MicroPort®
CardioFlow

MicroPort CardioFlow Medtech Corporation

微创心通医疗科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2160

ANNUAL REPORT 2025


ALIZEA DR 1400
OTO DR
TEO DR
ENO DR
SORIN
ENERGYA
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MICROPORT
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MICROPORT

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DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"2023 Distribution Framework Agreement"	the 2023 Distribution Framework Agreement dated December 6, 2023 between the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group), pursuant to which we agreed to, among other things, grant a non-exclusive right to the Retained MicroPort® Group to market and distribute the Group's products overseas for a term commencing from January 1, 2024 till December 31, 2026 (both days inclusive)
"2023 Master Raw Materials Procurement Agreement"	the 2023 Master Raw Materials Procurement Agreement dated December 6, 2023 between the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of the Retained MicroPort® Group and its joint ventures and associates), pursuant to which we agreed to, among others, procure raw materials from the Retained MicroPort® Group and its joint ventures and associates for a term commencing from January 1, 2024 till December 31, 2026 (both days inclusive)
"2023 Master Service Procurement Agreement"	the 2023 Master Service Procurement Agreement dated December 6, 2023 between the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of the Retained MicroPort® Group and its joint ventures and associates), pursuant to which we agreed to, among others, procure animal test services, balloon processing services, sterilization services, product testing services and numerical simulation service from the Retained MicroPort® Group for a term commencing from January 1, 2024 till December 31, 2026 (both days inclusive)
"2023 Promotion and Patient Health Management Service Procurement Framework Agreement"	the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement dated December 6, 2023 between the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group), pursuant to which we agreed to, among others, procure promotion and health management services from the Retained MicroPort® Group for a term commencing from January 1, 2024 till December 31, 2026 (both days inclusive)
"2024 MP CardioAdvent Service Procurement Framework Agreement"	the 2024 MP CardioAdvent Service Procurement Framework Agreement dated April 15, 2024 between the Company (for itself and on behalf of its subsidiaries, joint ventures and associates other than MP CardioAdvent) and MP CardioAdvent, pursuant to which, MP CardioAdvent will procure certain supporting services for its R&D and commercialization activities for a term commencing from the Listing Date till December 31, 2025 (both days inclusive)

"2024 Kewei Distribution Framework Agreement"	the 2024 Kewei Distribution Framework Agreement dated July 19, 2024 between MP CardioFlow and Kewei Medical, pursuant to which, Kewei Medical agreed to grant an exclusive right to MP CardioFlow to distribute the Kewei Distribution Products (as defined in the section headed "Directors' Report — Connected Transactions" in this annual report) in China, for a term commencing from July 19, 2024 to December 31, 2025 (both days inclusive)
"4C Medical"	4C Medical Technologies, Inc., a company incorporated under the laws of the State of Delaware and mainly engaged in the R&D of mitral and tricuspid valve devices
"AccuSniper™"	AccuSniper™ double-layer balloon catheter
"AGM"	the annual general meeting to be held on Thursday, June 4, 2026 at No. 501 Niudun Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, China or any adjournment thereof
"AltaValve™"	AltaValve™ human mitral valve replacement medical device product
"Alwide®"	Alwide® balloon catheter
"Alwide® Plus"	Alwide® Plus balloon catheter
"AnchorMan® LAA Access System"	AnchorMan® left atrial appendage Access system
"AnchorMan® LAAC System"	AnchorMan® left atrial appendage closure system
"Angelguide®"	our first-generation tip-preshaped super stiff guidewire
"aortic valve"	the valve that prevents blood flowing back from aorta to left ventricle
"AR"	aortic regurgitation
"Articles of Association" or "Articles"	the 6th amended and restated Memorandum and Articles of Association of our Company adopted on June 26, 2024, as amended or supplemented from time to time
"associate(s)"	has the meaning as defined in the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor's Report"	the auditor's report prepared by KPMG

"Board"	the board of directors of our Company
"BoCom Shanghai Branch"	Bank of Communication Co., Ltd., Shanghai Branch (交通銀行股份有限公司上海市分行)
"BoCom Mid-term Facility Agreement"	the facility agreement dated September 30, 2024 between MP CardioAdvent and BoCom Shanghai Branch, pursuant to which, BoCom Shanghai Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB5 million for a term of two years commencing from September 30, 2024
"BoCom Mid-term Guarantee Agreement"	the guarantee agreement dated September 30, 2024 between MP CardioFlow and BoCom Shanghai Branch in respect of the guarantee provided by MP CardioFlow in accordance with the BoCom Mid-term Facility Agreement
"BoCom Short-term Facility Agreement"	the facility agreement dated September 30, 2024 between MP CardioAdvent and BoCom Shanghai Branch, pursuant to which, BoCom Shanghai Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB5 million for a term of one year commencing from September 30, 2024
"BoCom Short-term Guarantee Agreement"	the guarantee agreement dated September 30, 2024 between MP CardioFlow and BoCom Shanghai Branch in respect of the guarantee provided by MP CardioFlow in accordance with the BoCom Short-term Facility Agreement
"bpm"	beats per minute
"Business Day"	a day on which banks in the PRC are generally open for business to the public and which is not a Saturday, Sunday or other days on which banks are required by law or authorized to suspend business in the PRC
"Catering Services Framework Agreement"	the catering services framework agreement dated January 17, 2023 entered into between MP CardioFlow and MicroPort Sinica for the provision of catering services and beverages by the MicroPort Sinica Group and/or any third party engaged by the MicroPort Sinica Group for an initial term commencing from January 17, 2023 to December 31, 2025 (both dates inclusive)

"CE Mark", "CE", "CE Certification" or "CE-MDR"	a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended from time to time
"China", "mainland China", or "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires otherwise, references in this annual report do not apply to Hong Kong, Macau and Taiwan
"CMO(s)"	contract manufacturing organizations, which provide support to the pharmaceutical industry in the form of manufacturing services outsourced on a contract basis
"Code Provision(s)"	the principles and code provisions set out in the CG Code
"Company", "our Company" or "MicroPort CardioFlow"	MicroPort CardioFlow Medtech Corporation (微创心通医疗科技有限公司), a company with limited liability incorporated under the laws of the Cayman Islands on January 10, 2019
"Consolidated Share"	ordinary shares of US$0.000025 each in the share capital of the Company after the Share Consolidation becomes effective
"connected person"	has the meaning as defined in the Listing Rules
"connected transaction"	has the meaning as defined in the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to MicroPort® and/or Shanghai MicroPort
"CRM"	cardiac rhythm management
"CRM Group"	the predecessor and operating entities through which the CRM business was conducted prior to the establishment of MicroPort CRM
"CRM LTI Plan"	MicroPort CRM performance share units plan, a long term incentive scheme adopted by MicroPort CRM on June 30, 2020
"Director(s)" or "our Director(s)"	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
"EU"	European Union

"Existing Share(s)"	ordinary shares of US$0.000005 each in the share capital of the Company before the Share Consolidation becomes effective
"FDA"	U.S. Food and Drug Administration
"FIM"	first-in-human, a stage of clinical trial
"Global Offering"	the offer of the Shares for subscription as described in the Prospectus
"Group", "our Group", "we", "us" or "our"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the present subsidiaries of our Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"HF"	heart failure
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IDE"	Investigational device exemptions
"Independent Physicians"	physicians who can perform TAVI with our products independently
"Independent Third Party(ies)"	person(s) who are not the connected person(s) of the Group
"Kewei Loan Agreement"	Kewei Loan Agreement dated July 19, 2024 between MP CardioFlow and Kewei Medical, pursuant to which, for a term commencing from July 19, 2024 to December 31, 2025 (both days inclusive), pursuant to which, MP CardioFlow agreed to grant Kewei Medical a loan facility in a principal amount of RMB10.0 million, at an interest rate equivalent to the one-year LPR on the date of the Kewei Loan Agreement for a term of two years from the date of drawdown
"Kewei Medical"	Dongguan Kewei Medical Instrument Co., Ltd. (東莞科威醫療器械有限公司), a limited liability company established in the PRC on April 15, 1993
"LAA"	left atrial appendage
"LAAC"	left atrial appendage closure

"Latest Practicable Date"	April 21, 2026, being the latest practicable date prior to the printing of this annual report for the purpose of ascertaining the information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
"Medical Product Innovation"	Medical Product Innovation, Inc, a company incorporated in the State of California, United States on June 28, 2011 and a wholly-owned subsidiary of MicroPort®
"Merger Sub"	MicroPort CardioFlow CRM Limited, an exempted company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company
"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)
"MicroPort CRM"	MicroPort Cardiac Rhythm Management Limited (微創心律管理有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on August 12, 2019 and a non-wholly-owned subsidiary of MicroPort®
"MicroPort CRM Acquisition"	the acquisition as contemplated under the MicroPort CRM Merger Agreement dated September 29, 2025
"MicroPort CRM Group"	MicroPort CRM and all of its subsidiaries
"MicroPort CRM Merger Agreement"	the merger agreement dated September 29, 2025 entered into by the Company, the Merger Sub and MicroPort CRM in respect of the merger between MicroPort CRM and the Merger Sub under section 233 of Cayman Companies Act
"MicroPort® Group"	MicroPort® and all of its subsidiaries

"MicroPort International"	MicroPort International Corp. Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of MicroPort® as at the date of the Latest Practicable Date
"MicroPort Sinica"	MicroPort Sinica Co., Ltd. (微創投資控股有限公司), (formerly known as MicroPort Group Co., Ltd. (上海微創投資控股有限公司)), a limited liability company established in the PRC on April 9, 2013 and a wholly-owned subsidiary of MicroPort®
"MicroPort Sinica Group"	MicroPort Sinica, its subsidiaries, associates and joint ventures
"mitral valve"	the valve that prevents the blood in left ventricle from flowing back to left atrium
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"MP CardioAdvent"	Shanghai MicroPort CardioAdvent Co., Ltd, (上海佐心醫療科技有限公司), a limited liability company established in the PRC on September 10, 2019
"MP CardioAdvent Acquisition"	the sale and purchase of the remaining 49% of equity interest in MP CardioAdvent under the MP CardioAdvent Equity Transfer Agreement dated May 30, 2025
"MP CardioAdvent Equity Transfer Agreement"	the equity transfer agreement dated May 30, 2025 among MicroPort Sinica, Shanghai Zuoqing, MP CardioAdvent and MP CardioFlow in respect of the MP CardioAdvent Acquisition
"MP CardioFlow"	Shanghai MicroPort CardioFlow Medtech Co., Ltd. (上海微创心通医疗科技有限公司), a limited liability company established in the PRC on May 21, 2015 and a wholly-owned subsidiary of our Company
"MP CardioFlow BVI"	MicroPort CardioFlow CRM Company Limited, a business company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Nomination Committee"	the nomination committee of our Company
"one-year LPR"	one-year loan prime rate, i.e. the one-year loan prime rate announced by the National Interbank Funding Center (全國銀行間同業拆借中心) of the PRC on the 20th day of each month (or the next Business Day in case of holidays)
"PAV"	prosthetic aortic valve, the artificial valve of our TAVI products
"PET"	polyethylene terephthalate

"President"	the president of our Company
"Prospectus"	the prospectus issued by the Company on January 26, 2021
"Property Management Services Framework Agreement"	the property management services framework agreement dated January 17, 2023 entered into between MP CardioFlow and MicroPort Sinica for the provision of property management services for the production facilities and offices of the Group for a term commencing from January 17, 2023 to December 31, 2025 (both days inclusive)
"PVL"	paravalvular leakage, a complication associated with the implantation of a prosthetic heart valve through TAVI or surgical aortic valve replacement
"R&D"	research and development
"Retained MicroPort® Group"	MicroPort® and its subsidiaries, excluding the Group
"Remuneration Committee"	the remuneration committee of our Company
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2025
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai MicroPort"	Shanghai MicroPort Limited, a company incorporated in the BVI with limited liability on January 8, 2019, a wholly-owned subsidiary of MicroPort® and one of our Controlling Shareholders
"Shanghai MicroPort Medical"	Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司), a limited liability company established in the PRC on May 15, 1998 and a wholly-owned subsidiary of MicroPort®
"Shanghai Xinyong"	Shanghai Xinyong Medical Technology Co., Ltd. (上海心永醫療科技有限公司), a limited liability company established in the PRC on June 21, 2024, whose establishment is solely for the purpose of being used as a vehicle to acquire and hold the target property from Shanghai MicroPort Medical
"Shanghai Zuoqing"	Shanghai Zuoqing Enterprise Management Consulting Service Centre (Limited Partnership) (上海佐擎企業管理諮詢服務中心(有限合夥)), a limited partnership established in the PRC on May 12, 2020 and an employee shareholding platform of MP CardioAdvent

"Share(s)"	ordinary share(s) in the share capital of our Company of US$0.000005 each prior to the Share Consolidation becoming effective and US$0.000025 each after the Share Consolidation becoming effective
"Share Consolidation"	the share consolidation effective on February 24, 2026 on the basis that every five (5) issued Existing Shares consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom
"Share Award Scheme"	the share award scheme adopted by our Company on March 30, 2021, as amended from time to time
"Share Option Scheme"	the share option scheme adopted by our Company on March 13, 2020 and terminated and replaced by the Share Scheme on June 27, 2023
"Share Scheme"	the share scheme adopted by our Company on June 27, 2023, as amended from time to time
"Shareholder(s)"	holder(s) of our Share(s)
"SHRCB Facility Agreement"	the facility agreement dated September 30, 2024 between MP CardioAdvent and SHRCB Zhangjiang Hi-Tech Branch, pursuant to which, SHRCB Zhangjiang Hi-Tech Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB6 million for a term of one year commencing from September 30, 2024
"SHRCB Guarantee Agreement"	the guarantee agreement dated September 30, 2024 between MP CardioFlow and SHRCB Zhangjiang Hi-Tech Branch in respect of the guarantee provided by MP CardioFlow in accordance with the SHRCB Facility Agreement
"SHRCB Zhangjiang Hi-Tech Branch"	Shanghai Rural Commercial Bank Limited, Zhangjiang HiTech Branch (上海農村商業銀行股份有限公司張江科技支行)
"SMOs"	site management organizations, which provide clinical trial related services to medical device companies having adequate infrastructure and staff to meet the requirements of the clinical trial protocol
"sq.m"	square meter, a unit of area

"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"STS Score"	Society of Thoracic Surgery risk score or percentage point, a validated risk-prediction model for open surgery, the higher value of which indicates the higher risk of patients to conduct a surgery
"subsidiary(ies)"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"TAVI"	transcatheter aortic heart valve implantation, a catheter-based technique to implant a new aortic valve in a minimally invasive procedure that does not involve open-chest surgery to correct severe aortic stenosis
"TMV"	transcatheter mitral valve, which refers to treatment methods for mitral valve diseases through transcatheter approach
"TMVR"	transcatheter mitral valve replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"TTV"	transcatheter tricuspid valve, which refers to treatment methods for tricuspid valve diseases through transcatheter approach
"TTVR"	transcatheter tricuspid valve repair, a catheter-based technique to implant a new tricuspid valve in an interventional procedure that does not involve open-chest surgery
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollar(s)" or "US$"	United States dollars, the lawful currency of the United States
"Valcare"	Valcare, Inc., a company incorporated under the laws of the State of Delaware and mainly engaged in the R&D of mitral valve and tricuspid valve medical devices
"VitaFlow®"	unless the context indicates otherwise, "VitaFlow®" refers to the VitaFlow® transcatheter aortic valve implantation system, which comprises of a PAV, a motorized delivery system and certain procedural accessories

"VitaFlow Liberty®"	unless the context indicates otherwise, "VitaFlow Liberty®" refers to the VitaFlow Liberty® transcatheter aortic valve implantation system, which comprises of a PAV, a motorized delivery system and the tip-preshaped super stiff guidewire Angelguide®
"VitaFlow Liberty® Flex"	VitaFlow Liberty® Flex transcatheter aortic valve implantation system, an upgrade to VitaFlow Liberty® delivery system, designed to work with the Group's approved aortic valve products
"%"	per cent

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Zhang Ruinian
(appointed with effect from March 27, 2025)
Mr. Philippe Wanstok
(appointed with effect from December 15, 2025)
Mr. Jeffrey R Lindstrom
(resigned with effect from March 27, 2025)
Mr. Zhao Liang
(resigned with effect from December 15, 2025)
Ms. Yan Luying
(resigned with effect from December 15, 2025)

Non-Executive Directors

Mr. Chen Guoming *(Chairman of the Board)*
Dr. Brian Chang *(Co-Chairman of the Board)*
(appointed with effect from December 15, 2025)
Ms. Wu Xia
Mr. Deng Aoyi
(appointed with effect from December 15, 2025)
Mr. Zhang Junjie
(resigned with effect from December 15, 2025)

Independent Non-Executive Directors

Mr. Jonathan H. Chou
Ms. Sun Zhixiang
Dr. Hu Bingshan
(appointed with effect from June 27, 2025)
Dr. Ding Jiandong
(retired with effect from June 27, 2025)

JOINT COMPANY SECRETARIES

Ms. Li Xiangmei *(ACG HKACG)*
Ms. Chan Lok Yee *(ACG HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. Chen Guoming
Ms. Chan Lok Yee *(ACG HKACG)*

AUDIT COMMITTEE

Mr. Jonathan H. Chou *(Chairman)*
Ms. Sun Zhixiang
Mr. Chen Guoming
(appointed with effect from December 15, 2025)
Dr. Hu Bingshan *(appointed with effect from June 27, 2025 and resigned with effect from December 15, 2025)*
Dr. Ding Jiandong
(retired with effect from June 27, 2025)

REMUNERATION COMMITTEE

Ms. Sun Zhixiang *(Chairwoman)*
Mr. Jonathan H. Chou
Dr. Hu Bingshan
(appointed with effect from December 15, 2025)
Mr. Chen Guoming
(resigned with effect from December 15, 2025)

NOMINATION COMMITTEE

Dr. Hu Bingshan *(Chairman)*
(appointed with effect from June 27, 2025 and re-designated as Chairman with effect from December 15, 2025)
Ms. Sun Zhixiang
Dr. Brian Chang
(appointed with effect from December 15, 2025)
Mr. Chen Guoming
(resigned with effect from December 15, 2025)
Dr. Ding Jiandong
(retired with effect from June 27, 2025)

STRATEGY COMMITTEE

(established with effect from December 15, 2025)

Dr. Brian Chang *(Chairman)*
Mr. Chen Guoming
Mr. Zhang Ruinian
Mr. Philippe Wanstok
Mr. Deng Aoyi
Dr. Hu Bingshan

COMMERCIALIZATION COMMITTEE

(established with effect from December 15, 2025)

Mr. Chen Guoming *(Chairman)*
Dr. Brian Chang
Mr. Zhang Ruinian
Mr. Philippe Wanstok
Ms. Wu Xia

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. 501 Niudun Road
Zhangjiang Hi-Tech Park
Pudong New District
Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN FRANCE

4 Avenue Réaumur, Clamart
92140 France

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY'S WEBSITE

www.cardioflowmedtech.com

PRINCIPAL BANK

Shanghai Pudong Development Bank
Zhangjiang Innovation Sub-branch
56 Boyun Road
Pudong New District
Shanghai, PRC

LEGAL CONSULTANT

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

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

COMPANY PROFILE

OVERVIEW

The Company is a global leader in innovation within the field of structural heart intervention and CRM. While continuously solidifying its leading position in China's TAVI market and innovative pipeline across all valvular disease treatments, the Company is deeply integrating over 60 years of professional expertise of MicroPort CRM, 12 core product pipelines and a global portfolio of more than 40 marketed products covering pacemakers, ICDs, and other areas. We are fully committed to building a world-leading integrated platform spanning "structural heart intervention, rhythm management, and heart failure care", thereby constructing a comprehensive device-based management solution for heart failure that covers all etiologies, all stages, and the entire care cycle. By providing physicians and patients with innovative, full-cycle heart failure health management services, we are dedicated to building a leading enterprise of emerging technologies in cardiac diagnosis and therapy.

OUR BRAND PHILOSOPHY

One Heart. Every Beat.

OUR PURPOSE

Helping billions of people worldwide thrive healthily beyond the age of 115.

