
Sevenoaks Global Limited	BVI	USD5,500,000	100%	—	100%	Investment holding
MicroPort Brain Sciences Corporation	BVI	USD1	100%	—	100%	Investment holding
MicroPort Brain Sciences Company Limited	Hong Kong	USD100	100%	—	100%	Investment holding
MicroPort NeuroScience America INC.	USA	USD5,000	100%	—	100%	Investment holding
MicroPort NeuroSurgical (Hong Kong) Company Limited	Hong Kong	USD100	100%	—	100%	Investment holding
Shanghai Shentong Brain Science and Technology Co., Ltd. (上海神通腦科學技術有限公司)	The PRC (Foreign)	USD75,000,000/ USD160,000,000	100%	—	100%	Distribution, research and development of medical devices
MicroPort NeuroTech (Shanghai) Co., Ltd. (微創神通醫療科技 (上海) 有限公司)	The PRC (Domestic)	RMB163,531,250	100%	—	100%	Manufacture, distribution, research and development of medical devices
Shentu Medical Technology (Shanghai) Co., Ltd. ("**Shentu**") (神途醫療科技 (上海) 有限公司)	The PRC (Domestic)	RMB53,040,000/ RMB60,000,000	67.87%	—	67.87%	Manufacture, distribution, research and development of medical devices
Shendun Medical Technology (Shanghai) Co., Ltd. ("**Shendun**") (神遁醫療科技 (上海) 有限公司)	The PRC (Domestic)	RMB16,660,000	69.99%	—	69.99%	Manufacture, distribution, research and development of medical devices
Shenhong Medical Technology (Shanghai) Co., Ltd. (神泓醫療科技 (上海) 有限公司)	The PRC (Domestic)	RMB1,000,000	100%	—	100%	Manufacture, distribution, research and development of medical devices

(Expressed in Renminbi unless otherwise indicated)

12 Investments in subsidiaries (continued)

Name of company	Place of incorporation and business	Issued/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Beijing Shenrui Enterprise Management Consulting Co., Ltd. (北京神睿企業管理諮詢有限公司)	The PRC (Domestic)	RMB0/ RMB1,000,000	100%	—	100%	Research and development of medical devices
Shenling Medical Technology (Shanghai) Co., Ltd. 上海神瓴醫療科技有限公司	The PRC (Foreign)	RMB0/ RMB5,000,000	100%	—	100%	Research and development of medical devices
MicroPort NeuroTech Global B.V.	Netherland	USD3,000,000/ 5,000,000	100%	—	100%	Distribution of medical devices
MicroPort NeuroScience America Inc.	USA	USD1,000,000	100%	—	100%	Distribution of medical devices
MICROPORT NEUROTECH UK LTD	UK	USD1,500,000	100%	—	100%	Distribution of medical devices
MicroPort NeuroTech Brasil Ltda	Brazil	BRL7,791,300	100%	—	100%	Distribution of medical devices
NeuroFocus Medical Technology (Shanghai) Co., Ltd. (神聚醫療科技(上海)有限公司, "**Shanghai NeuroFocus**")	The PRC (Foreign)	RMB41,730,000/ RMB600,000,000	100%	—	100%	Property management
MicroPort NeuroTech Korea Limited Company	Korea	KRW 750,000,000	100%	—	100%	Distribution of medical devices

13 Interest in associates

The following list contains the particulars of associates as at 31 December 2025, which are unlisted corporate entities whose quoted market price is not available:

Name of associates	Form of business structure	Place of incorporation	Particulars of issued and paid-up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal Activity
Rapid Medical Ltd. ("**Rapid Medical**")	Incorporated	Israel	22.1 million shares	22.3%	—	22.3%	Development, manufacturing and sales of innovative devices for neuro interventional procedures
Shenzhen CICC Neuroscience and Brain-like Intelligence Industry Private Equity Investment Fund (Limited Partnership) (深圳市中金腦科學與類腦智慧產業私募股權投資基金合夥企業(有限合夥))	Limited Partnership	China	Capital contribution RMB1,000 million/Paid-up capital contribution RMB103.5 million	20%	—	20%	Equity investment, asset management services and other investment management services within the neuroscience and brain-like intelligence industry

The associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Rapid Medical, adjusted for any differences in accounting policies are disclosed below:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Revenue	**171,380**	191,392
Loss for the year	**(113,760)**	(90,690)
Other comprehensive income	**—**	—
Total comprehensive income	**(113,760)**	(90,690)

(a) Impairment test

The Group has identified certain impairment indicators of the investment in Rapid Medical and performed valuation assessments. The recoverable amount of the investment in Rapid Medical is the higher amount of the fair value less costs of disposals and the value in use.

13 Interest in associates (continued)

(a) Impairment test (continued)

Based on the result of impairment test, the carrying amount of the investment in Rapid Medical exceeded its recoverable amount. Accordingly, an impairment loss of RMB59,572,000 was recognised in profit or loss in 2025 (2024: no impairment loss) and reduced the carrying amount of interests in associates. The recoverable amount is based on the value in use. The Group has used the expected cash flow approach to develop the measurement of value in use.