OUR MISSION

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

OUR VISION

Building a leading enterprise of emerging technologies in cardiac diagnosis and therapy.

CHAIRMAN'S STATEMENT

Mr. Chen Guoming
Chairman

Dear Shareholders,

In 2025, the global fields of structural heart disease therapy and CRM stood at the intersection of technological innovation and resource integration. As interventional therapies extend towards more complex pathologies, the industry is evolving from "focal lesion repair" to "full-cycle management". Driven by an aging population and the accessibility of minimally invasive technologies, patient demand has shifted towards holistic interventions for systemic cardiac conditions.

During the Reporting Period, through the successful strategic reorganization with MicroPort CRM, the Group achieved a transformative leap from a leader in interventional treatment of structural heart diseases to a global diversified device solutions platform in the Total Cardio (大心臟) field. This transformation has not only broadened our business horizons but also fostered deep synergies across our technology platforms and global commercial resources. Attributable to the refined execution of our globalization strategy and lean management, the Group demonstrated exceptional operational resilience in a complex macro-environment, with a marked enhancement in comprehensive competitive advantages.

Strategic Reorganization Unleashes Immediate Momentum, Entering the Blue Ocean Market of Heart Failure

Heart failure, the "final battlefield" of cardiovascular disease, remains one of the most formidable challenges globally. In 2025, the Group formally established its vision to "Building a leading enterprise of emerging technologies in cardiac diagnosis and therapy". This positioning is rooted in our profound insight: valvular regurgitation, stenosis, and arrhythmia often act as mutual causes and consequences, collectively exacerbating the progression of heart failure.

The integration of the CRM business has provided immediate growth momentum. During the Reporting Period, leveraging our established commercialization network, we implemented a "joint sales" model in CRM-dominant regions, achieving multi-fold market penetration. Moving forward, we will further integrate both product lines to form comprehensive solutions, accelerating global hospital coverage and new product launches. We also continue to integrate global resources to strengthen cross-sector synergies, aiming for higher localized operational efficiency in clinical trials, quality control, and customer service.

Technically, we are merging our interventional capabilities in structural heart disease with CRM's continuous monitoring advantages to proactively enter the heart failure market. By building a world-leading "SHD + CRM + HF" platform, we aim to provide clinicians with logically integrated treatment solutions. The Group is committed to constructing comprehensive schemes covering the "all causes, all stages, and the entire course" of heart failure, accelerating the development of a globalized professional solution encompassing the entire "monitoring–diagnosis–treatment–management" cycle. This strategic upgrade marks our transition towards a high-quality, sustainable direction.

Breakthrough Growth in Overseas Markets, Consolidating Global Brand Influence

"Globalization" is the powerful engine driving our high-quality development. In 2025, the Group achieved milestone progress in market access and commercial expansion, with overseas revenue from our structural heart business recording a year-on-year increase of 255.0%, demonstrating strong market penetration.

Regarding product certification, the AnchorMan® LAAC System officially obtained the EU CE MDR certification, becoming the only LAA closure system in China to hold dual NMPA and CE MDR certifications. This signifies our R&D quality system has again received recognition from the world's highest regulatory standards. Leveraging the benchmarking effect of the VitaFlow Liberty® series in Europe, our TAVI systems have successfully entered mature markets with stringent requirements, including Italy and Spain, expanding our global footprint to nearly 40 countries and regions. Since obtaining CE certification, AnchorMan® has been rapidly implanted in several key markets, including Germany, Poland, Argentina, and Hong Kong, China, marking a new stage of high-efficiency output for our global commercialization.

Continued Scaling of Core Pipelines, R&D Innovation Driving Value Iteration

In China market, relying on our long-term cultivation of physician training systems, our TAVI annual implantation volume exceeded the milestone of 4,000 cases. Through our refined proctoring systems, we successfully nurtured a vast community of independent operators, anchoring a solid foundation for growth. Meanwhile, our LAA closure business achieved a quantitative leap, reaching a major breakthrough of over 100 monthly implantations in its second year of commercialization. With annual implantations climbing to nearly 1,000 cases, it has become a strong second growth engine for our structual heart disease business in China.

Innovation remains the core driver of value evolution. The Group's self-developed, world-only "True" Coaxial steerable self-expanding delivery system, VitaFlow Liberty® Flex, officially commenced commercialization. Our fourth-generation TAVI product, VitaFlow Liberty® Pro, the VitaFlow® AR for aortic regurgitation, and the next-generation AnchorMan® Pro LAA Closure System are all in high-efficiency development stages. In the mitral/tricuspid sectors, our TMVR product has completed a two-year post-operative follow-up; the AltaValve™ system is also undergoing pivotal clinical trials globally. Furthermore, our merged CRM R&D team is exploring next-generation "Intelligent Intervention" solutions with heart failure warning capabilities, committed to constructing a globalized heart failure professional device solution across the "Monitoring–Diagnosis–Treatment–Management" cycle.

Future Outlook

In 2026, MicroPort CardioFlow will embrace a period of robust harvest following strategic integration. We will continue to deepen our global footprint with our new vision as an "Building a leading enterprise of emerging technologies in cardiac diagnosis and therapy". We will further accelerate the cross-selling of our structural heart and CRM businesses globally, expanding our market share in Europe, the United States, and emerging markets. Concurrently, we will continue to explore frontier technologies in the "Total Cardio" field, driving the evolution of full-lifecycle heart failure device management solutions.

MicroPort CardioFlow will always adhere to our mission "To provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives", maintaining strategic resolve in an uncertain environment. Through lean operations and innovation, we strive to achieve a synchronized leap in business scale and operational quality, creating long-term value for our shareholders.

Finally, on behalf of the Board, I express my sincere gratitude to all Shareholders, partners, and employees for their trust. Let us march forward together to write a glorious new chapter on an even broader stage.

FINANCIAL HIGHLIGHTS

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial information and financial statements is set out below:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	For the year ended December 31,				
	2025	2024	2023	2022	2021
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	**57,044**	50,805	47,651	37,149	31,146
Gross Profit	**37,062**	35,299	32,588	23,993	18,411
Loss from operations	**(12,994)**	(8,800)	(44,453)	(55,729)	(24,698)
Loss for the year	**(18,824)**	(7,485)	(66,829)	(67,245)	(28,424)
Loss per share — Basic and diluted (in US$)	**(0.04)**	(0.01)	(0.14)	(0.14)	(0.06)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,				
	2025	2024	2023	2022	2021
	US$'000	US$'000	US$'000	US$'000	US$'000
Non-current assets	**296,474**	139,290	75,646	104,743	119,547
Current assets	**373,195**	232,942	288,214	326,188	407,767
Total assets	**669,669**	372,232	363,860	430,931	527,314
Non-current liabilities	**265,657**	2,807	6,870	10,096	15,855
Current liabilities	**147,780**	60,359	27,333	23,447	25,791
Total liabilities	**413,437**	63,166	34,203	35,543	41,646
Total equity	**256,232**	309,066	329,657	395,388	285,668

Note: The Group changed its presentation currency from RMB to US$ commencing from the financial year ended December 31, 2025. Accordingly, the consolidated results and financial position data for each of the five financial years ended December 31, 2021 to December 31, 2025 presented above have been translated into and expressed in US$ on a consistent basis. For the consolidated statements of profit or loss, the figures for each prior year have been translated at the average exchange rates for the relevant financial year. For the consolidated statements of financial position, the figures for each prior year have been translated at the closing exchange rates at the relevant year-end date. These restated figures may therefore differ from those originally published in RMB. For further details on the translation methodology, please refer to Note 1(c)(i) to the consolidated financial statements.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Chen Guoming (陳國明), aged 41, is the chairman of the Board and a non-executive Director, and is mainly responsible for participating in decision-making on important matters of our Group and the high-level oversight of the management and operations of our Group. He joined the Group as a vice president on September 1, 2016 and was mainly responsible for R&D since then. He served as an executive Director, president of the Company and general manager of MP CardioFlow from September 29, 2020 to August 29, 2023, and was redesignated as a non-executive Director and appointed as the chairman of the Board and the chairman of the board of directors of MP CardioFlow on August 29, 2023.

Mr. Chen has over 15 years' experience in R&D, clinical application and supply chain management of devices in the field of valves. Mr. Chen has served as first vice president of project & knowledge management and technology development of MicroPort® since August 29, 2023. Before joining the Group in September 2016, he joined the MicroPort® Group in March 2010 and worked as senior R&D manager at Shanghai MicroPort Medical from March 2010 to August 2016.

Mr. Chen obtained a bachelor's degree in engineering mechanics from Shanghai Jiao Tong University (上海交通大學) in China in June 2007 and a master's degree in mechatronics engineering from Shanghai Jiao Tong University in China in March 2010. He is also the inventor or a co-inventor of over 100 invention patents in China and overseas as of the Latest Practicable Date.

EXECUTIVE DIRECTORS

Mr. Zhang Ruinian (張瑞年), aged 62, was appointed as an executive Director and the chief executive officer of our Company, and a director and the general manager of MP CardioFlow on March 27, 2025. He is primarily responsible for participating in the total management and strategic development of our Group.

Mr. Zhang has over 20 years of experience in the fields of cardiovascular, general surgery, orthopedics, neurosurgery and neurovascular, in vitro diagnosis, diabetes and medical analytical instruments. From January 2023 to May 2024, Mr. Zhang served as the vice president of Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), whose shares are listed on the Stock Exchange (stock code: 9877), where he also served as a consultant from July 2024 to March 2025. From April 2021 to December 2022, Mr. Zhang served as the general manager of the Greater China region at Corcym Medical Technology (Shanghai) Co., Ltd. (恪心醫療科技(上海)有限公司). From April 2018 to June 2020, he served as the chief executive director of Suzhou Jiecheng Medical Technology Co., Ltd. (蘇州傑成醫療科技有限公司). Prior to that, he also held senior management positions in various well known global and domestic companies, including Xi'an Janssen Pharmaceutical Co., Ltd. (西安楊森製藥公司), Rhone Poulenc Rorer S.A (China) Limited (羅納普朗克(中國)公司), Medtronic (China) Co., Ltd. (美敦力中國有限公司), Baxter Healthcare Co., Ltd., Edward Lifesciences Corporation (愛德華生命科學公司), Applied Biosystems Inc. (美國應用生物系統公司), Johnson & Johnson Medical (China) Ltd. (強生(中國)醫療器材有限公司), MicroPort®, Alcon Vision Products (China) Co., Ltd. (愛爾康(中國)眼科產品有限公司), among others.

Mr. Zhang obtained his bachelor's degree in clinical medicine from the Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) (formerly known as the Shanghai Second Medical University) (前稱上海第二醫科大學) in July 1987, and his master's degree in business administration from the University of British Columbia in January 2004.

Mr. Philippe Wanstok, aged 63, was appointed as an executive Director and the president of our Company on December 15, 2025 and is mainly responsible for the Group's commercialization strategy and commercial operations. He has been serving as the president of MicroPort CRM since November 2024. He joined the CRM Group in November 2017 as vice president of global sales and served as the senior vice president of global sales and marketing of MicroPort CRM from September 2019 to November 2024.

Mr. Wanstok has over 36 years of experience in the medical devices industry. Prior to joining the CRM Group, from 1988 to 1995, Mr. Wanstok worked at Medtronic plc, a medical devices and medical technology company offering therapies for different health conditions (including CRM) whose shares are listed on the New York Stock Exchange (NYSE: MDT). From 1995 to 1998, Mr. Wanstok worked at InControl Inc. ("**InControl**"), a company focused on designing and developing medical devices aiming at treating atrial fibrillation as the general manager for South Europe. InControl was acquired by Guidant Corporation, a company principally engaged in the design and manufacturing of cardiovascular medical products, in 1998. From 1998 to 2006, Mr. Wanstok worked at Guidant Corporation with different roles including EMEA CRM marketing director and general manager of Spain. From 2006 to 2009, Mr. Wanstok worked at Boston Scientific Corporation, a medical devices company whose shares are listed on the New York Stock Exchange (NYSE: BSX), where he was primarily responsible for establishing and launching marketing strategies for all international geographies. From 2009 to 2012, Mr. Wanstok returned to Medtronic plc as the CRM internation general manager. From July 2012 to May 2017, he served as the chief commercial officer at CVRx, Inc., a company engaged in the development and manufacturing of medical devices aiming at treating heart failure, whose shares are listed on the NASDAQ (NASDAQ: CVRX).

Mr. Wanstok graduated from Paris University (Paris I-La Sorbonne) in France in June 1990, and completed a DESS in foreign trade, a diploma which is only accessible after obtaining a master's degree, in October 1989 with a major in economics.

NON-EXECUTIVE DIRECTORS

Dr. Brian Chang, aged 34, was appointed as the co-chairman of the Board and a non-executive Director of our Company on December 15, 2025 and is mainly responsible for participating in decision-making on important matters of our Group and the high-level oversight of the management and operations of our Group. He has also served as the chief medical officer of MicroPort® since June 2025.

Dr. Chang, with a professional background as a physician-scientist and engineer. He has over a decade of experience in the medical technology industry, having co-founded and led early-stage research, development, and business strategy at several medical technology ventures. Previously, Dr. Chang served as a postdoctoral and lecturer at Massachusetts Institute of Technology ("**MIT**"), where he oversaw interdisciplinary research teams and developed curriculum in cardiovascular physiology and medical technology. His academic research has focused on cardiac support devices and extracorporeal systems. He has authored 17 peer-reviewed publications and is a named inventor on multiple patents related to cardiovascular and extracorporeal technologies. Dr. Chang have been recognized through numerous honors, including the Paul & Daisy Soros Fellowship, the Seidman Prize for Outstanding Thesis, and teaching awards from both Harvard Medical School and MIT.

Dr. Chang obtained a bachelor's degree and a master's degree in mechanical engineering from Carnegie Mellon University in December 2013 and May 2014, respectively, graduating with University Honors and a minor in biomedical engineering. He obtained a Ph.D. in medical engineering and medical physics from the MIT in June 2018 and a M.D. from Harvard Medical School in May 2023, graduating magna cum laude. He completed his residency in Internal Medicine at Massachusetts General Hospital through the Stanbury physician-scientist program in June 2025.

Mr. Deng Aoyi (鄧奧弋), aged 29, was appointed as a non-executive Director of our Company on December 15, 2025 and is mainly responsible for participating in decision-making of important matters of our Group and the high-level oversight of the management and operations of our Group. Mr. Deng has also been serving as a director of MicroPort CRM since November 2025.

Mr. Deng has amassed extensive experience in research, investment, and management across the healthcare sector. In November 2025, he joined MicroPort CRM and was appointed as a director of MicroPort CRM, where he was primarily responsible for participating in discussions on the group's major decision-making matters and providing strategic opinions and suggestions on the group's operation and management. Currently serving at Yunfeng Capital (雲鋒基金), Mr. Deng leads and participates in investments and cross-border transactions across multiple sectors including biopharmaceuticals, cell therapies, medical devices and healthcare services. He has spearheaded or played a key role in the investment and post-investment management of nearly 20 portfolio companies to date.

Mr. Deng obtained his bachelor's degree from Peking University Health Science Center (北京大學醫學部) in China and a dual bachelor's degree in economics from the National School of Development at Peking University (北京大學國家發展研究院) in July 2020. He obtained a master's degree in finance from Fudan University (復旦大學) in June 2022.

Ms. Wu Xia (吳夏), aged 44, was appointed as a non-executive Director on August 5, 2019 and is mainly responsible for participating in decision-making of important matters of our Group and the high-level oversight of the management and operations of our Group. Ms. Wu also serves as a director of MP CardioFlow since October 2017.

Ms. Wu has over 14 years of experience in research and private equity investment focusing on healthcare industry. She has been serving as a managing director of CICC Capital Management Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**") since January 2019 and is 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 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. In August 2018, Ms. Wu was transferred to CICC Capita as an executive director. Ms. Wu has been a non-executive director of MicroPort NeuroTech Limited (微創腦科學有限公司) (a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 2172)) since November 2021. Ms. Wu has been a director of New Genetron Holdings Limited since June 2024.

Ms. Wu obtained her bachelor's degree in finance from Peking University (北京大學) in China in July 2003, and a master's degree in economics and finance from Warwick Business School of the Warwick University in the United Kingdom in January 2005. She was honored "Outstanding Young PE Investor of the Year 2018" by China Renaissance (華興資本) in 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jonathan H. Chou (周嘉鴻), aged 61, was appointed as an independent non-executive Director of our Company on January 15, 2021 and is primarily responsible for providing independent oversight and judgment to our Board.

Mr. Chou is a seasoned finance executive and advisor with over 30 years of international experience across the semiconductor, electronics and industrial sectors. He was most recently the chief financial officer of UTAC Holdings Ltd., a global semiconductor assembly and test services provider, where he also oversaw the group's information technology and human resources functions, completing his tenure in February 2024. Prior to that, Mr. Chou served as chief financial officer of Kulicke & Soffa Industries, Inc. (NASDAQ: KLIC), a leading provider of semiconductor packaging and electronic assembly solutions and concurrently held the position of interim chief executive officer from 2015 to 2016. During his tenure, he was also responsible for the company's global IT and facilities operations. Earlier in his career, he held senior finance leadership roles in multinational corporations including Honeywell, Tyco ADT, Lucent Technologies Bell Labs, and Public Service Enterprise Group.

Mr. Chou has been serving as an independent non-executive director of MicroPort® since September 2010 and an independent non-executive director of Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微創醫療機器人(集團)股份有限公司) (a company listed on the Stock Exchange, stock code: 02252) since November 2025. He is also chairman of the board of the Emerging Markets Investors Alliance, a not-for-profit organization promoting sustainable governance among institutional investors, and advises several private-equity-backed companies including AddVita Pte. Ltd., an Asian healthcare distribution platform backed by SeaTown (a Temasek-linked fund).

Mr. Chou obtained his bachelor's degree in economics from the State University of New York at Buffalo in the United States in February 1988 and a master's degree in business administration from Duke University's Fuqua School of Business in the United States in December 1999. He has served on the East Asia Regional Advisory Board of Duke University's Fuqua School of Business since 2013.

Ms. Sun Zhixiang (孫志祥), aged 58, was appointed as an independent non-executive Director of our Company on January 15, 2021 and is primarily responsible for supervising and providing independent judgment to our Board. Ms. Sun served as a lawyer at Shanghai Foreign Economic Law Office (上海市對外經濟律師事務所) from July 1990 to December 1996. She served as a Chinese law consultant at Helen Yeo & Partners (Singapore) from January 1997 to January 1998. From February 1998 to February 1999, she worked at Shanghai Xin Min Law Firm (上海市新閔律師事務所) as the director of corporate and finance division. Since March 1999, she has been working at Shanghai Pu Dong Law Office (上海市浦棟律師事務所) and served as a senior partner. She has also been a secretary general at Shanghai Donghai Ci Hui Charitable Foundation (上海東海慈慧公益基金會) since June 2018. Since May 2023, she has been serving as an independent director of Shanghai Baosight Software Co., Ltd. (上海寶信軟件股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600845). Since June 2024, she has been serving as an independent director of Shanghai Foreign Service Holding Group Co., Ltd. (上海外服控股集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600662). Since December 2025, she has been serving as an independent director of Bluestar Adisseo Company (藍星安迪蘇股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600299).

Ms. Sun obtained her bachelor's degree in law and master's degree in international commercial law from Fudan University (復旦大學) in July 1990 and January 1997, respectively. She was a visiting scholar in East Asian Legal Studies of Harvard Law School from August 2009 to July 2010.

Dr. Hu Bingshan (胡冰山), aged 44, was appointed as an independent non-executive Director of our Company on June 27, 2025 and is mainly responsible for supervising and providing independent judgment to our Board.

Dr. Hu has successively served as associate professor and professor at the University of Shanghai for Science and Technology (上海理工大學) since November 2016. His main research field is rehabilitation and nursing robotics. From October 2010 to November 2016, Dr. Hu worked as a space robotics systems engineer at the Shanghai Aerospace System Engineering Institute in the China Aerospace Science and Technology Corporation (中國航天科技集團公司上海宇航系統工程研究所). In 2015, he also served as a visiting scholar at the University of Hamburg in Germany. Dr. Hu serves as a committee member for the Sports Health and Industry Promotion Committee of China Association of Rehabilitation Medicine (中國康復醫學會運動健康與產業發展專委會) and other relevant academic organizations. He received the First Prize and the Second Prize of Science and Technology from the China Association of Rehabilitation Medicine (中國康復醫學會) in October 2023 and in September 2024, respectively. Dr. Hu has published more than 50 papers in internationally recognized journals or academic conferences. He is also an inventor or co-inventor of more than 70 Chinese and overseas patents.

Dr. Hu obtained his bachelor's degree in electrical engineering and automation and his master's degree in power electronics and electric drives from Harbin University of Science and Technology (哈爾濱理工大學) in July 2003 and April 2006, respectively, and obtained his Ph.D. in mechatronic engineering from Shanghai Jiao Tong University (上海交通大學) in December 2010.

Except as otherwise disclosed in this annual report, none of our Directors held a position of director in any other listed companies during the three years prior to the Latest Practicable Date, and no other information relating to our Directors is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and no other matters are required to be brought to the attention of our Shareholders.

SENIOR MANAGEMENT

Mr. Zhang Ruinian (張瑞年), aged 62, is an executive Director and the chief executive officer of our Company. Please refer to "Board of Directors — Mr. Zhang Ruinian" for his biography.

Mr. Philippe Wanstok, aged 62, is an executive Director and the President of our Company. Please refer to "Board of Directors — Mr. Philippe Wanstok" for his biography.

Mr. Zhu Xiaoming (朱曉明), aged 58, is the chief operating officer of our Company. He has been serving as the general manager of MicroPort Soaring CRM (Shanghai) Co., Ltd. (創領心律管理醫療器械(上海)有限公司) ("**MSC**") since June 2019. He joined MSC in September 2014 as the senior sales & marketing director. He has over 24 years of experience in the CRM field. Prior to his position at MSC, Mr. Zhu held several key roles at leading medical device companies over the course of his career. After graduating in 1992, Mr. Zhu joined Shanghai Ruijin Hospital as a physician, where he practiced until 1995. Subsequently, from 1995 to 1999, he worked at several pharmaceutical companies. From 1999 to 2006, Mr. Zhu worked at Medtronic plc, a global leader in medical devices and medical technology offering therapies for various health conditions (including CRM), whose shares are listed on the New York Stock Exchange (NYSE: MDT). From 2006 to 2011, Mr. Zhu worked at St. Jude Medical as a marketing operation manager, a company principally engaged in the development and manufacturing of medical devices for CRM, cardiac electrophysiology and cardiovascular intervention, which was later acquired by Abbott Laboratories (NYSE: ABT). From 2011 to 2013, Mr. Zhu served as a senior marketing manager at Edwards Lifesciences Corporation, a global leader in patient-focused medical innovations for structural heart disease and critical care monitoring, whose shares are listed on the New York Stock Exchange (NYSE: EW). From 2013 to 2014, Mr. Zhu returned to Medtronic plc as a marketing director.

Mr. Zhu obtained his bachelor's degree in clinical medicine from Shanghai Jiao Tong University School of Medicine in 1992.

Mr. Paul Vodden, aged 60, is the chief financial officer of the Company. He joined the CRM Group in November 2011 as the finance manager for the CRM business and was appointed as vice president of finance of the CRM Group in June 2016.

Prior to joining the CRM Group, Paul Vodden worked as an auditor at PricewaterhouseCoopers from 1986 to1991. He then held various finance roles at Hewlett Packard from 1991 to 2003, culminating in his role as Financial Operations Manager. From 2003 to 2011, he served in senior financial positions at Boston Scientific International SA, where he provided business support for the European region.

Mr. Vodden holds a bachelor's degree in science (BSc) from the University of Southampton in the United Kingdom and is qualified as an associate chartered accountant with the Institute of Chartered Accountants in England and Wales.

Ms. Amel Amblard, aged 55, is the vice president and is responsible for clinical affairs of the Company. She joined the CRM Group in March 1995 as clinical research engineer. Since then, she had several manager positions within clinical affairs and R&D being involved in advanced research and product development, before becoming the head of clinical affairs in April 2018.

With a background in biomedical engineering, she has more than 30 years of experience across R&D and clinical research in the medical device industry, particularly in CRM including heart failure therapy and patient management. Engaged with key opinion leaders, Ms. Amblard has led global clinical programs, driving the generation of high-quality clinical evidence to support innovation, regulatory milestones, and market access.

Ms. Amblard graduated from the University of Technology of Compiègne (France) with a degree in biomedical engineering in 1995.

Dr. Valérie Centis, aged 44, is the vice president responsible for regulatory and quality affairs of CRM products. She joined MicroPort CRM in January 2021, initially serving as the global director of regulatory affairs and has progressively expanded her responsibilities over the next 3 years. Since April 2025, her scope has been further extended to include quality affairs on a global basis.

Prior to joining MicroPort CRM, Dr. Valérie Centis served as an executive vice president and chief scientific officer of Biom'Up SA, which she contributed to its listing in 2017 (EURONEXT: BUP). She has almost 20 years of experience across R&D, regulatory and quality functions in the medical device industry, covering IVD, combination products, animal-derived products, active devices and software. She has extensive experience in regulatory strategy for complex devices, and has successfully supported the commercialization of technologies across multiple international markets, while maintaining a steadfast focus on quality and patient safety.

Dr. Valérie Centis obtained her bachelor's degree in biomedical engineering from the University of Montreal in Canada in 2003 and her Ph.D. in materials science engineering from the University of Sherbrooke in Canada in 2008.

Ms. Yan Luying (閆璐穎), aged 45, is a vice president of our Company responsible for regulatory and quality affairs of structural heart products. She was appointed as a vice president of our Company on September 1, 2016 when she joined our Group, and served as an executive Director of the Company and director of MP CardioFlow from September 2020 to December 2025.

Ms. Yan has more than 20 years of experience in registration, clinical investigation and management regarding active, non-active, interventional, and implantable devices. Prior to joining our Group in September 2016, Ms. Yan has been working as regulatory affairs senior manager at the MicroPort® Group from July 2004 to August 2016.

Ms. Yan obtained a bachelor's degree and a master's degree in biomedical engineering from Capital Medical University (首都醫科大學) in China in July 2004 and December 2012, respectively.

Ms. Alice Flacco, aged 41, is the general counsel and executive vice president of the Company, responsible for the global legal and compliance function of the Group. She joined MicroPort CRM in 2019 as the deputy general counsel and was appointed as the general counsel and member of the executive committee in 2021. In that capacity, she was responsible for corporate governance and strategy, cross-border transactions, international M&A, dispute resolution, IP, privacy and antitrust matters on a global scale.

Prior to joining MicroPort CRM, Ms. Flacco worked as an associate at major international law firms, including Baker McKenzie and Bird & Bird, where she advised on cross-border M&A transactions, corporate governance, intellectual property, life sciences and commercial matters. In that capacity, she litigated before the courts, representing major multinational corporations and individuals in civil, commercial and criminal matters as well as international arbitration proceedings. She also advised investors on the structuring of venture capital and private equity transactions and assisted healthcare and technology startups in fundraising rounds across European jurisdictions. Ms. Flacco additionally held key legal roles within listed multinational groups across Italy, France, the UK and Luxembourg.

Ms. Flacco obtained a bachelor's degree in law from the Sapienza University of Rome (Università degli Studi di Roma "**La Sapienza**") in 2009. She subsequently obtained two master's degrees from the University of Paris II Panthéon-Assas (Université Paris II Panthéon-Assas) in 2011 and 2012 respectively. In addition to her executive role, she teaches business law, litigation and bioethics in an International Law & Compliance MBA program and regularly publishes articles on law, AI and life sciences for a major Italian publication. She is admitted to the bars in Rome and Paris.

Save as disclosed above, none of our Directors and senior management held any directorship in any public companies, the shares of which are listed in the Stock Exchange or overseas stock markets during the three years prior to the Latest Practicable Date.

To the best of the Board's knowledge, information and belief, save as disclosed in the annual report, our Directors and senior management do not have any relationship amongst them.

JOINT COMPANY SECRETARY

Ms. Li Xiangmei (李香梅) was appointed as one of our joint company secretaries on October 27, 2020. She has been taking the position of the Board secretary of our Group since she joined our Group in February 2020. Prior to that, she has been working as senior manager and manager of shareholders and securities affairs in the MicroPort® Group from December 2014 to January 2020.

Prior to joining the MicroPort® Group, Ms. Li worked at Sinopec Shanghai Petrochemical Company Limited (中國石化上海石油化工股份有限公司), a petrochemical company listed on the Stock Exchange (stock code: 0338) and the Shanghai Stock Exchange (stock code: 600688) as an investor relations manager from February 2006 to December 2014, during which she also received the senior economist qualification issued by China Petrochemical Corporation (中國石油化工集團公司) in November 2014.

Ms. Li obtained a bachelor's degree of arts and bachelor's degree of business administration (double degree) from Zhengzhou University (鄭州大學) in China in July 2002. She obtained a master's degree of corporate governance from the Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in 2021. She has been an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute since 2021.

Ms. Chan Lok Yee (陳樂而) was appointed as one of our joint company secretaries on October 27, 2020. Ms. Chan is currently a senior manager of Corporate Services of Vistra Corporate Services (HK) Limited, a professional provider of corporate services. She has had over 10 years of experience in providing company secretarial and compliance services to private and listed companies. Ms. Chan obtained a bachelor's degree of arts from the Hong Kong Polytechnic University and a master's degree of science in professional accounting and corporate governance from The City University of Hong Kong. She has been an associate member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and an associate member of The Institute of Chartered Secretaries and Administrators (now known as The Chartered Governance Institute) in the United Kingdom since 2015.

CHANGES TO DIRECTORS' INFORMATION

On March 27, 2025, (i) Mr. Jeffrey R Lindstrom resigned as an executive Director and President of our Company, and a director and the general manager of MP CardioFlow; and (ii) Mr. Zhang Ruinian (張瑞年) has been appointed as an executive Director and President of our Company, and a director and the general manager of MP CardioFlow.

On June 27, 2025, (i) Dr. Ding Jiandong retired as an independent non-executive Director; and (ii) Dr. Hu Bingshan (胡冰山) has been appointed as an independent non-executive Director.

On November 25, 2025, Mr. Jonathan H. Chou has been appointed as an independent non-executive director of Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微創醫療機器人(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 02252).

On December 1, 2025, Ms. Sun Zhixiang has been appointed as an independent director of Bluestar Adisseo Company (藍星安迪蘇股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600299).

On December 15, 2025, (i) each of Mr. Zhao Liang (趙亮) and Ms. Yan Luying (閆璐穎) resigned as an executive Director; (ii) Mr. Zhang Junjie (張俊傑) resigned as a non-executive Director; (iii) Dr. Brian Chang has been appointed as a non-executive Director and the co-chairman of the Board; (iv) Mr. Philippe Wanstok has been appointed as an executive Director and the deputy president of the Company; and (v) Mr. Deng Aoyi (鄧奧弋) has been appointed as a non-executive Director.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

In December 2025, the Group formally completed its strategic merger with MicroPort CRM, which became a wholly-owned subsidiary of the Group. This pivotal initiative marked the Group's expansion of business boundaries, reduction of reliance on a single market segment, enhancement of risk resilience and strengthening of its overall competitive advantages. It signifies the Group's transformation from a leader in the interventional treatment of structural heart diseases to a global diversified device solutions platform in the Total Cardio (大心臟) field. By fully integrating its high-end interventional device capabilities in structural heart disease with its continuous monitoring and data analytics strengths in CRM, the Group has also established a comprehensive presence in the strategic high ground of HF. In response to the complex diagnostic and therapeutic needs across all causes, all stages and the entire course of HF, the Group is accelerating the development of global professional HF device solutions spanning the full "monitoring–diagnosis–treatment–management" continuum with the vision of becoming a leading enterprise in emerging technologies for the diagnosis and treatment of HF.

In 2025, the global structural heart disease industry continued its evolution toward systematic, full-lifecycle patient management models, driven by dual momentum from evidence-based medical breakthroughs and evolving treatment paradigms. Based on positive clinical trial results, both the FDA and the CE regulatory authorities successively approved TAVI for asymptomatic patients with severe aortic stenosis. The 2025 European Society of Cardiology (ESC) Guidelines for the Management of Valvular Heart Disease (心臟瓣膜病管理指南) introduced important updates to intervention strategies, including lowering the recommended age threshold for TAVI and, more significantly, emphasizing proactive intervention consideration for asymptomatic patients, which reflects confidence in the long-term safety and durability of the TAVI procedures and provides a reference basis for the revision of relevant clinical guidelines in China. China also witnessed the market launch and clinical application of multiple innovative TAVI devices in 2025, further enriching treatment options. On the policy front, the centralized volume-based procurement for TAVI, led by Gansu Province, China, was formally implemented during the Reporting Period. By narrowing price differentials across brands, this initiative has shifted industry competition focus from channels and pricing toward supply chain efficiency, in-house development capabilities for supporting components, and most critically, clinical value, marking the formal entry of this procedure into a new phase in the China market characterized by substantially enhanced clinical accessibility and scaled application.

2025 was also a pivotal year for the evolution of LAAC's clinical positioning. The first LAAC Application Guidelines jointly issued by the Society for Cardiovascular Angiography and Interventions (SCAI)/the Heart Rhythm Society (HRS) in the United States in 2025 explicitly stated that LAAC may serve as a treatment option equivalent to oral anticoagulation for patients with nonvalvular atrial fibrillation who "strongly desire to avoid long-term oral anticoagulant therapy". The Expert Consensus on Clinical Pathway for Transcatheter LAAC in China (2025 Edition) (《中國經導管左心耳封堵術臨床路徑專家共識(2025版)》), issued by the Chinese Medical Doctor Association (中國醫師協會), provides standardized procedures for team building, patient selection, post-procedure management and complication handling, marking the entry of LAAC technology in China into a mature and standardized promotion phase. Meanwhile, "one-stop" combined procedures such as "LAA + patent foramen ovale closure", "radiofrequency ablation + LAAC" and "TAVI + LAAC" emerged as highlights, further facilitating the broader adoption of the LAAC procedure.

During the Reporting Period, the Company's TAVI business, as the pioneering driver of its globalization strategy, achieved dual breakthroughs in business scale and brand value. Internationally, benefiting from the global channel penetration following VitaFlow Liberty®'s CE Mark approval, the Group recorded over 850 overseas TAVI implantations in 2025, representing a substantial year-on-year increase of approximately 350%. As of the date of this annual report, the Group has commercially launched its TAVI products in nearly 40 overseas countries and regions across Europe, Central Asia, Latin America and other areas, with cumulative entry into over 900 hospitals, and has established stable sales channels, expert networks and clinical support resources on a global scale. 2025 also marked the inaugural year of internationalization for the Company's LAAC business. AnchorMan® obtained the CE Mark and achieved nearly 20 implantations in countries and regions including Germany, Poland, Argentina and Hong Kong, China, formally commencing its global expansion.

Domestically, the Group's business continued to demonstrate resilient leadership amid industry transformation. As of the end of the Reporting Period, the Group's domestic business coverage has expanded to nearly 700 hospitals, having cumulatively cultivated over 500 Independent Physicians. In 2025, the TAVI product series recorded over 4,000 implantations, maintaining the leading position in China; the LAAC business also achieved leapfrog development, with domestic commercial implantations reaching nearly 1,000 cases, representing a substantial year-on-year increase of approximately 360%. This rapid business penetration was attributable to the products' superior performance advantages and our technical expertise demonstrated through continuous innovation: the 9-year follow-up data from the VitaFlow® pre-market clinical study further validated its excellent long-term clinical outcomes; the VitaFlow Liberty® Flex system, featuring its unique capsule segment internal tube control steerable technology, received widespread acclaim upon launch, further strengthening the Group's competitive moat. AnchorMan®, as the only LAAC System certified by both the NMPA and CE MDR in China, has formally become the second growth engine driving our domestic performance.

While accelerating the pace of commercialization, we have continued to carry out the strategic R&D roadmap to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases in an orderly manner, providing continuous momentum for the Group's rapid and healthy development. Leveraging merger transactions, the Group will capitalize on its most comprehensive product portfolio to establish a world-leading integrated platform encompassing "structural heart disease + CRM + HF management", securing a firm foundation of certainty for the comprehensive unleashing of future business value.

Our Products

As of the date of this annual report, the Group has established a global innovative device portfolio with structural heart disease and CRM businesses as its cornerstone, and HF as its forward-looking development direction. Leveraging in-house R&D, strategic integration and collaborative development, as of the date of this annual report, we have successfully commercialized 47 products in global markets.

Commercialized Products

Category	Product (Product Type)	First Approval	Main Approved Countries/Regions	Key Features
Transcatheter Valves	VitaFlow® System	NMPA-Jul 2019		Hybrid-density self-expanding stent, double-layer PET skirt design, motorized
	VitaFlow Liberty® System	NMPA-Aug 2021		Hybrid-density self-expanding stent, double-layer PET skirt design, motorized, retrievable
	VitaFlow Liberty® Flex	NMPA-Dec 2024		Motorized, retrievable, steerable
LAAC	AnchorMan® LAAC System	NMPA-Jan 2024		High Safety - Round Distal End, Semi-closed Cage Design
	AnchorMan® LAAC Access System	NMPA-Oct 2023		Single Curve & Double Curve
Accessories	AIwide® balloon catheter	NMPA-Jul 2019		High rated burst pressure and low compliance
	AIwide® Plus balloon catheter	NMPA-Jul 2021		High rated burst pressure and low compliance Fast inflation/inflation minimises rapid pacing time High puncture resistance
	AccuSniper™ double-layer balloon catheter	NMPA-Aug 2023		High puncture resistance and anti-slip performance
	Angelguide® tip-preshaped super stiff guidewire	NMPA-Aug 2021		Pre-shaped, reducing the operator learning curve

* Procedural accessories registered and commercialized offered as part of VitaFlow® or VitaFlow Liberty® system and are not registered * as standalone product in China.