The key assumptions for the value-in-use calculation are as follows, which are based on either the past experience or external sources of information:

	31 December 2025	31 December 2024
Steady growth rate used in the extrapolation after budget period	**2.0%**	2.0%
Pre-tax discount rate	**27.0%**	26.12%

14 Other non-current assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
Consideration and deposit for land use rights *(Note (a))*	**—**	153,784
Lease deposits *(Note (b))*	**25,830**	25,586
Prepayments for property, plant and equipment	**19,834**	3,273
Others	**522**	1,500
	46,186	184,143

Note:

(a) Shanghai NeuroFocus has entered into a land use rights acquisition contract with Pudong New Area Planning and Natural Resources Bureau with the consideration of RMB133,690,000 and the tax of RMB4,146,000. The land use right has been transferred to construction in progress upon the commencement of the construction in December 2025.

(b) Lease deposits are typically paid for leased properties, which are refundable after the expiry of the leases and carried at amortised cost. During the year of 2022, the Group entered into a 5-year lease agreement (the "**Lease Agreement**") with Shanghai Huiqingcheng Investment Management Co., Ltd.* (上海回青橙投資管理有限公司, "**SH Investment**") in respect of certain leasehold properties for use of manufacturing facilities, warehouses and office buildings. As at 31 December 2025, the carrying amount of lease deposits paid to SH Investment is RMB25,812,000.

* The English name is for identification purpose only.

15 Financial assets measured at fair value through profit or loss

	31 December 2025 RMB'000	31 December 2024 RMB'000
Structured deposits *(Note (a))*	**406,779**	372,480
Simple agreements for future equity *(Note (b))*	**—**	11,298

Notes:

(a) As at 31 December 2025, the Group held 8 structured deposits subscribed from 5 different banks with purchase cost amounted to RMB405 million in aggregate at expected annualised return rates of 1.35% –1.86%. Their fair values are within level 3 of the fair value hierarchy as disclosed in Note 26(e).

(b) On 7 August 2024, the Group entered into a simple agreement for future equity ("**SAFE**") with Rapid Medical to grant the Group the future right to get the issuance of Share Capital, or setting aside for payment, of amounts based on various triggering events. The right is classified as financial asset at fair value through profit or loss. The initial consideration was USD1,572,000. The subsequent fair value measurement resulted in a loss of USD1,572,000 (equivalent to RMB11,047,000) for the year ended 31 December 2025.

16 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Raw materials	**65,352**	99,059
Work in progress	**22,895**	24,688
Finished goods	**30,411**	33,571
	118,658	157,318

16 Inventories (continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Costs of inventories sold	**182,859**	201,786
Write-down of the inventories	**26,241**	4,031
Cost of inventories directly recognised as research and development costs	**10,732**	18,612
Cost of inventories directly recognised as selling and marketing expenses	**2,487**	6,521
	222,319	230,950

17 Trade and other receivables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables	**321,029**	144,061
Other debtors	**17,061**	13,590
Deposits and prepayments	**23,912**	19,340
	362,002	176,991

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

17 Trade and other receivables (continued)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 month	**194,669**	131,208
1 to 3 months	**113,627**	10,165
3 to 12 months	**12,684**	2,688
over 1 year	**49**	—
	321,029	144,061

Trade receivables are generally due within 30 to 90 days from the date of billing. Further details on the Group's credit policy and credit risk arising from receivables are set out in Note 26(a).

18 Pledged deposit and time deposit, cash and cash equivalents and other cashflow information

(a) Pledged deposit and time deposit and cash and cash equivalents

	31 December 2025 RMB'000	31 December 2024 RMB'000
Pledged deposit and time deposit		
Time deposit with original terms from 3 months to 12 months	**—**	40,705
Time deposit with original terms over 12 months	**52,086**	50,768
Total	**52,086**	91,473
Cash and cash equivalents		
Deposits with banks	**611,254**	622,581

18 Pledged deposit and time deposit, cash and cash equivalents and other cashflow information (continued)

(a) Pledged deposit and time deposit and cash and cash equivalents (continued)

As at 31 December 2025, cash and cash equivalents of the Group held in banks and financial institutions in the PRC amounted to RMB511,937,000 (2024: RMB374,849,000). The remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

(b) Reconciliation of profit before taxation to cash generated from operations

	Note	**2025 RMB'000**	2024 RMB'000
Profit before taxation		**230,980**	302,733
Adjustments for:			
Amortisation and depreciation	5(d)	**58,492**	58,969
Interest expenses	5(a)	**1,179**	2,316
Interest income on time deposits		**(2,012)**	(2,141)
Fair value changes in financial assets carried at fair value	15	**5,178**	(10,316)
Share of losses of an associate		**25,347**	20,557
Impairment loss on investment in an associate		**59,572**	—
Gain on disposal of property, plant and equipment	4	**—**	(370)
Equity-settled share-based payments	24(f)	**18,698**	6,221
Others		**(1,363)**	(1,087)
Changes in working capital:			
Decrease in inventories		**38,660**	43,645
Increase in trade and other receivables		**(182,782)**	(110,998)
Decrease in trade and other payables		**(5,480)**	(1,020)
Increase in deferred income		**905**	21,206
Increase in other non-current liabilities		**3,113**	2,627
Increase/(decrease) in contract liabilities		**2,845**	(4,863)
Cash generated from operations		**253,332**	327,479

18 Pledged deposit and time deposit, cash and cash equivalents and other cashflow information (continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities RMB'000 *(Note 21)*
At 1 January 2025	**37,122**
Changes from financing cash flows:	
Capital element of lease payments	**(25,101)**
Interest element of lease payments	**(1,179)**
Total changes from financing cash flows	**(26,280)**
Exchange adjustments	**—**
Other changes:	
Increase in lease liabilities from entering into new leases during the year	**3,919**
Interest charge *(Note 5(a))*	**1,179**
	5,098
At 31 December 2025	**15,940**