Category	Product (Product Type)	First Approval	Main Approved Countries/Regions	Key Features
Low-Voltage Products	ALIZEA (Pacemaker) LBBAP labelling MRI compatibility	CE-Jan 2021 CE-Aug 2024 CE-Apr 2025		World's first MR-conditional mixed system to enhance MRI accessibility, offer LBBAP for physiological pacing, Bluetooth connectivity, extended longevity, SafeR, SAM, AutoMRI: 1.5T and 3T MRI-compatible
	BOREA (Pacemaker) LBBAP labelling MRI compatibility	CE-Jan 2021 CE-Aug 2024 CE-Apr 2025		World's first MR-conditional mixed system to enhance MRI accessibility, offer LBBAP for physiological pacing, Bluetooth connectivity, extended longevity, SafeR, AutoMRI: 1.5T and 3T MRI-compatible
	CELEA (Pacemaker) LBBAP labelling MRI compatibility	CE-Jan 2021 CE-Aug 2024 CE-Apr 2025		World's first MR-conditional mixed system to enhance MRI accessibility, offer LBBAP for physiological pacing, Bluetooth connectivity, extended longevity, AutoMRI: 1.5T and 3T MRI-compatible
	ENO (Pacemaker)	CE-Dec 2018 NMPA-Jan 2024		Small size (8 cc), SafeR, SAM, AutoMRI: 1.5T and 3T MRI-compatible
	TEO (Pacemaker)	CE-Dec 2018 NMPA-Jan 2024		Small size (8 cc), SafeR, AutoMRI: 1.5T and 3T MRI-compatible
	OTO (Pacemaker)	CE-Dec 2018 NMPA-Jan 2024		Small size (8 cc), AutoMRI: 1.5T and 3T MRI-compatible
	N-series (Pacemaker) (ENO localized)	NMPA-Aug 2024		Small size (8 cc), SafeR, SAM, AutoMRI: 1.5T and 3T MRI-compatible
	E-series (Pacemaker) (TEO localized)	NMPA-Aug 2024		Small size (8 cc), SafeR, SAM, AutoMRI: 1.5T and 3T MRI-compatible
	T-Series (Pacemaker) (OTO localized)	NMPA-Aug 2024		Small size (8 cc), AutoMRI: 1.5T and 3T MRI-compatible
	REGA (Pacemaker) MRI compatibility	NMPA-Aug 2017 NMPA-Apr 2022		Small size (8 cc), SafeR, SAM, AutoMRI: 1.5T MRI-compatible
	TREFLE (Pacemaker) MRI compatibility	NMPA-Aug 2017 NMPA-Apr 2022		Small size (8 cc), SafeR, AutoMRI: 1.5T MRI-compatible
	ORCHIDEE (Pacemaker) MRI compatibility	NMPA-Aug 2017 NMPA-Apr 2022		Small size (8 cc), AutoMRI: 1.5T MRI-compatible
	KORA250 (Pacemaker)	CE-Feb 2015		Small size (8 cc), SafeR, SAM, 1.5T MRI-compatible

Category	Product (Product Type)	First Approval	Main Approved Countries/Regions	Key Features
High-Voltage Products	TALENTIA/ENERGYA (ICD)	CE-Jan 2024		Bluetooth connectivity, long lifespan, remote monitoring, Parad+, BTO, SafeR, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	TALENTIA SonR/ENERGYA (CRT-D)	CE-Jan 2024		Bluetooth connectivity, long lifespan, remote monitoring, Parad+, BTO, SafeR, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	PLATINIUM ICD (SPACE-HP)	NMPA-Oct 2024		Long lifespan, Parad+, SafeR, BTO
	ULYS (ICD) MRI compatibility	CE-Jul 2021 CE-Apr 2022		Long lifespan, remote monitoring, Parad+, BTO, SafeR, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	EDIS (ICD) MRI compatibility	CE-Jul 2021 CE-Apr 2022		Long lifespan, remote monitoring, Parad+, BTO, SafeR, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	GALI SonR (CRT-D) MRI compatibility	CE-Jul 2021 CE-Apr 2022		Long lifespan, SonR automated optimization, remote monitoring, Parad+, BTO, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	GALI (CRT-D) MRI compatibility	CE-Jul 2021 CE-Apr 2022		Long lifespan, remote monitoring, Parad+, BTO, autothreshold, AutoMRI: 1.5T and 3T MRI compatibility
	PLATINIUM (ICD)	CE-May 2015		Long lifespan, Parad+, SafeR, remote monitoring
	PLATINIUM SonR (CRT-D)	CE-May 2015		Long lifespan, SonR automated optimization, remote monitoring, Parad+, BTO
	PLATINIUM (CRT-D)	CE-May 2015		Long lifespan, Parad+, BTO, remote monitoring

Category	Product (Product Type)	First Approval	Main Approved Countries/Regions	Key Features
Leads	INVICTA (Defibrillation lead with active fixation)	CE-July 2022		7.8F diameter, single and dual coil, 1.5T and 3T MRI-compatible, DF4
	NAVIGO MRI Compatibility (Left ventricular pacing lead (CRT))	CE-Dec 2021 CE-Mar 2022		4.8F diameter, 2 shapes, 1.5T and 3T MRI-compatible, IS4
	VEGA M (Pacing lead with active fixation)	CE-May 2025		Retractable screw, SilGlide coating, 1.5T and 3T MRI-compatible
	BonaFire (Pacing lead with active fixation)	NMPA-Nov 2024		Passive lead 1.5T MRI
	VEGA (Pacing lead with active fixation)	CE-Aug 2017 NMPA-Jan 2024		Retractable screw, SilGlide coating, 1.5T and 3T MRI-compatible
	SonR Tip (Pacing lead with active fixation)	CE-Nov 2011		Unique lead with a contractility sensor at the tip for CRT automated optimization with SonR CRT-D devices
	BEFLEX MRI compatibility (Pacing lead with active fixation)	CE-Dec 2009 CE-Nov 2013		Retractable screw, 1.5T MRI-compatible
	XFINE (Pacing lead with passive fixation)	CE-Apr 2008		Smallest size (4.8F), 1.5T and 3T MRI-compatible
	FLEXIGO (delivery catheter and slitter)	FDA-June 2025 CE-Apr 2008		Smallest size (4.8F), 1.5T and 3T MRI-compatible

Category	Product (Product Type)	First Approval	Main Approved Countries/Regions	Key Features
Patient Monitoring Products	SmartView Connect App Mobile	CE-Dec 2024		App for Android phones enabling patients' connectivity with their cardiac device for home monitoring
	New Tachy User Interface	CE-Jan 2024		New layout on SmartTouch Tablet programmers, dedicated to high voltage devices with a very modern "look and feel"
	SmartView Connect (Remote monitor)	CE-Mar 2021		Android terminal for bluetooth pacemakers
	SmartTouch (Programmer) Bluetooth compatibility SmartTouch XT	CE-Dec 2018 CE-Aug 2022 Launch in 2023		Tablet based, small size, portable Tablet based, small size, integrated into a portable docking station
	HotSpot/SmartSpot Brady Inductive remote monitor	CE-2015/CE-2020		Inductive remote monitor for low-voltage devices
	Smart Monitor (Remote monitor)	CE-2010		3G/4G radio-frequency remote monitor for high-voltage devices with radio-frequency technology embedded
	Orchestra+ (Programmer)	CE-2006		Proprietary design to adjust settings of implantable CRM devices to suit patient needs
Arrhythmia Diagnostic Products	myPatch sl (distributed product)	May 2024 (first units sold)		ECG holter patch recorder
	Synescope Easy Cloud	CE-2024		Cloud-based software Holter analysis (ECG -Diagnosis)
	Spiderview BLE Holter Recorder	CE-2002		7-day continuous recording, Bluetooth, accelerometer sensor, patient and physician application
	SpiderFlash Event Loop Recorder	CE-Aug 2008		Long term (20 days) ECG event recording, Bluetooth

EU Japan Australia USA Canada China Argentina Brazil India Korea South Africa Thailand Russia Columbia

Structural heart disease products

As of the date of this annual report, the Group's structural heart disease business comprises seven commercialized products, and various TAVI products, TMV products, TTV products, LAA products, ventricular septum reconstruction product and procedural accessories at different development stages. In addition to our in-house developed product portfolio, we also collaborated with our business partner, namely 4C Medical, with respect to certain TMV and TTV products, for which we own the exclusive commercial rights in China.

Key Commercialized Products

VitaFlow®

Our self-developed first-generation TAVI product, VitaFlow®, obtained the NMPA approval for registration in July 2019. VitaFlow® primarily consists of a PAV, a motorized delivery system and Alwide® balloon catheter. The PAV is a self-expanding bio-prosthesis valve that is manufactured by suturing bovine pericardial valve leaflets and a double-layer PET skirt onto a self-expanding nitinol frame. The motorized delivery system consists of a catheter and a motorized handle.

We conducted a prospective, multi-center and single-arm pivotal clinical trial in China with VitaFlow®, which enrolled 110 patients with STS Score of 8.84%. We have continued to conduct long-term follow-up of patients enrolled in the clinical trial. During the Reporting Period, the 9-year follow-up results of the clinical trial were released, in which the all-cause mortality rate at 9-year follow-up was 45.3%, the cardiovascular mortality rate was 23.1%, and the valve reintervention rate was only 2.3%. These outstanding clinical data provide strong support for the safety and efficacy of VitaFlow®, as well as a solid clinical basis for the global expansion of the VitaFlow® product series.

VitaFlow Liberty®

VitaFlow Liberty® is our self-developed second-generation TAVI product, which consists of a PAV, a motorized delivery system and Angelguide® tip-preshaped super stiff guidewire, where the PAV adopts the same design with VitaFlow®. Compared with VitaFlow®, the key upgrade for VitaFlow Liberty® lies in the unique and innovative structure of the delivery system that enables retrieval of the PAV while ensuring excellent navigability, which helps to traverse challenging anatomical structures. The system is equipped with the world's first commercialized motorized handle, enabling rapid, stable and precise deployment and retrieval of the PAV. VitaFlow Liberty® obtained the NMPA approval for registration in August 2021 and received CE-MDR certification in April 2024. In addition, as of the end of the Reporting Period, VitaFlow Liberty® has been registered in 28 countries cumulatively across Latin America, Asia and Africa.

VitaFlow Liberty® Flex

VitaFlow Liberty® Flex, our third-generation TAVI product, received the approval from the NMPA in December 2024 and is the world's only "true" coaxial steerable self-expanding retrievable TAVI delivery system. It inherits all the advantages of VitaFlow Liberty®, and innovatively adds a 3D spatial steerable function. Its unique capsule segment internal tube control steerable technology allows the valve to remain coaxial during release, resulting in a more stable and precise implantation as well as a smoother and safer over-arching and trans-valve. In addition, the system realizes junctional alignment during valve release, protecting the coronary artery pathway and reserving space for future coronary artery interventions. VitaFlow Liberty® Flex delivers precise control and high efficiency with proven safety, offering a new solution for treating complex cases. During the Reporting Period, the results of several early exploratory clinical implantations of VitaFlow Liberty® Flex have been announced, with excellent immediate surgical outcomes, significant improvement in relevant indicators of patients at the 30-day follow-up compared to pre-surgery, and good health recovery in patients with postoperative follow-up of up to one year. Moreover, real-world results from the first 315 cases also demonstrated VitaFlow Liberty® Flex's excellent clinical performance and superior user experience in complex TAVI procedures, with 100% procedural success rate, 0% immediate moderate-to-severe PVL, and 0% dissection complications in the ascending aorta and aortic arch, earning widespread acclaim from physicians.

Alwide® Plus

Alwide® Plus is our self-developed second-generation heart valve balloon catheter product, which can be applied with our three generations of TAVI products, designed to dilate calcified aortic valves prior to TAVI, and can reduce the challenges in performing valvuloplasty during TAVI procedures. Its key features include: (i) ultra-low compliance ability, which enables more accurate balloon dilatation, avoiding blood vessel damage; (ii) high burst pressure performance, which enables effective dilatation of severely calcified sites, better addressing the high calcification characteristics of patients; (iii) fast inflation/deflation performance, which minimizes the impact of prolonged blood flow obstruction on cardiac function, reducing pacing time and lowering surgical risk; and (iv) excellent puncture resistance, which ensures the safety of intraoperative balloon dilatation, providing physicians with a better user experience. Alwide® Plus received the NMPA approval in August 2021, and received CE Mark approval in August 2025. Besides, Alwide® Plus has received registration approvals in 17 overseas countries or regions successively.

AnchorMan®

The Group's self-developed AnchorMan® LAAC System and AnchorMan® LAAA System are interventional medical solutions for stroke prevention in nonvalvular atrial fibrillation. Compared to traditional open and closed LAAC, AnchorMan® LAAC System combines their merits. Through the semi-closed structure formed by the 12 "3D folding" units and the frame, it solves the clinical pain point that the access sheath of the traditional plug-type occluders must be inserted deep into the atrial appendage, thereby achieving stable anchoring; its rounded and soft distal end could reduce damage to the atrial appendage tissue; the dense NiTi alloy frame design allows very tight conformity to the anatomy of atrial appendage and achieves better sealing performance. In addition, two deployment models of advancement and unsheathe are available to provide more options for physicians. AnchorMan® LAAA System is compatible with AnchorMan® LAAC System to provide the femoral venous and trans-atrial septal access. AnchorMan® received the NMPA approval in January 2024, and received CE Mark approval in February 2025. Besides, AnchorMan® has received registration approvals in 2 overseas countries or regions successively.

CRM Products

The Group's CRM business possesses a comprehensive product portfolio covering five major categories of CRM devices, including (i) low-voltage CRM devices, (ii) high-voltage CRM devices, (iii) leads and accessories, (iv) CRM patient monitors, and (v) arrhythmia diagnosis devices.

Low-Voltage CRM Devices — Pacemakers

As of the date of this annual report, the Group possesses multiple series of low-voltage CRM devices, including ENO™, TEO™ and OTO™, being the world's smallest transvenous pacemakers, ALIZEA™, BOREA™, and CELEA™ Bluetooth-enabled pacemakers, and Rega® and TEN® series of China-made pacemakers.

ENO™, TEO™ and OTO™ Pacemakers

ENO™, TEO™ and OTO™ are the world's smallest non-leadless pacemakers. With an ultra-compact volume of 8 cc, these devices allow for smaller incisions and reduce "pocket size" visibility. They feature an elliptical shape to facilitate insertion and lead connection, alongside a designed longevity of approximately 12 years.

The ENO™ family incorporates the following core CRM technologies:

- **SafeR™:** A specialized pacing mode that minimizes unnecessary ventricular pacing to mitigate cardiac dyssynchrony. Clinical data shows a reduction in the median percentage of ventricular pacing to 11.5% at a three-year follow-up, compared to 93.6% in standard DDD mode.
- **Sleep Apnea Monitoring (SAM™):** A diagnostic function with 88.9% sensitivity in identifying severe sleep apnea, a condition prevalent among pacemaker patients.
- **AutoMRI™:** A workflow-efficient solution compatible with 1.5T and 3T scanners. It automatically detects magnetic fields to trigger asynchronous pacing and reverts to original settings post-scan, eliminating manual adjustments.
- **Dual Sensor System:** A rate-responsive mechanism utilizing both an accelerometer and a minute ventilation sensor to ensure pacing accurately adapts to changing metabolic needs.

ALIZEA™, BOREA™ and CELEA™ Pacemakers

ALIZEA™, BOREA™ and CELEA™ families are Bluetooth-enabled pacemakers designed for advanced CRM. ALIZEA™ family integrates Bluetooth connectivity for wireless communication via the SmartTouch™ tablet programmer and remote monitoring through SmartView Connect™.

In April 2025, the magnetic resonance ("**MR**") conditional mixed pacing system received CE Mark approval, allowing these pacemakers to be used with selected third-party MR conditional leads for safe MRI access. Additionally, the system supports LBBAP for physiological pacing. Despite an 11 cc volume, ALIZEA™ maintains an industry-leading designed longevity of approximately 13 years with remote monitoring activated.

Rega® Series Pacemakers

Rega® series is the first China-made pacemakers designed to international standards, utilizing the same technology as the Group's European-made non-Bluetooth devices. With an 8 cc volume and 12-year designed longevity, they offer the longest lifespan among domestically manufactured pacemakers of similar size. The Rega® series received the NMPA approval in 2017 and obtained MR-conditional labeling in April 2022, becoming the first domestically manufactured series in China compatible with MRI scans.

TEN® Series Pacemakers

TEN® series comprises six models across three series (T, E and N) of single- and dual-chamber rate-responsive pacemakers. Characterized by their compact size and long longevity, TEN® series features optimized designs for patient safety and comfort. Utilizing intelligent AutoMRI™ technology, these devices significantly reduce the need for medical intervention during imaging. Received the NMPA marketing approval in February 2025, TEN® series is the first domestically manufactured pacemakers in China to achieve 3.0T full-body MRI compatibility.

High-Voltage CRM Devices — ICDs and CRT-Ds

As of the date of this annual report, the Group possesses a comprehensive portfolio of high-voltage CRM devices, categorized into implantable cardioverter defibrillators ("**ICD(s)**") and cardiac resynchronization therapy defibrillators ("**CRT-D(s)**").

Ulys™ and Edis™ ICD Devices

The Ulys™ and Edis™ families are high-voltage ICDs designed to manage life-threatening arrhythmias. These devices monitor heart rate and deliver therapeutic interventions, including antitachycardia pacing (ATP) and electric shocks, upon detecting abnormally rapid rhythms. A defining feature of these series is their outstanding longevity, representing the world's longest projected lifespan among currently available ICDs. This industry-leading longevity enhances the cost-effectiveness of CRM therapies while minimizing clinical risks and medical costs associated with frequent replacement procedures.

The series also incorporates the following proprietary technologies:

- **Parad+™ Algorithm:** A specialized arrhythmia discrimination algorithm designed to distinguish between various rapid cardiac rhythms, minimizing inappropriate electric shocks. It has demonstrated the lowest rate of inappropriate shocks reported in clinical literature.

- **BTO:** A feature that enables ventricular pacing at rates of up to 145 bpm during physical exercise while maintaining the detection of slow ventricular tachycardia (VT) from 100 bpm, ensuring continuous protection without compromising pacing therapy.

TALENTIA™ and ENERGYA™ ICD Devices

TALENTIA™ and ENERGYA™ families represent the Group's most recent advancements in ICD technology. Built upon the same high-performance hardware platform as the Ulys™ and Edis™ series, these devices inherit their industry-leading longevity while introducing enhanced digital connectivity. A key feature is the integration of Bluetooth connectivity, facilitating seamless wireless communication via the SmartTouch™ tablet programmer and enabling comprehensive remote monitoring through SmartView Connect™. Furthermore, the series introduces the lead parameter evaluation (LPE) alarm for continuous monitoring of defibrillation lead performance. These features provide clinicians with a responsive, data-driven system for long-term patient management and device safety.

Gali™ and Gali™ SonR® CRT-D Devices

Gali™ and Gali™ SonR® are the Group's next-generation CRT-Ds, serving as the successors to the Platinium series. Specifically designed for HF, these devices monitor heart rhythms while simultaneously pacing both ventricles to ensure synchronized contraction and improved pumping efficiency. Gali™ series integrates core CRM technologies including industry-leading longevity, Parad+™, SafeR™, and AutoMRI™ for streamlined imaging workflows.

A specific feature exclusive to the Gali™ SonR® model includes:

- **SonR® Technology:** A proprietary real-time contractility sensor that evaluates left ventricular (LV) performance by measuring cardiac muscle vibrations. It enables the automatic optimization of atrio-ventricular (AV) and inter-ventricular (VV) delays both at rest and during exercise, allowing therapy to be continuously adapted to individual patient needs. Clinical data indicates that SonR® achieves a 35% risk reduction in HF optimization compared to traditional echocardiography-guided methods.

TALENTIA™ SonR® and ENERGYA™ CRT-D Devices

TALENTIA™ SonR® and ENERGYA™ families represent the Group's latest generation of Bluetooth-enabled CRT-Ds. Built upon the same hardware platform as Gali™ series, these devices integrate advanced therapeutic coordination with enhanced digital connectivity. A primary feature is the inclusion of Bluetooth connectivity, enabling wireless communication with the SmartTouch™ programmer and continuous remote monitoring via SmartView Connect™. Additionally, the series introduces the LPE alarm for real-time performance monitoring of defibrillation leads. Combined with enhanced remote monitoring alerts, these advancements ensure a more responsive and efficient approach to managing HF patients and maintaining device integrity.

Leads and Accessories

The Group provides a comprehensive portfolio of cardiac leads and specialized delivery systems designed to ensure reliable electrical performance and precise implantation across all CRM product lines.

Xfine™

A passive fixation (tines) pacing lead featuring one of the world's thinnest lead body diameters. It is 1.5T and 3T MRI-compatible, enabling patients to safely undergo scans and utilize the AutoMRI™ mode. The series offers a complete portfolio of shapes and lengths to ensure procedural safety and efficacy.

Vega™ and VegaM™

The successor series to the Beflex pacing lead, featuring 1.5T and 3T MRI compatibility and an active fixation mechanism. Vega™ lead utilizes a reliable "pin-driven" helix and Silglide™ coating, demonstrating a cumulative survival rate of 99.8% five years post-implantation.

SonRtip™

A unique atrial pacing lead featuring an embedded, hermetically sealed micro-accelerometer. As the world's unique contractility sensor for automatic CRT optimization, it enables real-time assessment of LV contractility by measuring cardiac muscle vibrations, an indicator for evaluating ventricular performance, when paired with Gali™ SonR® or TALENTIA™ SonR® CRT-Ds.

BonaFire™

A passive fixation (tines) pacing lead developed and manufactured in China for the Chinese market.

Navigo™

The Group's latest quadripolar LV lead family, featuring 1.5T and 3T MRI compatibility. With a thin 4.8F lead body and multiple shape options, Navigo™ is designed to navigate complex coronary venous anatomies for optimized CRT delivery.

Invicta™

The newest 1.5T and 3T MRI-compatible active fixation defibrillation lead designed for high-voltage devices. It features a quadripolar DF-4 connector, which integrates four contacts into a single cavity to improve operating convenience.

FLEXIGO™ 3D Delivery System

A specialized catheter system dedicated to LBBAP. Developed using 3D anatomical heart models, the system enables controlled navigation and targeted lead positioning within the interventricular septum. The portfolio offers eight catheter models to provide precise and reproducible physiological pacing solutions. The FLEXIGO™ 3D LBBAP delivery system obtained the U.S. FDA marketing clearance in June 2025 and the European Union CE Mark in February 2026, respectively.

CRM Patient Monitors

As of the date of this annual report, the Group possesses several approved CRM patient monitoring and programming devices, including the SmartView Connect™ remote monitoring system, the SmartView Connect™ App Mobile, the SmartTouch™ tablet programmer and the CompassAnalyzer™ pacing system analyzer.

SmartView Connect™ Remote Monitoring System

An innovative Bluetooth®-enabled home monitor designed for bedside use. It provides cardiologists with detailed clinical reports on atrial fibrillation, sleep apnea syndrome, and atrio-ventricular conduction. The system transmits timely alerts upon detecting cardiac symptoms or potential lead issues, such as dislodgement or fracture. Notably, SmartView Connect™ can generate high-definition intracardiac electrograms of up to 22 minutes.

SmartView Connect™ App Mobile

A mobile application for Android-based smartphones designed to complement or replace the bedside monitor, offering patients enhanced mobility and an improved user experience.

SmartTouch™ Tablet Programmer

A lightweight, tablet-based programmer that can be used in a docking station or as a handheld device at the patient's bedside. Its battery-powered, cable-free design provides greater mobility for clinicians and an improved follow-up experience for patients. SmartTouch™ obtained a CE Mark in 2018 and has since been approved in the United States, Japan, Canada, and Australia. In addition, a Bluetooth-compatible version of the device is available for wireless in-clinic programming of the ALIZEA™, BOREA™ and CELEA™ series.

CompassAnalyzer™ Pacing System Analyzer

A handheld device used during implantation procedures to verify lead placement by evaluating various electrical parameters. It features automatic testing of P/R wave amplitude and ensures continuous operation during battery changes.

Arrhythmia Diagnostic Devices

As of the date of this annual report, the Group possesses a comprehensive arrhythmia diagnostic portfolio, including the SpiderFlash™ event loop recorder, the Spiderview® Bluetooth (BLE) Holter recorder, the myPatch® sl wearable recorder, and the SyneScope™ Easy Cloud analysis software.

SpiderFlash™ Event Loop Recorder

A smart event loop recorder designed for long-term cardiac activity monitoring (up to 40 days with patient activation mode). It is capable of detecting up to 12 different types of arrhythmias to support long-term clinical diagnostics.

Spiderview® BLE Holter Recorder

A versatile Holter solution featuring multi-channel (up to 12 channels), multi-day, and multi-mode recording capabilities. Data recorded by Spiderview® can be transferred to the cloud for physician analysis from any location via artificial intelligence ("**AI**")-integrated software.

myPatch® sl

A compact, cable-free, and wearable ambulatory electrocardiogram ("**ECG**") recorder. It is placed directly on the patient's chest, eliminating the need for traditional ECG lead wires and enhancing patient comfort during monitoring.

SyneScope™ Easy Cloud

A state-of-the-art ECG Holter analysis software featuring a cloud-based AI solution, enabling efficient and high-precision diagnostic reporting.

The following charts summarize our product portfolio comprised of the products that we developed in house and in collaboration with our business partners.

Product Candidates

	Product	Pre-clinical	Clinical trial	Registration
Aortic valve products	VitaFlow Liberty® Pro *(Lower profile, better durability and hydrodynamic properties)*	Design Verification		
	VitaFlow® AR	Design stage		
Mitral valve products	VitaFlow® SELFValve™	FIM Study		
	AltaValve™ – Replacement product *(Partnership with 4C Medical – commercialization rights in China)*	FIM Study	Pivotal IDE study in progress	
Tricuspid valve products	VitaFlow® Triumph™	Design stage		
	Replacement product *(Partnership with 4C Medical)*	Design stage		
Accessories	Expandable sheath	Design stage		
	Patch-TPG	Prototype		
	Dual Sensor Pressure Guide Wire for TAVI	Initiate		
Ventricular septum reconstruction product	VitaMan™ ventricular septum reconstruction system	Design freeze		
Left atrial appendage products	AnchorMan® Pro left atrial appendage closure system	Design freeze		
	AnchorMan® Pro left atrial appendage access system (steerable)	Design freeze		
Low-Voltage Products	ENO Step 2 (LBBAP & MRI conditional with Vega M)		*Clinical Trial Waived*	
	Falcon (MRI Pacemaker)	Design stage		
	Alizea (Bluetooth Pacemaker)	Design stage		
	Leadless Pacemaker (MRI LBBAP Pacemaker)	Initiate		
		Initiate		
High-Voltage Products	TILEN/EYLEN (ICDs) (Bluetooth – Non-MRI)	Design stage		
	(Bluetooth – MRI)	Design stage		
	MR conditionality DF4-IS1 with LINEA	Design stage		
Leads	FLEXIGO (LBB delivery catheter and slitter)	Design stage		
	LINEA (LBB MRI active Pacing Lead)	Design stage		
		Design stage		
	INVICTA (DF4 active Tachy lead)	Design stage		
	LBBAP Tachy Lead	Initiate		
Patient Monitoring	LBBOT (Assistance Lead Placement)		End of Enrollment	
	RMS New User Interface	Initiate		
	Next tablet programmer & connectivity	Initiate		
Arrhythmia Diagnostic	Synescope Easycloud AI Noise & AV Block analysis	Design Stage		
Circulatory Support	IABP *(Improved myocardial blood supply)*	Design Verification		
	pVAD *(Percutaneous circulatory support for acute HF)*	Initiate		
Monitoring	ICM *(Multi-parameter monitoring & early warning)*	Initiate		

China status Global status China status Global status

Future Key Products

VitaFlow Liberty® Pro

We are developing the fourth-generation product of the VitaFlow® series, VitaFlow Liberty® Pro, which will continue the technical features of this series, such as controllable bending and strong support. At the same time, we are continuously focusing on enhancing safety and effectiveness, such as providing better choices for physicians in terms of low profile, durability and hydrodynamics to provide patients with products that are both reliable and affordable. The product has now completed design finalization and entered the type inspection stage.

We may not be able to successfully develop and commercialize VitaFlow Liberty® Pro.

VitaFlow® AR

We are developing VitaFlow® AR, a TAVR product for the treatment of patients with AR. Its design aims to deliver (i) dry tissue for better biocompatibility and anti-calcification properties; (ii) low oversize and low implantation depth to reduce pacemaker dependency; and (iii) commissure alignment to facilitate coronary artery treatment. The product is currently in the R&D and design stage.

We may not be able to successfully develop and commercialize VitaFlow® AR.

VitaFlow® SELFValve™

We are developing VitaFlow® SELFValve™, a TMVR product for the treatment of patients with mitral regurgitation, which is featured with large orifice, low subvalvular height and dry tissue technology, and its operation is simple and physician-friendly. We have now completed dozens of human applications of the TMVR product and postoperative follow-ups of relevant patients for up to two years and are advancing the human application and validation of the product in multiple centers, so as to accumulate clinical experience for the subsequent large scale clinical trials of the product.

We may not be able to successfully develop and commercialize VitaFlow® SELFValve™.

VitaFlow® Triumph™

We are developing VitaFlow® Triumph™, a TTVR product for the treatment of patients with TR. Its design aims to deliver (i) independent of radial force for anchoring, ensuring stable anchoring and reducing the pacemaker-implantation rate; (ii) dry tissue for better biocompatibility and anti-calcification properties; and (iii) precise deployment via the femoral vein, with low learning curve and better experience for physicians. The product is currently in the R&D and design stage.

We may not be able to successfully develop and commercialize VitaFlow® Triumph™.

AnchorMan® Pro

The Group is developing AnchorMan® Pro, a new generation of LAAC System and LAAA System. Its design aims to (i) improve recovery performance and reduce payout rates; (ii) cover larger LAAC; (iii) reduce procedure difficulty and avoid re-perforation of the septum; and (iv) reduce the risk of device thrombosis and reduce or even avoid the use of postoperative anticoagulants. The product has now completed design finalization and entered the type inspection stage.

We may not be able to successfully develop and commercialize AnchorMan® Pro.

R&D

R&D is crucial to our growth. We have been practicing our mission "to provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives". In 2025, the Group formally established a global platform encompassing structural heart diseases and arrhythmia solutions through the strategic integration of the CRM business. We remain committed to developing world-leading medical technologies. While deepening our expertise in traditional advantageous areas such as valve biomaterials and structural design, we have deeply integrated over 60 years of precision algorithm and energy management expertise in CRM, providing the most powerful driving force for the Group's sustainable development.

We have a core R&D team with cross-disciplinary expertise. By integrating global R&D resources from China and Europe, the team focuses on the R&D of new technologies and materials that have the potential to be applied to our product portfolio. Leveraging the mature digital operation system of the CRM business, we are committed to enhancing precision pre-operative management and post-implantation remote monitoring, achieving full life-cycle patient management through digital tools. The deep integration of technological expertise enables the Group to extend from single-device intervention to dynamic cardiac function monitoring, thereby strategically refining comprehensive HF solutions to address the unmet clinical needs worldwide.

We continue to optimize cross-functional project team collaboration. From the planning and pre-research stages of new products, we comprehensively control aspects including technological innovation, intellectual property protection, global market access, and cost control, thereby enhancing the success rate of the project. We also have an advisory board consisting of global leading scientists and physicians, who share their abundant experiences and insights on the latest technological trends in global cardiac disease treatment. This technology innovation system oriented towards comprehensive cardiac management will ensure that the Group provides high-quality products and services to the global market.

Intellectual Properties

Intellectual properties are important intangible assets of our Group and a key factor to maintain and enhance our core competitiveness. Thus, we attach great importance to intellectual properties protections such as patent application, trademark registration, business secret control, etc., while devoting ourselves to technological innovation.

In terms of the Structural Heart Disease Business, during the Reporting Period, we newly registered 51 patents in China. Meanwhile, we added a total of 12 patents in South Korea, Japan, Australia, the United States and Europe. As of the end of the Reporting Period, we owned 256 patents in China, including 97 invention patents, 151 utility models and 11 industry designs, and 107 pending invention patent applications. To drive our internationalization strategy, as of the end of the Reporting Period, we also owned 92 patents in countries such as Japan, Switzerland, Portugal, the United Kingdom, Italy, Germany, France, Spain, the United States, South Korea, Australia, Brazil and India. All the patents that we owned or applied for are related to technologies of our products or product candidates and are self-developed by our R&D team. As of the end of the Reporting Period, with five newly registered ones, the total number of our approved trademarks worldwide reached 126.

Following the MicroPort CRM Acquisition, the global intellectual property portfolio of CRM business has been consolidated into the Group. As of the end of the Reporting Period, the CRM portfolio comprises a total of 789 granted patents worldwide. These patents are primarily distributed across key regions: 515 in Europe, 231 in the United States, 24 in China, 15 in Japan, and 4 in Hong Kong. The portfolio also includes 57 registered trademarks globally.

This Merger Transaction establishes a unique intellectual property matrix for the Group, synergizing interventional structural heart disease technology with active implantable device technology for CRM. Through in-depth mastery of core patents and key algorithm technologies of our global portfolio, the Group has formed a substantial technology barrier, providing strengthened legal protection and strategic support for the vision of pioneering cutting-edge interdisciplinary solutions such as comprehensive HF management.

Supply Chain

The Group is committed to building a global supply platform that is "rooted in China, serving the world", aiming to fully leverage the scale advantages and precision manufacturing capabilities of Chinese production to achieve efficient manufacturing and global supply. During the Reporting Period, the Group's global headquarters located on Niudun Road in Shanghai was officially completed and occupied, marking a comprehensive upgrade in the Group's global R&D collaboration and operational efficiency. Concurrently, following the approval of the quality system certification and the production license for MP CardioAdvent's production site, a solid foundation was laid for capacity ramp-up and market access for core products such as LAA medical devices.

With the completion of the Merger Transaction in December 2025, the Group achieved a strategic leap to a dual headquarters structure in China and France, with production facilities spanning China, France, Italy, and the Dominican Republic, among others. By integrating the mature overseas localized manufacturing systems and facility assets of the CRM business, the Group achieved seamless integration of its overseas operations, effectively avoiding the risk associated with heavy asset investment in the early stages of global expansion. This integration significantly expanded procurement scale, enhancing the Group's bargaining power through centralized purchasing and supplier consolidation. Simultaneously, leveraging overseas local production bases enables the Group to effectively hedge against geopolitical risks, ensuring the continuity, stability, and compliance of the global supply chain.

In terms of logistics and services, the Group fully leverages the existing localized warehouse network of the CRM business, significantly improving product distribution speed and clinical service response capabilities. The localized teams have also strengthened communication with local regulatory authorities and provided support for clinical trials, ensuring product quality and optimizing the patient service experience. The Group will continue to leverage its mature manufacturing capabilities in the interventional delivery systems to empower the R&D and production of CRM products, achieving continuous optimization of operating costs and comprehensive upgrading of global operations through efficient integration of global supply chains and facilities.

Commercialization

The Group is committed to building a global cardiology product platform, achieving high-quality commercial growth through a diversified product matrix and efficient global distribution network. As of the date of this annual report, the Group has commercialized a total of 47 products across the fields of structural heart diseases and CRM. In terms of structural heart diseases, core products including VitaFlow Liberty®, AnchorMan® LAAC System and LAAA System, and Alwide® Plus have all obtained CE Mark.

During the Reporting Period, the Group's TAVI business continued to consolidate its industry leadership. In the domestic market, the annual TAVI product implant volume successfully surpassed the significant milestone of 4,000 cases, maintaining the leading position in China. As of the end of the Reporting Period, terminal hospital coverage increased to nearly 700 hospitals, with a cumulative total of nearly 500 Independent Physicians cultivated, further solidifying the foundation for penetration. Concurrently, the LAAC business recorded explosive growth, cumulatively entering over 120 hospitals nationwide and cultivating over 70 Independent Physicians. Leveraging its outstanding clinical performance, LAAC products achieved transformative progress in their second year of commercialization, completing nearly 1,000 commercial implants throughout the year and achieving a major breakthrough with monthly implant volume exceeding 100 cases. In overseas markets, the Group's TAVI business demonstrated strong expansion momentum and growth potential, completing nearly 900 implants throughout the year, with peak monthly implant volume exceeding 180 cases, and global coverage rapidly expanding to nearly 40 countries and regions, significantly enhancing international brand influence. Furthermore, the LAAC business also achieved an important breakthrough in internationalization. Since obtaining the CE Mark, the AnchorMan® LAAC System has been successfully implanted in multiple markets including Germany, Poland, Argentina and Hong Kong, China, marking the Group's global commercialization entering a new phase of multi-track advancement and efficient output.

In December 2025, the CRM business was formally integrated into the Group, injecting robust momentum into our global commercialization strategy. As of the end of the Reporting Period, in terms of CRM, the Group has completed a comprehensive layout from active implantable devices to diagnostic and monitoring solutions. The pacemaker pipeline consists of 13 core registered products, including ALIZEA™, BOREA™ and CELEA™ series with Bluetooth remote monitoring support, the world's smallest transvenous pacemaker ENO™, TEO™ and OTO™ series, as well as China-made first MR-conditional pacemaker Rega™, Trefle™ and Orchidee™ series. ICD and CRT-D pipelines consist 12 registered products, including Talentia™ and Energya™ series with the world's longest battery life. In terms of ECG diagnostic and monitoring pipeline, the Group is one of the few enterprises in the industry providing ambulatory ECG recorder and full-process software analysis solutions. Its representative products include long-term implantable event loop recorders, the portable Holter recorder myPatch™ sl, SpiderView™ Holter solution and others; while SyneScope Easy Cloud, as one of the most advanced ECG Holter analysis software, provides cloud-based solutions, which significantly improves the flexibility and efficiency of clinical diagnosis. Based on the "One CardioFlow" integration strategy, the Group has built a global commercial team of nearly 600 people, with the overseas team increasing to near 300 people, achieving a cross-generational upgrade in core marketing capabilities. By integrating the direct sales network cultivated over years in major European countries and the global distributor resources of the CRM business, the Group is actively promoting channel synergy and cross-selling of its structural heart disease products and CRM products. This not only effectively optimizes overseas development costs and operational efficiency but also, by leveraging a cardiology product matrix covering the full lifecycle, significantly enhances the Group's comprehensive bargaining power and service response speed in the global market, accelerating the transformation into sustainable performance growth.

In the domestic market, the Group has a dedicated in-house team of nearly 300 full-time employees with professional medical background to promote our medical solutions, committed to providing physicians and patients with comprehensive medical solutions covering screening diagnosis, surgical support, and postoperative follow-up. During the Reporting Period, the Group fully leveraged synergies with the MicroPort® Group in areas such as market access, medical education, and promotion and expansion, continuously promoting the penetration of high-quality medical resources. Through the development of a lower-tier city patients screening and referral system, we effectively broke the geographical restrictions and tapped into the vast blank market of primary medical care. With the integration of the CRM business, the Group's service scope in the domestic market has extended from structural heart diseases to the active implantable field. By sharing clinical resources and academic platforms, we will significantly enhance the penetration rate and accessibility of innovative transcatheter treatment solutions, helping more patients obtain convenient and precise diagnostic and treatment services.

We carry out logistics, dispatch, warehousing and other works with the help of platform providers, and sell our products to hospitals through distributors and ultimately use them to treat our patients. We select distributors with extensive experience and resources in selling medical devices across China and cooperate with them, provide them with professional training and conduct strict assessments, continuously building their comprehensive capabilities in market development, solution promotion, device sales and intraoperative support, making them a strong supplement to our Total Solutions Team.

In order to strengthen the marketing of our products and our brand building, we actively participated in medical conferences and industry exhibitions in the global cardiac and cardiovascular field, continuing to enhance the Group's influence within the international academic circle of structural heart diseases. During the Reporting Period, we participated in well-known international academic conferences such as PCR London Valves 2025, Transcatheter Cardiovascular Therapeutics (TCT 2025), PCR-CIT China Chengdu Valves (PCRCCV 2025), 2025 China Structural Heart Disease Academic Week, South Congress of Cardiology (SCC 2025), China Valve Hangzhou 2025, China Structural Heart Disease Congress (CSHC 2025), the Oriental Congress of Cardiology (OCC 2025), 2025 West China Atrial Fibrillation Week, Jiangcheng International Congress of Cardiology (JICC 2025), Wuhan International Conference of Cardiovascular Diseases (WICCD 2025), 2025 Greater Bay Area HeartValve Summit, Warsaw Course on Cardiovascular Interventions (WCCI 2025), EuroPCR 2025, Coronary and Structural Course (CSC 2025) and CSI Frankfurt 2025, shared the latest clinical information of our TAVI products and LAA products, as well as related device features and procedure skills via introduction of international senior experts in the field of interventional therapy for valvular heart disease, held discussions on typical cases and conducted live case broadcasting, which further increased the influence of the CardioFlow brand in the international academic community.

Employees and Remuneration

As of December 31, 2025, the Group had a total of 1,415 full-time employees (as of December 31, 2024: 430 full-time employees), of which 8.06% were R&D staff and 38.66% were marketing and sales staff. We enter into employment contracts with employees in accordance with applicable laws and regulations, and provide them with competitive remuneration packages, including wage, allowance, bonus, benefits and long-term incentives.

The Company has adopted the Share Scheme, the Share Award Scheme, the Share Option Scheme (terminated on June 27, 2023) and CRM LTI Plan to provide incentives for the eligible participants.

Significant Investments, Material Acquisitions and Disposals during the Reporting Period

On May 30, 2025, MicroPort Sinica and Shanghai Zuoqing (collectively as the sellers), MP CardioFlow (as the purchaser) and MP CardioAdvent entered into the MP CardioAdvent Equity Transfer Agreement, pursuant to which MP CardioFlow conditionally agreed to acquire, and MicroPort Sinica and Shanghai Zuoqing conditionally agreed to sell, approximately 35.27% and 13.73% equity interest in MP CardioAdvent at a consideration of RMB170,863,000. Such discloseable and connected transaction was approved by the Shareholders on June 27, 2025. Upon completion, MP CardioFlow held 100% equity interest in MP CardioAdvent and MP CardioAdvent became a wholly-owned subsidiary of the Company. Please refer to the circular of the Company dated June 5, 2025 and the announcements of the Company dated May 30, 2025 and June 27, 2025, respectively, for further details.