18 Pledged deposit and time deposit, cash and cash equivalents and other cashflow information (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Lease liabilities RMB'000 *(Note 21)*
At 1 January 2024	61,360
Changes from financing cash flows:	
Capital element of lease payments	(23,988)
Interest element of lease payments	(2,316)
Total changes from financing cash flows	(26,304)
Exchange adjustments	—
Other changes:	
Decrease in lease liabilities from derecognising existing leases during the year	(250)
Interest charge *(Note 5(a))*	2,316
	2,066
At 31 December 2024	37,122

(d) Total cash outflow for leases

	2025 RMB'000	2024 RMB'000
Within financing cash flows	**26,280**	26,304

All these amounts relate to the lease rentals paid.

19 Trade and other payables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables due to		
— third party suppliers	**35,278**	36,642
— related parties	**18,564**	17,682
	53,842	54,324
Accrued expenses	**43,508**	38,249
Accrued payroll	**39,108**	35,631
Other payables	**68,389**	85,194
	204,847	213,398

As of the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 month	**27,768**	29,789
Over 1 month but within 3 months	**10,441**	13,896
Over 3 months but within 6 months	**5,779**	7,432
Over 6 months but within 1 year	**4,268**	812
Over 1 year	**5,586**	2,395
	53,842	54,324

All of the above balances are expected to be settled within one year.

20 Contract liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Advanced receipts from customers for sales of medical devices	**6,038**	3,193

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
At 1 January	**3,193**	8,056
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(3,193)**	(8,056)
Increase in contract liabilities as a result of receiving advance payments during the year in respect of unfulfilled performance obligation as at the year end	**6,038**	3,193
At 31 December	**6,038**	3,193

All of the contract liabilities are expected to be recognised as income within one year.

21 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each of the reporting period.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**13,947**	22,359
After 1 year but within 2 years	**1,993**	14,763
	1,993	14,763
	15,940	37,122

22 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	**22,588**	4,331
Provision for PRC CIT for the year *(Note 6(a))*	**53,345**	61,326
Tax paid	**(51,309)**	(43,069)
At the end of the year	**24,624**	22,588
Representing:		
Income tax payables	**24,624**	22,588

(b) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Deferred income RMB'000	Accrued expenses and others RMB'000	Total RMB'000
At 1 January 2024	3,630	7,489	11,119
Credited to profit or loss	2,971	4,477	7,448
At 31 December 2024 and 1 January 2025	**6,601**	**11,966**	**18,567**
Credited to profit or loss	**(104)**	**6,220**	**6,116**
At 31 December 2025	**6,497**	**18,186**	**24,683**

22 Income tax in the consolidated statement of financial position (continued)

(c) Deferred tax assets not recognised

Tax losses from the Group's subsidiaries in the PRC for which no deferred tax asset was recognised expire as follows:

	31 December 2025		31 December 2024	
	RMB'000	**Expire year**	RMB'000	Expire year
Expire	**85,999**	**2026–2030**	84,783	2025–2029

In accordance with the accounting policy set out in Note 1(u), the Group has not recognised deferred tax assets in respect of cumulative tax losses due to the unpredictability of future taxable profits in the relevant tax jurisdiction and entity.

The tax losses incurred from the Group's subsidiaries in the PRC will expire in 5 years from the respective year. The tax losses incurred from the Group's subsidiaries in Hong Kong could be carried forward indefinitely under current tax legislation.

(d) Deferred tax liabilities not recognised

At 31 December 2025, temporary differences relating to the undistributed profits of a PRC subsidiary amounted to RMB1,135,927,000 (2024: RMB848,037,000). Deferred tax liabilities of RMB113,593,000 (2024: RMB84,804,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of this subsidiary and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

23 Deferred income

	Government subsidies for research and development projects RMB'000
At 1 January 2024	24,816
Additions	26,511
Government grant recognised as other income	(5,305)
At 31 December 2024 and 1 January 2025	**46,022**
Additions	**3,690**
Government grant recognised as other income	**(2,785)**
At 31 December 2025	**46,927**

24 Equity-settled share-based transaction

(a) Share options granted by the ultimate controlling party

MicroPort Scientific Corporation ("**MPSC**"), the party who has significant influence of the Group, has granted certain share options to the employee of the Group. Each option gives the holder the right to subscribe for one ordinary share of MPSC, while the Group did not have an obligation to settle such transaction.

From the adoption of the above share scheme to 31 December 2025, MPSC has granted share options to the employees of the Group. These share options are vested in instalments over an explicit vesting period of one to seven years. Each instalment is accounted for as a separate share-based compensation arrangement. The contractual life of the options is ten years.

(Expressed in Renminbi unless otherwise indicated)

24 Equity-settled share-based transaction (continued)

(a) Share options granted by the ultimate controlling party (continued)

(i) The terms, conditions and fair values at the grant date of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to executives and directors on:			
— on 24 December 2018	568,864	2 years from the date of grant	10 years
— on 23 January 2019	224,020	4 years from the date of grant	10 years
— on 31 August 2021	1,350,000	7 years from the date of grant	10 years
— on 21 January 2022	449,982	1 years from the date of grant	10 years
— on 1 April 2022	449,982	1 years from the date of grant	10 years
— on 1 April 2022	560,460	2 years from the date of grant	10 years
— on 1 April 2022	560,460	4 years from the date of grant	10 years
— on 16 May 2022	450,036	1 years from the date of grant	10 years
— on 31 March 2023	75,496	2 years from the date of grant	10 years
— on 8 April 2024	145,801	5 years from the date of grant	10 years
Total share options granted	4,835,101		

24 Equity-settled share-based transaction (continued)

(a) Share options granted by the ultimate controlling party (continued)

(ii) The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price HK$	**Number of options '000**	Weighted average exercise price HK$	Number of options '000
Outstanding at the beginning of the year	**25.24**	**4,250**	26.16	4,239
Granted during the year	**—**	**—**	6.58	146
Exercised during the year	**11.06**	**(19)**	—	—
Expired during the year	**20.14**	**(100)**	20.14	(50)
Forfeited during the year	**48.15**	**(50)**	35.82	(85)
Outstanding at the end of the year	**24.73**	**4,081**	25.24	4,250
Exercisable at the end of the year	**25.15**	**2,711**	16.71	2,870

All the share options granted are exercisable by the grantees upon vesting and will expire in a period from December 2028 through May 2032. As at 31 December 2025, the weighted average remaining contractual life for the share options granted was 5.51 years (2024: 6.53 years).

24 Equity-settled share-based transaction (continued)

(a) Share options granted by the ultimate controlling party (continued)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

(b) Share awards granted by MPSC

MPSC has granted certain number of its own ordinary shares to the employee of the Group under the share award scheme approved by the board of MPSC with no vesting conditions attached at nil consideration. MPSC and the Group also entered into a recharge arrangement approximate to the grant-date fair value of this shared-based payment and the recharge is required to be paid after the shares are awarded. The fair value of services received in return for the shares awarded of RMB117,000 for the year ended 31 December 2025 (2024: RMB165,000), which is measured by the grant-date share price of MPSC, was recognised as expenses on the grant date with a corresponding increase in trade and other payables due to MPSC.

(c) Employee share purchase plan (the "ESPP")

Since 2015, the Group adopted several ESPPs, pursuant to which, the partnership firms, whose limited partners consisted of employees of the Group, invested in the Group by way of subscribing newly issued equity interests of MP NeuroTech Shanghai. All participants of the ESPPs have purchased equity interests in respective partnership firms at amounts specified in the respective partnership agreements.

All ESPPs contain a service condition. Employees participating in the plan have to transfer out their equity interests if their employments with the Group were terminated within the vesting period, to a person or a party nominated by the general partners of the partnership firms at a price no higher than the amounts specified in the respective partnership agreements. The fair value of the ESPP at the grant date, being the difference between the considerations and the fair value of the equity interests subscribed shall be spread over the vesting period and recognised as staff costs in the profit or loss.

The fair value of the equity interests subscribed is measured by either (i) the reference to the price of third party investors who also made contributions to the Group or (ii) the valuation reports which were prepared by external valuers and reviewed and approved by the management.

The total expenses recognised in the consolidated statement of profit or loss for the above ESPP are RMB365,000 for the year ended 31 December 2025 (2024: RMB257,000).

(Expressed in Renminbi unless otherwise indicated)

24 Equity-settled share-based transaction (continued)

(d) Share awards granted by the Company

Pursuant to the share award scheme adopted by the Company approved by the Board in 2025, the Company may purchase its own shares and grant such shares to certain employees of the Group at nil consideration. For the year ended 31 December 2025, the Company granted 1,132,000 shares (2024: 780,000 shares) with a fair value of HKD10,720,000 (equivalent to RMB9,938,000, 2024: HKD6,536,000 (equivalent to RMB5,935,000)) to the Group's executives and certain employees to settle the discretionary bonuses.

(e) Share options granted by the Company

The Company has granted certain share options to the directors and employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

These share options are vested in instalments over an explicit vesting period from three to five years. The contractual life of the options is ten years.

(i) The terms, conditions and fair values at the grant date of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to executives and directors on:			
— on 28 July 2023	1,176,000	5 years from the date of grant	10 years
— on 28 March 2024	2,191,000	5 years from the date of grant	10 years
— on 5 July 2024	445,000	20% vested annually in 5 years	10 years
— on 13 September 2024	1,143,000	3.87 years from the date of grant	10 years
— on 6 May 2025	2,445,000	20% vested annually in 5 years	10 years
— on 28 August 2025	402,300	20% vested annually in 5 years	10 years
— on 20 November 2025	500,000	20% vested annually in 5 years	10 years

Apart from the share options granted in 2023 and 2024, the Company issued share options to employees and management three times in 2025, with grant quantities of 2,445,000 shares, 402,300 shares, and 500,000 shares, respectively. All options have a validity period of 10 years. Except for 227,600 options that were forfeited due to employee resignations, the remaining options will be exercisable upon the completion of the vesting period. As of 31 December 2025, the number of options exercisable by employees was 14,400.