On September 29, 2025, the Company, the Merger Sub and MicroPort CRM entered into the MicroPort CRM Merger Agreement, pursuant to which the Company agreed to acquire MicroPort CRM by way of merger, whereby the Merger Sub and MicroPort CRM merged and continued as one company. Following the merger, the separate corporate existence of Merger Sub ceased, with MicroPort CRM becoming the surviving corporation and subsisting under its existing name as a wholly-owned subsidiary of MP CardioFlow BVI, which in turn remains a wholly-owned subsidiary of the Company, and in consideration thereof, the Company has allotted and issued 3,953,847,407 new ordinary Shares to the relevant shareholders of MicroPort CRM. Upon completion on December 19, 2025, members of MicroPort CRM Group became indirect subsidiaries of the Company. Please refer to the circular of the Company dated November 25, 2025 and the announcements of the Company dated September 29, 2025 and December 21, 2025, respectively, for further details.

Save as disclosed above, we did not make any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Important Events after the Reporting Period

On January 26, 2026, the Company proposed to implement the share consolidation (the "**Share Consolidation**"). Upon the passing of the ordinary resolution by the Shareholders on February 11, 2026 at the extraordinary general meeting, every five (5) issued and unissued shares of the Company of par value of US$0.000005 each (the "**Existing Share(s)**") in the share capital of the Company were consolidated into one (1) consolidated share of par value of US$0.000025 each (the "**Consolidated Share(s)**"). All the conditions of the Share Consolidation have been fulfilled on February 24, 2026, and the Share Consolidation has become effective on February 24, 2026. For further details, please refer to the announcements of the Company dated January 26, 2026, January 30, 2026, February 11, 2026 and February 24, 2026, and the circular of the Company dated January 27, 2026.

On March 11, 2026, the Company announced that it has decided to adopt USD as the presentation currency for the consolidated financial statements of the Group. For details, please refer to the announcement of the Company dated March 11, 2026.

Save as disclosed above, there are no important events occurred after the end of the Reporting Period and up to the date of this annual report.

Future Development

With the completion of the Merger Transaction, we stand at a new historical starting point. Our core strategy for future development involves, on the one hand, continuing to consolidate and deepen the existing leading positions of both businesses, and on the other hand, organically combining the strong innovation capabilities in structural heart disease with the profound expertise in CRM through multi-dimensional integration to truly realize a "1+1>2" synergistic effect. This endeavor is driven by our mission to provide trustworthy and universal access to state-of-the-art solutions for prolonging and reshaping lives. It propels us toward our vision of building a leading enterprise of emerging technologies in cardiac diagnosis and therapy, thereby delivering more comprehensive and precise solutions for patients worldwide and continuously enhancing our global competitiveness.

Continue to strengthen our leading position in the China structural heart disease market

Leveraging the positive clinical trial results and positive feedback from physicians and patients in real-world applications of our marketed three generations of VitaFlow® series TAVI products and AnchorMan® LAAC products, as well as our brand influence accumulated over nearly 10 years of deep cultivation in the China structural heart disease market and our resources in market, channels, and physicians, we will further strengthen our leading position in the China structural heart disease market through the following measures:

1. **Deepen innovation, lead industry standards through technological iteration**

   We will continue to increase investment in the R&D of next-generation TAVI products and technologies. Relying on the concept of precision medicine, we will focus on innovative devices that can further simplify procedures, enhance safety, and expand indications. Concurrently, we will actively explore the application of AI and big data in preoperative planning and postoperative management, building digital solutions covering the full life-cycle of patient management, so as to ensure that our product pipeline remains at the forefront of the industry and is shaped by cutting-edge technologies.

2. **Strengthen market access and channel penetration, expand service boundaries**

   Based on consolidating our existing core hospital positions, we will accelerate the penetration of high-quality medical resources. By optimizing channel distribution, we will develop more lower-tier hospitals, committed to improving product accessibility. Through efficient supply chains and localized production strategies, we will enable more Chinese patients to receive advanced interventional treatment in a timely manner.

3. **Build an academic ecosystem, empower physician growth**

   We will continue to build a high-level international academic exchange platform. Through various forms such as standardized training systems, technical mentorship, academic competitions, and complex case discussions, we will assist the rapid growth of young Chinese physicians and promote the improvement of the overall diagnosis and treatment level for structural heart diseases in China.

4. **Optimize full life-cycle patient management, enhance medical value**

   We will gradually transform from a single product provider to a patient-centric total solution provider. Collaborating with medical institutions, we will optimize the entire process management system covering precise preoperative evaluation, precise intraoperative operation, and postoperative rehabilitation follow-up. By continuously improving product quality and service quality, and strengthening brand trust among physicians and patients, we will transform clinical advantages into long-term, sustainable medical value.

Implement multi-dimensional deep integration to unleash post-merger synergies

We will systematically unleash the synergies following the restructuring from the following four key dimensions:

1. **Market channel dimension: create a globally linked "marketing network"**

   We fully share the advantageous resources of structural heart diseases and CRM in existing markets. In CRM's advantageous regions, we will promote the "joint sales" model, fully integrating structural heart disease products into CRM's existing distribution network to enable agents to offer hospitals a more complete solution spanning from CRM to valve intervention and achieve multiplicative expansion in market coverage for structural heart disease products. In regions where structural heart disease products are advantageous, we will implement a "dual-brand" drive, using the structural heart disease product line to drive rapid penetration of the CRM business. Furthermore, at international exhibitions and academic exchanges, we will present as an integrated "comprehensive cardiac solution provider", combining the clinical data of China TAVI with the global reputation of CRM to enhance the overall brand premium of the new group.

2. **Product technology dimension: build a complementary "technology tree"**

   We will break down existing business barriers and promote the deep integration of structural heart disease technology and CRM technology at the front end of product R&D. We will study the optimal synergistic pathway between valve interventional procedures and pacemaker implantation, developing combined treatment strategies for complex heart failure patients requiring dual "valve + rhythm" intervention. Concurrently, we will establish a unified R&D platform, sharing resources such as materials, algorithms, processing, and testing, to accelerate the transformation and implementation of innovative technologies, creating a comprehensive product matrix covering "interventional valves + active implants + remote monitoring".

3. **Supply chain and manufacturing dimension: achieve a cost-effective and efficient "value chain"**

   We will optimize the global supply chain layout, leveraging the advantages of bulk purchasing and lean manufacturing, and consolidate supplier resources from both parties, implementing centralized procurement for common raw materials, electronic components, etc., to enhance bargaining power and optimize production costs. Utilizing China's manufacturing advantages and CRM's overseas production bases, we will establish a flexible production system to improve plant and equipment utilization. By integrating global logistics resources and optimizing cross-border transportation and local distribution routes, we aim to significantly reduce international logistics costs.

4. **Organization and talent dimension: activate a globally collaborative "talent pool"**

   We will reassign roles based on the existing talent advantages of both parties to maximize individual value, and establish a "China-Europe dual-core" talent exchange mechanism to achieve two-way empowerment. Concurrently, we will also design cross-team collaborative incentive schemes, encourage teams from both parties to work together towards common goals, and evolve from physical integration to chemical fusion.

Focus on cost reduction and expenditure control to accelerate the profitability process

We will continue to prioritize the robustness of the financial statements. We will further minimize our losses by focusing on our business, increasing revenue, cutting costs and reducing expenses, and strive to achieve breakeven as soon as possible while maintaining a steady growth in revenue.

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

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, four non-executive Directors and three independent non-executive Directors.

The Directors during the year ended December 31, 2025 and up to the date of Latest Practicable Date are:

Executive Directors

Mr. Zhang Ruinian *(appointed with effect from March 27, 2025)*
Mr. Philippe Wanstok *(appointed with effect from December 15, 2025)*
Mr. Jeffrey R Lindstrom *(resigned with effect from March 27, 2025)*
Mr. Zhao Liang *(resigned with effect from December 15, 2025)*
Ms. Yan Luying *(resigned with effect from December 15, 2025)*

Non-Executive Directors

Mr. Chen Guoming *(Chairman of the Board)*
Dr. Brian Chang *(Co-Chairman of the Board) (appointed with effect from December 15, 2025)*
Ms. Wu Xia
Mr. Deng Aoyi *(appointed with effect from December 15, 2025)*
Mr. Zhang Junjie *(resigned with effect from December 15, 2025)*

Independent Non-Executive Directors

Mr. Jonathan H. Chou
Ms. Sun Zhixiang
Dr. Hu Bingshan *(appointed with effect from June 27, 2025)*
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on January 10, 2019 as an exempted limited liability company under the laws of the Cayman Islands. The Shares were listed on the Main Board of the Stock Exchange on February 4, 2021.

PRINCIPAL ACTIVITIES

The Company is a global leader in innovation within the field of structural heart intervention and CRM. While continuously solidifying its absolute leading position in China's TAVI market and its innovative pipeline advantage across all valvular disease treatments, the Company is deeply integrating MicroPort CRM's over 60 years of professional expertise, its 12 core product pipelines, and its global portfolio of more than 40 marketed products covering pacemakers, ICDs, and other areas. It is fully committed to building a world-leading integrated platform spanning "structural heart intervention, rhythm management, and heart failure care", thereby constructing a comprehensive device-based management solution for heart failure that covers all etiologies, all stages, and the entire care cycle. By providing physicians and patients with innovative, full-cycle heart failure health management services, the Company is dedicated to building a leading enterprise of emerging technologies in cardiac diagnosis and therapy.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss on page 207 of this annual report.

BUSINESS REVIEW

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

- we have incurred significant net losses since inception and expect to continue to incur losses, and may never achieve or maintain profitability. As a result, investors and shareholders may lose substantially all of their investment in us if our business fails;
- if our products cause, or are perceived to cause, severe adverse events, our reputation, revenue and profitability could be materially and adversely affected;
- 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;
- We are subject to recently enacted and future policies, such as the centralized procurement, which may increase the difficulty and cost for us to obtain regulatory approval of and commercialize our product candidates and affect their prices;
- We are faced with consolidation risks after completing acquisitions of global subsidiaries, particularly in the areas of operational management, cultural integration and employee identification; and
- if we determine our intangible assets or goodwill to be impaired, our results of operations and financial condition may be adversely affected.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

A comprehensive review on the Company's environmental policies and performance during the year of 2025 is provided in the "2025 Environment, Social and Governance Report" from page 132 to page 200 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. For the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, the Group had a total of 1,415 employees around the world (as of December 31, 2024: 430 full time employees), 836 of whom were from the CRM business, the majority of whom were based in Europe.

The number of employees employed by the Group varies from time to time depending on need. The remuneration package of our employees includes salary, bonus and incentives which are generally determined by their qualifications, industry experience, position, performance and location. The Company makes contributions to social insurance and housing provident funds as required by the laws and regulations of each jurisdiction in which our employees are based.

The Company has adopted the Share Scheme, the Share Award Scheme, the Share Option Scheme (terminated on June 27, 2023) and CRM LTI Plan to provide incentives for the eligible participants. Please refer to the section headed "Share Incentive Schemes" in this annual report for further details. For the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended December 31, 2025, purchases from the Group's five largest suppliers amounted to US$12.5 million (2024: US$9.2 million), accounting for approximately 35.7% (2024: 39.5%) of the Group's total purchase amount in the same year. The Group's purchase from the largest supplier for the year ended December 31, 2025 amounted to US$4.3 million (2024: US$2.8 million), accounting for approximately 12.3% (2024: 12.0%) of the Group's total purchase amount for the same year.

For the year ended December 31, 2025, revenue from the Group's five largest customers amounted to US$38.2 million (2024: US$43.9 million), accounting for approximately 67.0% (2024: 86.5%) of the Group's total revenue amount in the same year. The Group's largest customer for the year ended December 31, 2025 amounted to US$8.4 million (2024: US$13.4 million), accounting for approximately 14.7% (2024: 26.4%) of the Group's total revenue for the same year.

To the best knowledge of the Company, none of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers and customers.

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

RELATIONSHIP WITH KEY STAKEHOLDERS

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

Employees

The Company builds its success on employees' dedication and commitment. Our Company is committed to providing as much opportunities as possible for employees' skills enhancement and career development. We aim at cultivating talents in the long run, encouraging employees to realize their full potential and to keep pace with growth of the Company. Details of employees of the Company during the Reporting Period are set out in the "2025 Environmental, Social and Governance Report" from page 132 to page 200 of this annual report.

Customers and Suppliers

The Group's principal customers are distributors, hospitals, physicians and surgeons, and patients throughout the world. We have been devoted to providing excellent customer service with the purpose of maintaining long-term cooperation, enhancing product quality, increasing sales volume and improving profitability.

We have established relationships with many key opinion leaders in the medical community, including physicians, researchers and hospital administrators. Through regular visits with specialists, attendance of conferences, physician education programs and other activities, our brand recognition is enhanced greatly.

Shareholders

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. Apart from transparent and timely disclosure of corporate information in accordance with the Listing Rules, the Company has kept effective communication with Shareholders through the Company's website, WeChat platform, Shareholder's hotline, and IR mailbox. Senior management is also glad to receive the 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.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 18 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

SUBSIDIARIES

Particulars of the Company's major subsidiaries are set out in note 13 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended December 31, 2025 are set out in note 10 to the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 are set out in note 28 to the consolidated financial statements.

DONATION

For the year ended December 31, 2025 the Group made charitable donations of US$4.8 million.

DEBENTURE ISSUED

The Group did not issue any debenture for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

Save for the Share Scheme, the Share Option Scheme and the Share Award Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed for the year ended December 31, 2025.

DIVIDENDS

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

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As at December 31, 2025, the Company's reserves available for distribution amounted to approximately US$1,113.5 million (2024: US$568.6 million).

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 211 and in note 28 to the consolidated financial statements, respectively.

BANK LOANS AND OTHER BORROWINGS

Details of the bank borrowings of the Group as of December 31, 2025 are set out in note 22 to the financial statements.

CONVERTIBLE BONDS

As of the date of this annual report, the Company has not issued any convertible bonds.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Company has not entered into any loan agreement which contains covenants requiring specific performance of the Controlling Shareholders.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract or a letter of appointment with the Company, respectively, for an initial term of three years.

The above appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association.

None of the Directors has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

DIRECTORS AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the Prospectus and save for their respective interests in the Group, none of the Directors and the Controlling Shareholders was interested in any business which competes or is likely to compete with the businesses of the Group for the year ended December 31, 2025.

MANAGEMENT CONTRACTS

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

PENSION SCHEME

According to relevant laws and regulations, as well as local policies, the Group's subsidiaries in various jurisdictions participate in retirement benefit schemes. Under these schemes, the Group is required to make contributions in accordance with the applicable rules and subject to the relevant statutory limits. The only obligation of the Group with respect to the retirement benefit schemes is to make required contributions under the schemes. Contributions made under the retirement benefit schemes 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.

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

As of December 31, 2025, the interests and short positions of the Directors and chief executives of our Company and their associates in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the underlying Shares of the Company

Name of Directors/Chief Executive	Nature of interest	Number of underlying Shares in respect of the options granted under the Share Options Scheme	Approximate percentage of shareholding interest
Mr. Chen Guoming	Beneficial owner	8,905,892	0.14%
Mr. Zhang Ruinian	Beneficial owner	2,090,000	0.03%
Mr. Philippe Wanstok	Beneficial owner	18,523,140	0.29%
Ms. Sun Zhixiang	Beneficial owner	449,683	0.01%
Mr. Jonathan H. Chou	Beneficial owner	449,683	0.01%

Notes:

(1) All the above Shares are held in long position.

(2) The calculation is based on the total number of 6,366,554,182 Shares in issue as at December 31, 2025.

Save as disclosed above, as of December 31, 2025, none of the Directors or chief executives of the Company or their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

Substantial shareholders' interests and short positions in shares and underlying shares

As of December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company or their associates) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholders	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
MicroPort International[1]	Beneficial owner	1,716,885,771	26.97%
Shanghai MicroPort[1]	Beneficial owner	1,112,855,680	17.48%
Sino Rhythm Limited[2]	Beneficial owner	608,473,669	9.56%
SPR-VI Holdings Limited[3]	Beneficial owner	538,501,815	8.46%
Computershare Hong Kong Trustees Limited[4]	Trustee	333,167,904	5.23%
China International Capital Corporation Limited[5]	Beneficial owner	323,466,409	5.08%

(1) Shanghai MicroPort was wholly owned by MicroPort®. MicroPort International was wholly owned by MicroPort International Corp., which was wholly owned by MicroPort®. Therefore, MicroPort® was deemed to be interested in the Shares that each of Shanghai MicroPort and MicroPort International was interested in under the SFO. MicroPort International Corp. was deemed to be interested in the Shares that MicroPort International was interested in under the SFO.

(2) Sino Rhythm Limited was wholly owned by Sino Cardiac Limited and beneficially owned by Yunfeng Fund III AIV, L.P.. The general partner of Yunfeng Fund III AIV, L.P. is Yunfeng Fund III AIV GP, Ltd., which is ultimately controlled by Mr. Yu Feng. Accordingly, Sino Cardiac Limited, Yunfeng Fund III AIV, L.P., Yunfeng Fund III AIV GP, Ltd. and Mr. Yu Feng were each deemed to be interested in the Shares held by Sino Rhythm Limited under the SFO.

(3) SPR-VI Holdings Limited was beneficially owned by Hillhouse Fund IV, L.P.. Hillhouse Investment Management, Ltd. acts as the sole management company of Hillhouse Fund IV, L.P. The general partner of Hillhouse Fund IV, L.P. is Hillhouse Fund IV GP, Ltd. Accordingly, Hillhouse Fund IV, L.P., Hillhouse Investment Management, Ltd. and Hillhouse Fund IV GP, Ltd. were each deemed to be interested in the Shares held by SPR-VI Holdings Limited under the SFO.

(4) On December 19, 2025, our Company issued and allotted 333,167,904 shares to Computershare Hong Kong Trustees Limited as the trustee to hold the shares on trust for participants of an employee incentive scheme of an indirect subsidiary of MicroPort®, which triggered a duty of disclosure as the trustee first become interested in 5% or more of the shares of a listed corporation.

(5) China International Capital Corporation Limited was deemed to be interested in the Shares held by its controlled corporations under the SFO. Such interests are held through a series of controlled entities, including CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) ("**CICC Kangrui**"), CICC Financial Trading Limited, MP CRM Investment Limited and CICC Healthcare Investment Opportunities II Limited.

CICC Kangzhi (Ningbo) Equity Investment Management Co., Ltd. ("**CICC Kangzhi**") was the general partner of CICC Kangrui. CICC Kangzhi was controlled by CICC Capital Management Co., Ltd., which was a wholly-owned subsidiary of China International Capital Corporation Limited. Therefore, each of CICC Kangzhi, CICC Capital Management Co., Ltd. and China International Capital Corporation Limited was deemed to be interested in the Shares that CICC Kangrui was interested in under the SFO.

CICC Financial Trading Limited was wholly owned by CICC Financial Holdings Limited, which was controlled by China International Capital Corporation (International) Limited, a wholly-owned subsidiary of China International Capital Corporation Limited. Therefore, each of CICC Financial Holdings Limited, China International Capital Corporation (International) Limited and China International Capital Corporation Limited was deemed to be interested in the Shares that CICC Financial Trading Limited was interested in under the SFO.

MP CRM Investment Limited was wholly owned by China World Investment Limited, which was controlled by China International Capital Corporation (International) Limited. Therefore, each of China World Investment Limited, China International Capital Corporation (International) Limited and China International Capital Corporation Limited was deemed to be interested in the Shares that MP CRM Investment Limited was interested in under the SFO.

CICC Healthcare Investment Opportunities II Limited was wholly owned by CICC Healthcare Investment Fund, L.P.. The general partner of CICC Healthcare Investment Fund, L.P. was CICC Healthcare Investment Management Limited, which was directly 100% held by CICC Capital (Cayman) Limited, a wholly-owned subsidiary of China International Capital Corporation (International) Limited. Therefore, each of CICC Healthcare Investment Fund, L.P., CICC Healthcare Investment Management Limited, CICC Capital (Cayman) Limited, China International Capital Corporation (International) Limited and China International Capital Corporation Limited was deemed to be interested in the Shares that CICC Healthcare Investment Opportunities II Limited was interested in under the SFO.

(6) All the above Shares are held in long position.

(7) The calculation is based on the total number of 6,366,554,182 Shares in issue as at December 31, 2025.

Save as disclosed above, as of December 31, 2025, no person, other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company and any of its Associated Corporations" above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

SHARE INCENTIVE SCHEMES

Share Scheme

The Share Scheme was adopted by ordinary resolution passed by shareholders of the Company on June 27, 2023 (the "**Adoption Date of the Share Scheme**") in compliance with the amendments of Chapter 17 of the Listing Rules that came into effect on January 1, 2023 to replace the Share Option Scheme. The terms of the Share Scheme are governed by Chapter 17 of the Listing Rules. A summary of the principal terms of the Share Scheme is set out below:

(a) 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 our Group. The Share Scheme will give the eligible participants an opportunity to have a personal stake in our Company and will help motivate the eligible participants in optimizing their performance and efficiency and attract and retain the eligible participants whose contributions are important to the long-term growth of our Group.

(b) The Eligible Participants

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:

(i) the performance of the employee participant;

(ii) the skill, knowledge, experience, expertise and other personal qualities of the employee participant;

(iii) the time commitment, responsibilities or employment conditions of the employee participant according to the prevailing market practice and industry standard;

(iv) the length of employment with our Group; and

(v) the contribution or potential contribution of the employee participant to the development and growth of our Group.

In determining the basis of eligibility for related entity participants, the Board would take into account, among others:

(i) the experience of the related entity participant on the Group's businesses;

(ii) his/her expertise and skill, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the related entity participant has established with the Group;

(iii) the positive impacts brought by, or expected from, the related entity participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;

(iv) whether the related entity participant has assisted the Group in tapping into new markets and/or increased its market share;

(v) the amount of support, assistance, guidance, advice, efforts and contributions the related entity participant has exerted and given towards the success of the Group in research, product development or commercialization, and/or the amount of other potential support, assistance, guidance, advice, efforts and contributions the related entity participant is likely to be able to give or make towards the success of the Group in the future; and

(vi) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the related entity participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.

A 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 (1) consultants and advisers or (2) suppliers, contractors, distributors and agents, 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. The Board shall use its absolute discretion to decide eligible service provider participants.

(c) Exercise Price and Issue Price and Exercise of Awards

(i) The exercise price shall, subject to any adjustment made pursuant to the terms of the Share Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:

(a) 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;

(b) 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

(c) the nominal value of the share on the offer date.

(ii) 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.

(iii) Where an award is to be granted under the Share Scheme, the date of the meeting of the Board (or its authorized committee for the administration of the Share Scheme) or the remuneration committee thereof (as the case may be) at which the grant was proposed shall be taken to be the offer date for the relevant award, and the provisions as set above shall apply mutatis mutandis.

(iv) Subject to the terms of the Share Scheme, an award shall be exercisable in whole or in part by the grantee (or, in the case of death of the grantee, by the grantee's personal representative) giving notice in writing to the Company stating that the award is thereby exercised and the number of award Shares in respect of which it is so exercised.

(a) Each of such notice must be accompanied by a remittance for the full amount of the exercise price or the issue price (as applicable) for the award Shares in respect of which the notice is given.

(b) Within twenty-one (21) days (or such longer period if the Company in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after receipt of the notice and the remittance, the Company shall, at its discretion, arrange for the exercised award Shares to be satisfied in the following methods:

(1) allot and issue the relevant number of Shares to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) credited as fully paid and instruct the share registrar to issue to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) a share certificate for the shares so allotted and issued;

(2) arrange for the exercised award Shares to be transferred to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) credited as fully paid and issue to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) a share certificate in respect of the shares so transferred;

(3) pay to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) by remittance to the bank account designated and provided by the grantee (or the grantee's personal representative), the actual selling price from on-market sale of the exercised award Shares through the facilities of the Stock Exchange at prevailing market prices; and

(4) arrange for exercised award Shares to be issued or designated as vested shares held for the economic benefit of the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative), following which, the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) shall be entitled to future dividends paid or payable on the exercised award Shares and the grantee (or the grantee's personal representative) will have a one-time option to request the Company to cause payment to the grantee (or the grantee's estate in the event of an exercise by the grantee's personal representative) by remittance to the bank account designated and provided by the grantee, the difference in the prevailing market prices of the exercised award Shares between the vesting date and the date that the grantee notifies the Company of exercising the one-time option.

(d) 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 absolute discretion grant awards to employee participants only with a vesting period shorter than the minimum period in the following circumstances:

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

(ii) grants to an employee participant whose employment is terminated due to death or occurrence of any out-of-control event;

(iii) 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;

(iv) 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

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

(e) Scheme Limits and Additional Approvals

The Scheme Mandate Limit

(i) 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 our Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date of the Share Scheme (the "**Scheme Mandate Limit**") (i.e. 241,106,331 (equivalent to 48,221,266 Consolidated Shares after Share Consolidation became effective)). Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

As of date of this annual report, 1,041,363 Consolidated Shares are available for issue underlying options under the Share Scheme, representing approximately 0.08% of the total number of Shares in issue as of the same date.

The Service Provider Participant Sublimit

(ii) Subject to paragraph (i) 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 our Company to service provider participants shall not exceed such number of Shares as equals to 1% of the Shares in issue as at the Adoption Date of the Share Scheme (the "**Service Provider Participant Sublimit**") within the Scheme Mandate Limit. Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilized for the purpose of calculating the Service Provider Participant Sublimit. The number of options and awards available for grant under the Service Provider Participant Sublimit at both the beginning and the end of the Reporting Period was 24,110,633 (equivalent to 4,822,126 options after Share Consolidation became effective) as no options or awards were granted or to be granted to any service providers during the Reporting Period.

Refreshment

(iii) (a) our Company may seek approval of the Shareholders in a general meeting of our 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 of the Share Scheme. The total number of Shares which may be issued upon exercise of all (1) the awards under the Share Scheme and (2) the options and awards to be granted under any other schemes of our 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, our Company must send a circular to the Shareholders containing the information required under the Listing Rules; and

(b) any refreshment within any three-year period shall be subject to independent Shareholders' approval.

Grant in excess of the Scheme Mandate Limit

(iv) Our Company may seek separate approval of the Shareholders in a general meeting of our 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 our Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph, our 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 the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price.

(f) Grant of Awards to a Director, Chief Executive or Substantial Shareholder of the Company or Any Their Respective Associate

(i) Any grant of an award to a Director, a chief executive of the Company or substantial shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the award).

(ii) (a) Where any grant of an award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the shares in issue, or

(b) where any grant of share awards (i.e., excluding grant of share options) to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12) month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue at the date of such grant, such grant of award must be approved by the shareholders in a general meeting of the Company.

(iii) The Company must send a circular to the shareholders. The circular must contain such information required by the Listing Rules.

(iv) The grantee, his/her associates and all the core connected persons must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the shareholders.

(v) Any vote taken at the general meeting of the Company to approve the grant of such award must be taken on a poll and comply with the requirements under the Listing Rules.

(vi) Any change in the terms of awards granted to an eligible participant who is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the shareholders in the manner as set out in the Listing Rules if the initial grant of the award requires such approval (except where the changes take effect automatically under the existing terms of the Share Scheme).

(g) Maximum Entitlement of Each Eligible Participant

Where any grant of an award to an 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 exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such eligible participant and the person's close associates (or associates if the eligible participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the eligible participant, the number and terms of the awards to be granted (and awards previously granted to such eligible participant during the twelve (12)-month period), the purpose of granting the awards to the eligible participant, an explanation as to how the terms of the awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the exercise price or issue price) of the award to be granted to such eligible participant must be fixed before the general meeting of the Company. For the grant of share options, the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the exercise price.

(h) Performance Targets and Clawback Mechanism

Save as determined by the Board and provided in the offer letter of the grant of an award, the Share Scheme does not stipulate any performance target a grantee is required to achieve before the relevant award can be exercised nor any clawback mechanism for the Company to recover or withhold any awards granted to any eligible participants.

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the awards under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group.

(i) Time of Exercise of Options

Subject to the terms of the Share Scheme, an award may be exercised in whole or in part at any time during the period stipulated in the 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 Board may at its discretion specify any condition in the offer letter at the grant of the relevant award which must be satisfied before an award may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant award, there is no performance target which must be achieved before an award can be exercised under the terms of the Share Scheme nor any clawback mechanism for the Company to recover or withhold any awards granted to any eligible participant.

(j) Remaining Life of the Share Scheme

The Share Scheme shall be valid and effective until the Business Day on which falls on the date immediately prior to the tenth anniversary of the Adoption Date of the Share Scheme (the "**Termination Date**"), after which period no further awards will be granted but the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any awards granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Share Scheme. Subject to the early termination, the remaining life of the Share Scheme is approximately eight years and two months as of the Latest Practicable Date.

(k) Outstanding Options Granted as of December 31, 2025

As of the beginning of the Reporting Period, 213,998,549 options or awards were available for grant under the Share Scheme. During the Reporting Period, the number of Shares underlying the options granted under the Share Scheme by the Company was 8,138,312 (equivalent to 1,627,662 Consolidated Shares after Share Consolidation became effective). As of December 31, 2025, the aggregate number of Shares underlying the options and awards available for grant under the Share Scheme was 205,860,237. The status of the share options under the Share Scheme granted as of December 31, 2025 is as follows:

	Position	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2024	Granted options under the Share Scheme during the Reporting Period	Exercised options under the Share Scheme during the Reporting Period	Lapsed options under the Share Scheme during the Reporting Period	Cancelled options under the Share Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Scheme[1]	Fair value of options granted under the Share Scheme during the Reporting Period at the date of grant[2] (USD'000)
EMPLOYEE PARTICIPANTS														
Directors and chief executive of our Company														
Mr. Chen Guoming	Non-executive Director and Chairman of our Board	1,209,992 equivalent to 241,998 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.054 equivalent to HK$10.27 after Share Consolidation became effective	1,209,992 equivalent to 241,998 Consolidated Shares after Share Consolidation became effective	July 11, 2023	July 11, 2023 –July 11, 2026	July 11, 2024 –July 10, 2033	HK$2.00 equivalent to HK$10.00 after Share Consolidation became effective	N/A	N/A
Mr. Jeffrey R Lindstrom (resigned with effect from March 27, 2025)	Executive Director and President	4,000,000 equivalent to 800,000 Consolidated Shares after Share Consolidation became effective	–	–	–	4,000,000	HK$1.91 equivalent to HK$9.55 after Share Consolidation became effective	–	August 30, 2023	August 30, 2023 –August 30, 2028	August 30, 2024 –August 29, 2033	HK$1.91 equivalent to HK$9.55 after Share Consolidation became effective	N/A	N/A

	Position	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2024	Granted options under the Share Scheme during the Reporting Period	Exercised options under the Share Scheme during the Reporting Period	Lapsed options under the Share Scheme during the Reporting Period	Cancelled options under the Share Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Scheme[1]	Fair value of options granted under the Share Scheme during the Reporting Period at the date of grant[2] (USD'000)
Mr. Zhang Ruinian	Executive Director and President		2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	–	–	–	HK$1.106 equivalent to HK$5.53 after Share Consolidation became effective	2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	March 28, 2025	March 28, 2025 –March 28, 2030	March 28, 2026 –March 27, 2035	HK$1.00 equivalent to HK$5.00 after Share Consolidation became effective	N/A	90
Mr. Zhao Liang	Executive Director (resigned with effect from December 15, 2025) and First Vice President	1,624,933 equivalent to 324,986 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.054 equivalent to HK$10.27 after Share Consolidation became effective	1,624,933 equivalent to 324,986 Consolidated Shares after Share Consolidation became effective	July 11, 2023	July 11, 2023 –July 11, 2026	July 11, 2024 –July 10, 2033	HK$2.00 equivalent to HK$10.00 after Share Consolidation became effective	N/A	N/A
		1,876,016 equivalent to 375,203 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$1.002 equivalent to HK$5.01 after Share Consolidation became effective	1,876,016 equivalent to 375,203 Consolidated Shares after Share Consolidation became effective	April 8, 2024	August 8, 2029	August 8, 2029 –August 7, 2034	HK$0.90 equivalent to HK$4.50 after Share Consolidation became effective	N/A	N/A
			606,700 equivalent to 121,340 Consolidated Shares after Share Consolidation became effective	–	–	–	HK$1.106 equivalent to HK$5.53 after Share Consolidation became effective	606,700 equivalent to 121,340 Consolidated Shares after Share Consolidation became effective	March 28, 2025	March 28, 2030	March 28, 2030 –March 27, 2035	HK$1.00 equivalent to HK$5.00 after Share Consolidation became effective	N/A	33

	Position	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2024	Granted options under the Share Scheme during the Reporting Period	Exercised options under the Share Scheme during the Reporting Period	Lapsed options under the Share Scheme during the Reporting Period	Cancelled options under the Share Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Scheme[1]	Fair value of options granted under the Share Scheme during the Reporting Period at the date of grant[2] (USD'000)
Ms. Yan Luying	Executive Director (resigned with effect from December 15, 2025) and Vice President	391,499 equivalent to 78,299 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.054 equivalent to HK$10.27 after Share Consolidation became effective	391,499 equivalent to 78,299 Consolidated Shares after Share Consolidation became effective	July 11, 2023	July 11, 2023 –July 11, 2026	July 11, 2024 –July 10, 2033	HK$2.00 equivalent to HK$10.00 after Share Consolidation became effective	N/A	N/A
		872,428 equivalent to 174,485 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$1.002 equivalent to HK$5.01 after Share Consolidation became effective	872,428 equivalent to 174,485 Consolidated Shares after Share Consolidation became effective	April 8, 2024	August 8, 2029	August 8, 2029 –August 7, 2034	HK$0.90 equivalent to HK$4.5 after Share Consolidation became effective	N/A	N/A
			1,213,402 equivalent to 242,680 Consolidated Shares after Share Consolidation became effective	–	–	–	HK$1.106 equivalent to HK$5.53 after Share Consolidation became effective	1,213,402 equivalent to 242,680 Consolidated Shares after Share Consolidation became effective	March 28, 2025	March 28, 2030	March 28, 2030 –March 27, 2035	HK$1.00 equivalent to HK$5.00 after Share Consolidation became effective	N/A	66
Subtotal		9,974,868 equivalent to 1,994,973 Consolidated Shares after Share Consolidation became effective	3,820,102 equivalent to 764,020 Consolidated Shares after Share Consolidation became effective	–	–	4,000,000 equivalent to 800,000 Consolidated Shares after Share Consolidation became effective	–	9,794,970 equivalent to 1,958,994 Consolidated Shares after Share Consolidation became effective	–	–	–	–	–	189

Position	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2024	Granted options under the Share Scheme during the Reporting Period	Exercised options under the Share Scheme during the Reporting Period	Lapsed options under the Share Scheme during the Reporting Period	Cancelled options under the Share Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Scheme[1]	Fair value of options granted under the Share Scheme during the Reporting Period at the date of grant[2] (USD'000)
Other Employee Participants of our Company													
	3,779,232	–	–	–	295,437	HK$2.054	3,483,795	July 11, 2023	July 11, 2023 –July 11, 2026	July 11, 2024 –July 10, 2033	HK$2.00	N/A	N/A
	equivalent to 755,846 Consolidated Shares after Share Consolidation became effective				equivalent to 59,087 Consolidated Shares after Share Consolidation became effective	equivalent to HK$10.27 after Share Consolidation became effective	equivalent to 696,759 Consolidated Shares after Share Consolidation became effective				equivalent to HK$10.00 after Share Consolidation became effective		
	3,362,482	–	–	–	712,912	HK$1.002	2,649,570	April 8, 2024	August 8, 2029	August 8, 2029 –August 7, 2034	HK$0.90	N/A	N/A
	equivalent to 672,496 Consolidated Shares after Share Consolidation became effective				equivalent to 142,582 Consolidated Shares after Share Consolidation became effective	equivalent to HK$5.01 after Share Consolidation became effective	equivalent to 529,914 Consolidated Shares after Share Consolidation became effective				equivalent to HK$4.5 after Share Consolidation became effective		
	4,250,000	–	–	–	220,000	HK$1.002	4,030,000	April 8, 2024	April 8, 2024 –April 8, 2029	April 8, 2025 –April 7, 2034	HK$0.90	N/A	N/A
	equivalent to 850,000 Consolidated Shares after Share Consolidation became effective				equivalent to 44,000 Consolidated Shares after Share Consolidation became effective	equivalent to HK$5.01 after Share Consolidation became effective	equivalent to 806,000 Consolidated Shares after Share Consolidation became effective				equivalent to HK$4.5 after Share Consolidation became effective		
	2,565,225	–	–	–	–	HK$1.002	2,565,225	April 8, 2024	April 8, 2024 –April 8, 2028	April 8, 2026 –April 7, 2034	HK$0.90	N/A	N/A
	equivalent to 513,045 Consolidated Shares after Share Consolidation became effective					equivalent to HK$5.01 after Share Consolidation became effective	equivalent to 513,045 Consolidated Shares after Share Consolidation became effective				equivalent to HK$4.5 after Share Consolidation became effective		
		600,000	–	–	–	HK$1.106	600,000	March 28, 2025	March 28, 2025 –March 28, 2030	March 28, 2026 –March 27, 2035	HK$1.00	N/A	24
		equivalent to 120,000 Consolidated Shares after Share Consolidation became effective				equivalent to HK$5.53 after Share Consolidation became effective	equivalent to 120,000 Consolidated Shares after Share Consolidation became effective				equivalent to HK$5.00 after Share Consolidation became effective		

	Position	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2024	Granted options under the Share Scheme during the Reporting Period	Exercised options under the Share Scheme during the Reporting Period	Lapsed options under the Share Scheme during the Reporting Period	Cancelled options under the Share Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Scheme[1]	Fair value of options granted under the Share Scheme during the Reporting Period at the date of grant[2] (USD'000)
			3,718,210 equivalent to 743,642 Consolidated Shares after Share Consolidation became effective	–	–	736,708 equivalent to 147,341 Consolidated Shares after Share Consolidation became effective	HK$1.106 equivalent to HK$5.53 after Share Consolidation became effective	2,981,502 equivalent to 596,300 Consolidated Shares after Share Consolidation became effective	March 28, 2025	March 28, 2030	March 28, 2030 –March 27, 2035	HK$1.00 equivalent to HK$5.00 after Share Consolidation became effective	N/A	194
Subtotal		13,956,939 equivalent to 2,791,387 Consolidated Shares after Share Consolidation became effective	4,318,210 equivalent to 863,642 Consolidated Shares after Share Consolidation became effective	–	–	1,965,057 equivalent to 393,011 Consolidated Shares after Share Consolidation became effective	–	16,310,092 equivalent to 3,262,018 Consolidated Shares after Share Consolidation became effective						
Total		23,931,807 equivalent to 4,786,361 Consolidated Shares after Share Consolidation became effective	8,138,312 equivalent to 1,627,662 Consolidated Shares after Share Consolidation became effective	–	–	5,965,057 equivalent to 1,193,011 Consolidated Shares after Share Consolidation became effective	–	26,105,062 equivalent to 5,221,012 Consolidated Shares after Share Consolidation became effective						

Notes:

(1) The fair value was determined using the binomial lattice model. The measurement date is the date on which the share options were granted.

(2) The vesting of above options is not subject to any performance targets. The purpose of the Share Scheme is to provide incentive to eligible participants in order to promote the development and success of the business of the Group. The options granted under the Share Scheme will give the grantees an opportunity to have a personal stake in the Company and will help motivate such grantees in optimizing their performance and efficiency. The number of options to be granted are based on the work performance and potential of the grantees and no additional performance target is imposed before the options are vested to the grantees. In view of the above, the Remuneration Committee considered the grant of options aligned with the purpose of the Share Scheme.