24 Equity-settled share-based transaction (continued)

(e) Share options granted by the Company (continued)

(ii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

	2025 HK$	2024 HK$
Fair value of share options and assumptions		
Fair value at measurement date	**2.02 to 4.18**	1.47 to 4.13
Share price	**10.40 to 12.85**	6.91 to 8.38
Exercise price	**10.68 to 14.53**	6.99 to 8.50
Expected volatility (expressed as weighted average volatility used in the modelling under binomial tree model)	**38.4%–40.5%**	37.20%–50.00%
Option life	**10 years**	10 years
Expected dividends yield	**1.0%–1.8%**	1.60%
Risk-free interest rate	**3.11%–4.30%**	3.66%–4.28%

(f) Equity-settled share-based payment expenses recognised in the consolidated statement of profit or loss during the current and prior years:

	2025 RMB'000	2024 RMB'000
Cost of sales	**1,742**	974
Research and development costs	**3,714**	3,372
Distribution costs	**6,749**	3,919
Administrative expenses	**6,610**	4,056
Equity-settled share-based payment expenses recognised in the consolidated statement of profit or loss	**18,815**	12,321
Less: Recharge arrangement in connection with the share awards granted by the ultimate controlling party *(Note 24(b))*	**(117)**	(165)
Equity-settled share-based payment expenses recognised in equity	**18,698**	12,156

25 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's equity between the beginning and the end of the year are set out below.

	Note	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at 31 December 2023 and 1 January 2024		76	1,377,791	47,754	89,387	(160,934)	1,354,074
Changes in equity for 2024:							
Profit and total comprehensive income		—	—	17,802	—	12,692	30,494
Repurchase of shares under share award scheme		—	—	—	(112,391)	—	(112,391)
Shares granted under share award scheme		—	—	—	5,935	—	5,935
Equity-settled share-based transactions		—	—	—	3,680	—	3,680
Issuance of ordinary shares under scrip dividend scheme		—	10,778	—	—	—	10,778
Dividends approved in respect of the previous year		—	(58,496)	—	—	—	(58,496)
Dividends declared in respect of the current year		—	(42,541)	—	—	—	(42,541)
Balance at 31 December 2024 and 1 January 2025		**76**	**1,287,532**	**65,556**	**(13,389)**	**(148,242)**	**1,191,533**
Changes in equity for 2025:							
Profit and total comprehensive income		**–**	**–**	**(22,071)**	**–**	**5,931**	**(16,140)**
Repurchase of shares under share award scheme		**–**	**–**	**–**	**(29,740)**	**–**	**(29,740)**
Shares granted under share award scheme		**–**	**–**	**–**	**9,938**	**–**	**9,938**
Equity-settled share-based transactions		**–**	**–**	**–**	**5,906**	**–**	**5,906**
Issuance of ordinary shares under share option scheme		**–**	**113**	**–**	**–**	**–**	**113**
Issuance of ordinary shares under scrip dividend scheme		**–**	**4,368**	**–**	**–**	**–**	**4,368**
Dividends approved in respect of the previous year		**–**	**(57,891)**	**–**	**–**	**–**	**(57,891)**
Dividends declared in respect of the current year		**–**	**(26,153)**	**–**	**–**	**–**	**(26,153)**
Balance at 31 December 2025		**76**	**1,207,969**	**43,485**	**(27,285)**	**(142,311)**	**1,081,934**

25 Capital and reserves (continued)

(b) Dividends

Dividends attributable to the year

	2025 RMB'000	2024 RMB'000
Interim dividends declared during the year of HKD0.05 per ordinary share (2024: HKD0.08)	**26,153**	42,541
Final dividends declared after the year end of HKD0.09 per ordinary share (2024: HKD0.11)	**47,181**	59,125

The final dividend proposed after the statement of financial position date has not been recognised as a liability at the statement of financial position date.

Dividends attributable to the previous financial year, approved during the year

	2025 RMB'000	2024 RMB'000
Final dividends in respect of the previous financial year and approved during the year, of HKD0.11 per ordinary share	**57,891**	58,496

Some shareholders choose to receive final dividend amount to RMB4,368,000 (2024:RMB10,778,000) wholly by allotment of new shares credited as fully paid in lieu of cash (Note 25(c)(i)).

25 Capital and reserves (continued)

(c) Share capital

Authorised

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 September 2020 with authorised share capital of US$50,000 divided into 500,000,000 ordinary shares with par value of US$0.0001 each.

Issued and fully paid

	Note	Ordinary share No. of share '000	RMB'000
Balance at 1 January 2024		582,658	76
Issuance of ordinary shares	25(c)(i)	1,937	—
Balance at 31 December 2024 and 1 January 2025		584,595	76
Issuance of ordinary shares*	25(c)(i)	439	—
Balance at 31 December 2025		585,034	76

* The amount is less than 1,000.

(i) On 26 June 2024, the General Meeting approved a scrip dividend scheme for the 2023 dividend distribution, offering qualifying stakeholders the option to receive either cash dividends or share dividends. Based on the stakeholders' choices, the Company issued an additional 1,937,000 ordinary shares on 22 August 2024, as share dividends.

On 8 July 2025, the General Meeting approved a scrip dividend scheme for the 2024 dividend distribution, offering qualifying stakeholders the option to receive either cash dividends or share dividends. Based on the stakeholders' choices, the Company issued an additional 424,841 ordinary shares on 22 August 2025, as share dividends.

As of 31 December 2025, the Company issued 14,400 ordinary shares during the year as a result of employees exercising share options.

25 Capital and reserves (continued)

(c) Share capital (continued)

(ii) Purchase of own shares

During the year ended 31 December 2025, the Company purchased its own ordinary shares through the designated as follows:

Year	No. of shares repurchased	Highest price paid per share HKD	Lowest price paid per share HKD	Aggregate considerations paid RMB'000
2025	3,218,000	12.30	7.81	29,740

Repurchased shares held at the end of reporting period were classified as treasury shares and presented as a decrease in the capital reserve.

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Act of the Cayman Islands.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company and certain subsidiaries within the Group. The reserve is dealt with in accordance with the accounting policies set out in Note 1(x).

25 Capital and reserves (continued)

(d) Nature and purpose of reserves (continued)

(iii) Capital reserve

The capital reserve primarily comprises the following:

— the fair value of the actual or estimated number of unexercised share options granted to executives and employees of the Group in accordance with the accounting policy adopted for equity-settled share-based payments in Note 1(t)(ii);

— the historical book value of the paid-in capital and capital reserve of MP NeuroTech Shanghai when 100% equity interests of MP NeuroTech Shanghai were transferred to the Group under the Restructuring, less consideration the Group has paid to acquire the 100% equity interests of MP NeuroTech Shanghai under the Restructuring;

— the amount allocated to the unexercised equity component of the Convertible Bonds at initial recognition (Note 1(s));

— the amount allocated to the equity component of the Convertible Bonds upon its extinguishment before maturity; and

— The amount allocated to the conversion feature of the Series A-1 Preferred Shares and the Series A-2 Preferred Shares (Note 1(q)).

— In March 2024, MicroPort Sinica Co., Ltd. (微創投資控股有限公司), a subsidiary of MPSC, transferred its subsidiary, MicroPort Brain Sciences (Suzhou) Co., Ltd. ("**MP Brain Sciences Suzhou**") (微創腦科學 (蘇州) 有限公司), to the Group at nil consideration. The merge constitutes to a common control transaction. In applying book value accounting, the amount of RMB18,000, being the opening balance of accumulated loss of MP Brain Sciences Suzhou was debited to "capital reserve" account in equity.

(iv) Statutory general reserve

In accordance with the relevant PRC accounting rules and regulations, the PRC subsidiaries of the Company are required to make appropriation of its retained profits to statutory general reserve at the rate of 10% of its net profit each year, until the reserve balance reaches 50% of its paid-in capital. The transfer of this reserve must be made before distribution of dividend to equity owners. The statutory general reserve can be utilised to offset prior year's losses or converted into paid-in capital only.

25 Capital and reserves (continued)

(e) Capital management

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

The Group defines "capital" as including all components of equity, preferred shares and convertible bonds as at the end of each of the reporting year and "debt" as including interest-bearing borrowings, loans from related parties and lease liabilities. On this basis, the amount of capital employed at 31 December 2024 and 2025 was RMB1,706,835,000 and RMB1,793,053,000 respectively and the debt-to-capital ratio is 2.2% and 0.9%, respectively.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

26 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have low credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The management assessed loss allowance provision for trade receivables at an amount equal to lifetime ECLs, which is based on recent historical settlement records and adjusts for forward looking information. Management has assessed that during the year ended 31 December 2025, the default risk of trade receivables is insignificant.

The management has assessed that during the year ended 31 December 2025, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The management of the Company do not expect any losses from non-performance by the counterparties of other receivables and no loss allowance provision for other receivables was recognised.

26 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2025 Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and other payables	155,134	–	–	–	155,134	155,134
Lease liabilities	16,071	2,019	–	–	18,090	15,940
	171,205	2,019	–	–	173,224	171,074

	As at 31 December 2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and other payables	158,572	—	—	—	158,572	158,572
Lease liabilities	26,280	14,173	—	—	40,453	37,122
	184,852	14,173	—	—	199,025	195,694

26 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from cash at banks and deposits with banks. The Group's interest-bearing financial instruments at variable rates as at 31 December 2024 and 2025 are the cash at bank except for fixed deposits, and the cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. The Group's exposure to interest rate risk is not significant.

(i) Interest rate risk profile

The Group's interest rate profile as monitored by management is set out below.

	31 December 2025		31 December 2024	
	Effective interest rate	**Amount RMB'000**	Effective interest rate	Amount RMB'000
Net fixed rate instruments:				
Time deposits	**2.6%**	**52,086**	2.6%–3.45%	91,473
Deposits with banks	**3.38%–3.79%**	**175,720**	3.125%–4.05%	216,095
Lease liabilities	**4.75%**	**(15,940)**	4.75%	(37,122)
		211,866		270,446
Net variable rate instruments:				
Deposits with banks	**0.0001%–0.55%**	**435,534**	0.0001%–0.375%	406,486
		435,534		406,486
		647,400		676,932

26 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would have increased the Group's profit after tax for the year and increased retained profits by approximately RMB5,908,853 (2024: increased profit by RMB6,521,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis has been performed on the same basis as 2024.

(d) Currency risk

The Group is exposed to currency risk primarily from sales and purchases which give rise to receivables and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily US$.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the entities into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in RMB)	
	31 December 2025	31 December 2024
	US$	US$
	RMB'000	RMB'000
Cash and cash equivalents	**40,011**	6,730
Trade and other receivables	**30,085**	25,220
Trade and other payables	**(1,918)**	(1,640)
Net exposure arising from recognised assets and liabilities	**68,178**	30,310

26 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of each of the reporting period had changed at that date, assuming all other risk variables remained constant.

	31 December 2025		31 December 2024	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and retained profit RMB$'000**	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profit RMB$'000
US$ (against RMB)	**3%**	**(1,688)**	3%	(750)
	-3%	**1,792**	–3%	797

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of the entities into the Group's presentation currency. The analysis has been performed on the same basis for the year ended 31 December 2024.

26 Financial risk management and fair values of financial instruments (continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

— Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

— Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team that manages the valuations of the financial instruments for financial reporting purpose. The team manages the valuation on a case by case basis. External valuation experts will be involved when necessary.

		Fair value measurements as at 31 December 2025 categorised into		
	Fair value at 31 December 2025 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets:				
Structured deposits *(Note 15(a))*	406,779	–	–	406,779
SAFE *(Note 15(b))*	–	–	–	–

26 Financial risk management and fair values of financial instruments (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		Fair value measurements as at 31 December 2024 categorised into		
	Fair value at 31 December 2024 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets:				
Structured deposits *(Note 15(a))*	372,480	—	—	372,480
SAFE *(Note 15(b))*	11,298	—	—	11,298

During the years ended 31 December 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Structured deposits	Net asset value	Expected rate of return of 0.65%–2.2% *(Note a)*
SAFE	Monte Carlo model	Possibility of next round financing or liquidation *(Note b)*

Note:

(a) As at 31 December 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected probability of event by 100 basis points would have increased/decreased the Group's profit by RMB910,000/RMB 910,000.

(b) The fair values of SAFE as included within Level 3 in financial assets at fair value through profit or loss are determined with reference to the valuation reports prepared by the external valuer. According to the analysis by the external valuer, as the fair value of the total equity of Rapid Medical is determined to be nil, the fair value of SAFE, which is as a senior equity class, is determined to be nil accordingly.

26 Financial risk management and fair values of financial instruments (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Reconciliation of Level 3 fair value measurements

	Financial assets RMB'000
At 1 January 2024	283,504
Purchase of wealth management products	283,788
Purchase of deposits	721,000
Purchase of SAFE instruments	11,298
Redemption of wealth management products	(287,058)
Redemption of deposits	(351,961)
Disposal of wealth management products	(289,137)
Changes in fair value recognised in profit or loss	10,316
Exchange adjustments	2,028
At 31 December 2024 and 1 January 2025	**383,778**
Purchase of deposits	**1,746,000**
Redemption of deposits	**(1,717,570)**
Changes in fair value recognised in profit or loss	**(5,178)**
Exchange adjustments	**(251)**
At 31 December 2025	**406,779**

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 2025.

27 Commitments

Capital commitments in respect of property, plant and equipment and intangible assets outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contracted for	**228,285**	290,676
Approved but not contracted for	**39,532**	5,664
	267,817	296,340

28 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 7 and certain of the highest paid individuals as disclosed in Note 8, is as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	**4,690**	4,460
Equity-settled share-based payment expenses	**4,496**	3,392
	9,186	7,852

28 Material related party transactions (continued)

(b) Related parties

Particulars of the Group's other transactions with related parties other than key management personal remuneration during the year ended 31 December 2025 are as follows:

Name of party	Relationship
MPSC	Substantial shareholder of the Group**
MEDICAL PRODUCT INNOVATION. INC.	Subsidiary of MPSC
MICROPORT SCIENTIFIC VASCA.	Subsidiary of MPSC
MicroPort CRM Japan Co., LTD.	Subsidiary of MPSC
MicroPort CRM USA Inc.	Subsidiary of MPSC
MicroPort Scientific Ltd.	Subsidiary of MPSC
MicroPort Sinica Co., Ltd.	Subsidiary of MPSC
MicroPort Aston Properties LLC	Subsidiary of MPSC
MicroPort Scientific Vascular Brasil Ltda.	Subsidiary of MPSC
MİCROPORT MEDİKAL ÜRÜNLER LİMİTED	Subsidiary of MPSC
Fujian Kerui Pharmaceutical Co., Ltd. (福建科瑞藥業有限公司)	Subsidiary of MPSC
Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械 (集團) 有限公司)	Subsidiary of MPSC
Jiaxing Weizhuo Technology Co., Ltd.* (嘉興微琢科技有限公司)	Subsidiary of MPSC
MicroPort Access Medtech (Jiaxing) Co., Ltd.* (微創龍脈醫療器械 (嘉興) 有限公司)	Subsidiary of MPSC
Shanghai MicroPort Weimei Medical Technology (Group) Co., Ltd.* (上海微創惟美醫療科技 (集團) 有限公司)	Subsidiary of MPSC
Shanghai MicroPort MedBot (Group) Co., Ltd.* (上海微創醫療機器人 (集團) 股份有限公司)	Subsidiary of MPSC
Shanghai MicroPort Medical Science and Technology Co., Ltd.* (上海微創醫療科學技術有限公司)	Subsidiary of MPSC
Shanghai MicroPort Melody Medical Technology Co., Ltd.* (上海微創旋律醫療科技有限公司)	Subsidiary of MPSC
Suzhou Reveda Medical Technology Co., Ltd.* (蘇州悅膚達醫療科技有限公司)	Subsidiary of MPSC
Suzhou MicroPort Orthopedics Scientific (Group) Co., Ltd.* (蘇州微創骨科學 (集團) 有限公司)	Subsidiary of MPSC
Jiaxing MicroPort Medical Technology Co., Ltd.* (嘉興微創醫療科技有限公司)	Subsidiary of MPSC
Shanghai MicroPort Weilian Weitong Health Management Co., Ltd.* (上海微創微聯微通健康管理有限公司)	Subsidiary of MPSC
Zhuque Feiyan (Shanghai) Medical Technology Co., Ltd.* (朱雀飛燕 (上海) 醫療科技有限公司)	Subsidiary of MPSC

28 Material related party transactions (continued)

(b) Related parties (continued)

Name of party	Relationship
Shanghai Qianzhi Enterprise Management Consulting Centre (Limited Partnership)* 上海潛執企業管理諮詢中心 (有限合夥)	Entity controlled by key management personnel of the Group
Shanghai Meijing Enterprise Management Consulting Centre (Limited Partnership)* 上海魅璟企業管理諮詢中心 (有限合夥)	Entity controlled by key management personnel of the Group
Shanghai Xuenao Enterprise Management Consulting Centre (Limited Partnership)* 上海學腦企業管理諮詢中心 (有限合夥)	Entity controlled by key management personnel of the Group
Shanghai Henian Investment Management Centre (Limited Partnership)* (上海鶴年投資管理中心 (有限合夥))	Entity controlled by key management personnel of the Group
MicroPort Urocare (Jiaxing) Co., Ltd.* (微創優通醫療科技 (嘉興) 有限公司)	Equity-accounted investee of MPSC
Zhejiang AccuPath Smart Manufacturing (Group) Co., Ltd.* (浙江脈通智造科技 (集團) 有限公司, "AccuPath")	Equity-accounted investee of MPSC
Shanghai SafeWay Medtech Co., Ltd.* (上海安助醫療科技有限公司)	Equity-accounted investee of MPSC
Shanghai Nuocheng Testing Co., Ltd.* (上海諾誠檢測有限公司)	Equity-accounted investee of MPSC
Suzhou ProSteri Medical Technology Co., Ltd.* (蘇州諾潔醫療技術有限公司)	Equity-accounted investee of MPSC
Shanghai MicroPort Ziya Medical Technology Co., Ltd.* (上海微創子牙醫療科技有限公司)	Equity-accounted investee of MPSC
Rapid Medical	Equity-accounted investee of the Group

* English translation is for identification purpose only.

** In December 2025, MPSC lost control over the Company. The Company became an equity-accounted investee of MPSC.

(c) Financing and leasing arrangement with related parties

In January 2024, MP NeuroTech Shanghai renewed the lease contract for its own properties with the related party and recognised rental income amounted to RMB1,190,000 for the year ended 31 December 2025 (2024: RMB1,253,000).

28 Material related party transactions (continued)

(d) Other transactions with related parties

	2025 RMB'000	2024 RMB'000
Sales of goods to a subsidiary of MPSC	**8,194**	—
Purchase of goods from an equity-accounted investee of the Group	**—**	4,581
Service fee charged by an equity-accounted investee of the Group	**6,668**	4,204
Sales of materials to subsidiaries of MPSC	**1,608**	49
Service fee charged by subsidiaries of MPSC	**9,116**	9,072
Service fee charged by equity-accounted investees of MPSC	**5,170**	8,575
Purchase of goods from subsidiaries of MPSC	**2,929**	4,910
Purchase of goods from an equity-accounted investee of MPSC	**29,076**	20,464
Purchase of equipment from subsidiaries of MPSC	**283**	—
Payment on behalf of the Group by subsidiaries of MPSC	**8,929**	6,917
Payment on behalf of related parties by the Group	**4,149**	610
Rental fee to subsidiaries of MPSC	**2,078**	—

(e) Related party balances

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amounts due from related parties		
Trade related	**11,394**	1,859
Non-trade related	**6,091**	7,559
Amounts due to related parties		
Trade related	**18,564**	17,682
Non-trade related	**2,199**	5,246

(f) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the lease arrangement set out in Note 28(c), the service fee charged by subsidiaries of MPSC and equity-accounted investees of MPSC and the purchase of goods from subsidiaries of MPSC and an equity-accounted investee of MPSC set out in Note 28(e) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided under the paragraph "Connected transactions" in the reports of the directors.

29 Company-level statement of financial position

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current asset		
Interest in subsidiaries	**873,344**	887,760
Current assets		
Other receivables	**102,364**	77,691
Cash and cash equivalents	**194,200**	316,255
	296,564	393,946
Current liability		
Other payables	**87,974**	90,173
	87,974	90,173
Net current assets	**208,590**	303,773
Total assets less current liability	**1,081,934**	1,191,533
NET ASSETS	**1,081,934**	1,191,533
CAPITAL AND RESERVES		
Share capital	**76**	76
Reserves	**1,081,858**	1,191,457
TOTAL EQUITY	**1,081,934**	1,191,533

(Expressed in Renminbi unless otherwise indicated)

30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity	1 January 2026
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HKAS 21, Translation to a hyperinflationary presentation currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The giving further details of group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

31 Non-adjusting events after the reporting period

Subsequent to the statement of financial position date, the Board has resolved to recommend the payment of a final dividend of HKD0.09 (tax inclusive) per share (the "**Share**") for the year ended 31 December 2025 to the shareholders whose names appear on the register of members of the Company on 8 July 2026 and also to recommend the offer to the shareholders the right to select as an alternative, to receive such final dividend wholly by allotment of new Shares credited as fully paid in lieu of cash (the "**Scrip Dividend Scheme**"), subject to the approval of the shareholders on the payment of final dividend at the Annual General Meeting and the granting by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued pursuant thereto. The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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