Save as disclosed above, none of the grantees for options and awards granted and to be granted under the Share Scheme during the Reporting Period (i) are the Directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) are awarded with options or awards granted and to be granted in excess of the 1% individual limit; and (iii) are related entity participants or service providers with options or awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue. No options or awards were granted or to be granted to any related entity participants, service providers or other employees during the Reporting Period.

Share Option Scheme

The Share Option Scheme was adopted by ordinary resolution of the shareholders of MicroPort® ("**MicroPort Shareholders**") in the extraordinary general meeting of MicroPort® dated March 13, 2020 ("**Adoption Date of the Share Option Scheme**") and amended on March 17, 2022. The terms of the Share Option Scheme are governed by Chapter 17 of the Listing Rules. The Share Option Scheme was terminated by ordinary resolution passed by Shareholders on June 27, 2023 and replaced by the Share Scheme adopted on the same date. Options granted under the Share Option Scheme prior to its termination shall remain valid in accordance with its terms.

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

(a) Purpose

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, our Group and for such other purposes as our Board may approve from time to time.

(b) Grant of Options and Time of Exercise of Options

Each offer of an option (the "**Offer**") shall be in writing made to an eligible person by letter in such form as our Board may from time to time determine at its discretion (the "**Offer Letter**"). The Offer Letter shall state, among others, the period during which the option may be exercised (the "**Option Period**"), which period is to be determined and notified by our Board but shall expire in any event not later than the last day of the 10-year period after the date of grant of the option. Our Board may specify in the Offer Letter any conditions which must be satisfied before the option may be exercised, including without limitation such performance targets (if any) and minimum periods for which an option must be held before it can be exercised and any other terms in relation to the exercise of the option, including without limitation such percentages of the options that can be exercised during a certain period of time, as our Board may determine from time to time. Our Board shall specify in the Offer Letter a date by which the grantee must accept the Offer, being a date no later than 28 days after the date on which the option is offered or the date on which the conditions for the offer are satisfied, whichever is earlier.

(c) Eligible Participants

Eligible persons include:

(i) any employee (whether full-time or part-time) of our Group;

(ii) any director (including executive, non-executive and independent non-executive directors) of our Group; and

(iii) any director (including executive, non-executive and independent non-executive directors) or employee (whether full-time or part-time) of MicroPort® who, in the sole and absolute direction of our Board, has contributed or will contribute to the development of our Group.

The basis of eligibility of any of the above classes of eligible persons to the grant of any options shall be determined by our Board from time to time on the basis of their contribution to the development and growth of our Group.

(d) Maximum Number of Shares Available for Issue under the Share Option Scheme

At the time of adoption of the Share Option Scheme or any new subsidiary share option scheme (the "**New Scheme**"), the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, the New Scheme and all schemes existing at such time (the "**Existing Scheme(s)**") of our Group must not in aggregate exceed 10% of the total number of Shares in issue as of the date of the Shareholders' approval or the date of the MicroPort shareholders' approval, whichever is later, of the increase of the original scheme mandate limit (the "**Scheme Mandate Limit**"). For the purposes of calculating the Scheme Mandate Limit, the Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted. The Scheme Mandate Limit may be refreshed by both ordinary resolution of the MicroPort Shareholders and special resolution of our Shareholders in their respective general meeting, provided that:

(i) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as of the date of the MicroPort Shareholders' approval or the date of the Shareholders' approval, whichever is later, of the refreshing of the Scheme Mandate Limit;

(ii) options previously granted under the Share Option Scheme and any other share option scheme(s) of our Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and

(iii) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the MicroPort Shareholders and our Shareholders (if applicable) in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

Our Company may seek separate approvals from the MicroPort Shareholders and our Shareholders in their respective general meeting for granting options which will result in the Scheme Mandate Limit being exceeded, provided that:

(i) the grant is to eligible persons specifically identified by our Company before the approval is sought; and

(ii) a circular regarding the grant has been despatched to the MicroPort Shareholders and our Shareholders (if applicable) in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain the name of each specified participant who may be granted such options, the number and terms of the options to be granted to each participant, and the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose, and other information required to comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

As the Share Option Scheme was terminated and replaced by the Share Scheme on June 27, 2023, no more options will be granted under the Share Option Scheme. As of the Latest Practicable Date, 9,634,356 Consolidated Shares after Share Consolidation became effective underlying the outstanding options already granted under the Share Option Scheme are available for issue, representing approximately 2.51% of the total number of Shares in issue as of the same date.

(e) Maximum Entitlement of each Eligible Person

No option shall be granted to any eligible person if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the eligible person in the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at such time, unless: (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders in general meeting, at which the eligible person and his close associates (or his associates if the eligible person is a connected person) abstained from voting; (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the options to be granted (and those previously granted to such participant in the 12-month period), the purpose of granting options to the participant and an explanation as to how the terms of the options serve such purpose; and (c) the number and terms (including the subscription price) of such options are fixed before the general meeting of the Company at which the same are approved.

(f) Subscription Price and Consideration for the Option

The price at which each Share subject to an option may be subscribed for on the exercise of that option shall be a price solely determined by the Board and notified to an eligible person and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date of such option(s) (the "**Offer Date**"), which must be a business day; (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and (c) the nominal value of the Shares. No consideration is required upon acceptance of the grant of options.

(g) Remaining Life of the Share Option Scheme

The Share Option Scheme is valid and effective for a period commencing on the date of the Adoption Date of the Share Option Scheme and ending on June 27, 2023 (the "**Termination Date of the Share Option Scheme**"). No further options shall be granted under the Share Option Scheme upon the Termination Date of the Share Option Scheme but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(h) Outstanding Options Granted as of December 31, 2025

As of December 31, 2024, the number of options available for grant under the Share Option Scheme was nil as the Share Option Scheme was terminated on June 27, 2023 and no further options will be granted under the Share Option Scheme thereafter. As of December 31, 2025, the aggregate number of outstanding options granted under the Share Option Scheme is 54,087,144 (equivalent to 10,817,428 Consolidated Shares after Share Consolidation became effective), representing approximately 0.8% of the total issued share capital of our Company as of December 31, 2025. The status of the share options granted up to December 31, 2025 is as follows:

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
EMPLOYEE PARTICIPANTS														
Directors and chief executives of our Company														
Mr. Chen Guoming	Non-executive Director and Chairman of our Board	5,000,000	–	–	–	–	US$0.16	5,000,000	March 31, 2020	March 31, 2020 –March 31, 2025	March 31, 2021 –March 30, 2030	N/A	N/A	N/A
		equivalent to 1,000,000 Consolidated Shares after Share Consolidation became effective					equivalent to US$0.8 after Share Consolidation became effective	equivalent to 1,000,000 Consolidated Shares after Share Consolidation became effective						
		1,209,992	–	–	–	–	HK$3.754	1,209,992	January 19, 2022	January 19, 2022 –January 19, 2027	January 19, 2024 –January 18, 2032	HK$3.65	N/A	N/A
		equivalent to 241,998 Consolidated Shares after Share Consolidation became effective					equivalent to HK$18.77 after Share Consolidation became effective	equivalent to 241,998 Consolidated Shares after Share Consolidation became effective				equivalent to HK$18.25 after Share Consolidation became effective		
		332,654	–	–	–	–	HK$2.63	332,654	March 30, 2022	March 30, 2027	March 30, 2027 –March 29, 2032	HK$2.54	N/A	N/A
		equivalent to 66,530 Consolidated Shares after Share Consolidation became effective					equivalent to HK$13.15 after Share Consolidation became effective	equivalent to 66,530 Consolidated Shares after Share Consolidation became effective				equivalent to HK$12.70 after Share Consolidation became effective		
		410,300	–	–	–	–	HK$2.534	410,300	March 30, 2023	March 30, 2028	March 30, 2028 –March 29, 2033	HK$2.57	N/A	N/A
		equivalent to 82,060 Consolidated Shares after Share Consolidation became effective					equivalent to HK$12.67 after Share Consolidation became effective	equivalent to 82,060 Consolidated Shares after Share Consolidation became effective				equivalent to HK$12.85 after Share Consolidation became effective		

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
Mr. Zhao Liang	Executive Director (resigned with effect from December 15, 2025) and First Vice President	2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$6.406 equivalent to HK$32.03 after Share Consolidation became effective	2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	October 4, 2021	October 4, 2021 –October 4, 2026	October 4, 2022 –October 3, 2031	HK$6.24 equivalent to HK$31.20 after Share Consolidation became effective	N/A	N/A
		1,624,933 equivalent to 324,986 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$3.754 equivalent to HK$18.77 after Share Consolidation became effective	1,624,933 equivalent to 324,986 Consolidated Shares after Share Consolidation became effective	January 19, 2022	January 19, 2022 –January 19, 2027	January 19, 2024 –January 18, 2032	HK$3.65 equivalent to HK$18.25 after Share Consolidation became effective	N/A	N/A
		117,039 equivalent to 23,407 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.63 equivalent to HK$13.15 after Share Consolidation became effective	117,039 equivalent to 23,407 Consolidated Shares after Share Consolidation became effective	March 30, 2022	March 30, 2027	March 30, 2027 –March 29, 2032	HK$2.54 equivalent to HK$12.70 after Share Consolidation became effective	N/A	N/A
		750,000 equivalent to 150,000 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	750,000 equivalent to 150,000 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2023 –March 30, 2028	March 30, 2024 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
		355,146 equivalent to 71,029 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	355,146 equivalent to 71,029 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2028	March 30, 2028 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A
Ms. Yan Luying	Executive Director (resigned with effect from December 15, 2025) and Vice President	4,000,000 equivalent to 800,000 Consolidated Shares after Share Consolidation became effective	–	–	–	–	US$0.16 equivalent to US$0.8 after Share Consolidation became effective	4,000,000 equivalent to 800,000 Consolidated Shares after Share Consolidation became effective	March 31, 2020	March 31, 2020 –March 31, 2025	March 31, 2021 –March 30, 2030	N/A	N/A	N/A
		391,499 equivalent to 78,299 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$3.754 equivalent to HK$18.77 after Share Consolidation became effective	391,499 equivalent to 78,299 Consolidated Shares after Share Consolidation became effective	January 19, 2022	January 19, 2022 –January 19, 2027	January 19, 2024 –January 18, 2032	HK$3.65 equivalent to HK$18.25 after Share Consolidation became effective	N/A	N/A
		318,924 equivalent to 63,784 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.63 equivalent to HK$13.15 after Share Consolidation became effective	318,924 equivalent to 63,784 Consolidated Shares after Share Consolidation became effective	March 30, 2022	March 30, 2027	March 30, 2027 –March 29, 2032	HK$2.54 equivalent to HK$12.70 after Share Consolidation became effective	N/A	N/A
		257,213 equivalent to 51,442 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	257,213 equivalent to 51,442 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2028	March 30, 2028 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
Mr. Jonathan H. Chou	Independent non-executive Director	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2023 –March 30, 2027	March 30, 2025 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A
Ms. Sun Zhixiang	Independent non-executive Director	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	–	–	–	–	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2023 –March 30, 2027	March 30, 2025 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A
Mr. Jeffrey R Lindstrom (resigned with effect from March 27, 2025)	Executive Director and President	2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	–	–	–	2,000,000 equivalent to 400,000 Consolidated Shares after Share Consolidation became effective	HK$3.754 equivalent to HK$18.77 after Share Consolidation became effective	–	January 19, 2022	January 19, 2022 –January 19, 2027	January 19, 2023 –January 18, 2032	HK$3.65 equivalent to HK$18.25 after Share Consolidation became effective	N/A	N/A
Dr. Ding Jiandong (retired with effect from June 27, 2025)	Independent non-executive Director	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	–	–	–	449,683 equivalent to 89,936 Consolidated Shares after Share Consolidation became effective	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	–	March 30, 2023	March 30, 2023 –March 30, 2027	March 30, 2025 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
Subtotal		20,816,749 equivalent to 4,163,349 Consolidated Shares after Share Consolidation became effective	–	–	–	2,449,683 equivalent to 489,936 Consolidated Shares after Share Consolidation became effective		18,367,066 equivalent to 3,673,413 Consolidated Shares after Share Consolidation became effective						
Other Employee Participants in our Group														
		10,360,641 equivalent to 2,072,128 Consolidated Shares after Share Consolidation became effective	–	113,936 equivalent to 22,787 Consolidated Shares after Share Consolidation became effective	–	979,620 equivalent to 195,924 Consolidated Shares after Share Consolidation became effective	US$0.16 equivalent to US$0.8 after Share Consolidation became effective	9,267,085 equivalent to 1,853,417 Consolidated Shares after Share Consolidation became effective	March 31, 2020	March 31, 2020 –March 31, 2025	March 31, 2021 –March 30, 2030	N/A	N/A	N/A
		2,570,000 equivalent to 514,000 Consolidated Shares after Share Consolidation became effective	–	–	–	100,000 equivalent to 20,000 Consolidated Shares after Share Consolidation became effective	HK$13.72 equivalent to HK$68.6 after Share Consolidation became effective	2,470,000 equivalent to 494,000 Consolidated Shares after Share Consolidation became effective	March 31, 2021	March 31, 2021 –March 31, 2026	March 31, 2022 –March 30, 2031	HK$14.08 equivalent to HK$70.40 after Share Consolidation became effective	N/A	N/A
		600,000 equivalent to 120,000 Consolidated Shares after Share Consolidation became effective	–	–	–	600,000 equivalent to 120,000 Consolidated Shares after Share Consolidation became effective	HK$6.406 equivalent to HK$32.03 after Share Consolidation became effective	–	October 4, 2021	October 4, 2021 –October 4, 2026	October 4, 2021 –October 3, 2031	HK$6.24 equivalent to HK$31.20 after Share Consolidation became effective	N/A	N/A
		5,713,020 equivalent to 1,142,604 Consolidated Shares after Share Consolidation became effective	–	–	–	260,325 equivalent to 52,065 Consolidated Shares after Share Consolidation became effective	HK$3.754 equivalent to HK$18.77 after Share Consolidation became effective	5,452,695 equivalent to 1,090,539 Consolidated Shares after Share Consolidation became effective	January 19, 2022	January 19, 2022 –January 19, 2027	January 19, 2023 –January 18, 2032	HK$3.65 equivalent to HK$18.25 after Share Consolidation became effective	N/A	N/A

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
		1,190,000 equivalent to 238,000 Consolidated Shares after Share Consolidation became effective	–	–	–	340,000 equivalent to 68,000 Consolidated Shares after Share Consolidation became effective	HK$2.802 equivalent to HK$14.01 after Share Consolidation became effective	850,000 equivalent to 170,000 Consolidated Shares after Share Consolidation became effective	June 22, 2022	June 22, 2022 – June 22, 2027	June 22, 2023 –June 21, 2032	HK$2.9 equivalent to HK$14.50 after Share Consolidation became effective	N/A	N/A
		4,166,639 equivalent to 833,327 Consolidated Shares after Share Consolidation became effective	–	–	–	1,128,541 equivalent to 225,708 Consolidated Shares after Share Consolidation became effective	HK$2.534 equivalent to HK$12.67 after Share Consolidation became effective	3,038,098 equivalent to 607,619 Consolidated Shares after Share Consolidation became effective	March 30, 2023	March 30, 2023 –March 30, 2027	March 30, 2025 –March 29, 2033	HK$2.57 equivalent to HK$12.85 after Share Consolidation became effective	N/A	N/A
Subtotal		24,600,300 equivalent to 4,920,060 Consolidated Shares after Share Consolidation became effective	–	113,936 equivalent to 22,787 Consolidated Shares after Share Consolidation became effective	–	3,408,486 equivalent to 681,697 Consolidated Shares after Share Consolidation became effective		21,077,878 equivalent to 4,215,575 Consolidated Shares after Share Consolidation became effective						
Related Entity Participants														
Dr. Chang Zhaohua	Director of MicroPort®	6,000,000 equivalent to 1,200,000 Consolidated Shares after Share Consolidation became effective	–	–	–	–	US$0.16 equivalent to US$0.8 after Share Consolidation became effective	6,000,000 equivalent to 1,200,000 Consolidated Shares after Share Consolidation became effective	March 31, 2020	March 31, 2020 –March 31, 2025	March 31, 2021 –March 30, 2030	N/A	N/A	N/A

Name	Position	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2024	Granted options under the Share Option Scheme during the Reporting Period	Exercised options under the Share Option Scheme during the Reporting Period	Lapsed options under the Share Option Scheme during the Reporting Period	Cancelled options under the Share Option Scheme during the Reporting Period	Exercise Price	Number of Shares underlying the outstanding options under the Share Option Scheme as of December 31, 2025	Date of grant	Vesting period	Exercise period	Closing price of the Company immediately before the date of grant of share options under the Share Option Scheme	Weighted average Share price of the Company immediately before the exercise date of share options under the Share Option Scheme[1]	Fair value of options granted under the Share Option Scheme during the Reporting Period at the date of grant[2] (USD '000)
Other employees of MicroPort®		8,862,200 equivalent to 1,772,440 Consolidated Shares after Share Consolidation became effective	–	–	–	480,000 equivalent to 96,000 Consolidated Shares after Share Consolidation became effective	US$0.16 equivalent to US$0.8 after Share Consolidation became effective	8,382,200 equivalent to 1,676,440 Consolidated Shares after Share Consolidation became effective	March 31, 2020	March 31, 2020 –March 31, 2025	March 31, 2021 –March 30, 2030	N/A	N/A	N/A
		300,000 equivalent to 60,000 Consolidated Shares after Share Consolidation became effective	–	–	–	40,000 equivalent to 8,000 Consolidated Shares after Share Consolidation became effective	HK$2.802 equivalent to HK$14.01 after Share Consolidation became effective	260,000 equivalent to 52,000 Consolidated Shares after Share Consolidation became effective	June 22, 2022	June 22, 2022 – June 22, 2027	June 22, 2023 –June 21, 2032	HK$2.9 equivalent to HK$14.5 after Share Consolidation became effective	N/A	N/A
Subtotal		15,162,200 equivalent to 3,032,440 Consolidated Shares after Share Consolidation became effective	–	–	–	520,000 equivalent to 104,000 Consolidated Shares after Share Consolidation became effective	0	14,642,200 equivalent to 2,928,440 Consolidated Shares after Share Consolidation became effective						
Total		60,579,249 equivalent to 12,115,849 Consolidated Shares after Share Consolidation became effective	–	113,936 equivalent to 22,787 Consolidated Shares after Share Consolidation became effective	–	6,378,169 equivalent to 1,275,633 Consolidated Shares after Share Consolidation became effective	–	54,087,144 equivalent to 10,817,428 Consolidated Shares after Share Consolidation became effective						

Notes:

(1) The fair value was determined using the binomial lattice model. The measurement date is the date on which the share options were granted.

(2) The vesting of above options is not subject to any performance targets.

Save as disclosed above, none of the grantees for options granted and to be granted under the Share Option Scheme during the Reporting Period (i) are the Directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) are awarded with options granted and to be granted in excess of the 1% individual limit; and (iii) are related entity participants or service providers with options granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue. No options were granted or to be granted to any related entity participants, service providers or other employees during the Reporting Period.

Share Award Scheme

The Share Award Scheme was adopted by the Company on March 30, 2021 and amended on August 29, 2023. Currently, as no new Shares will be issued under the Share Award Scheme, the Share Award Scheme will constitute a share scheme that is funded by existing Shares as referred to under Rule 17.01(1)(b) of the Listing Rules and shall be subject to the applicable requirements under Rule 17.12 of the Listing Rules. A summary of the principal terms of the Share Award Scheme is set out below:

(a) Purpose

The purpose of the Share Award Scheme is to recognize certain directors, employees, consultants and advisors of the Group in order to incentivize them to retain with the Group, and to motivate them to strive for the future development and expansion of the Group.

(b) Eligible Participants

The directors, employees, consultants and advisors of the Group.

(c) Total Number of Shares Available for Issue under the Share Award Scheme

The Board shall not make any further award of award Shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time (i.e. 127,331,143 Consolidated Shares as of the Latest Practicable Date). The Company revised the scheme rules of the Share Award Scheme on August 29, 2023, after which the Share Award Scheme constitutes a share scheme that is funded only by existing Shares and no Shares are available for issue under the Share Award Scheme as of the Latest Practicable Date.

(d) Maximum Entitlement of Each Participant

The maximum number of Shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time, save and except with the approval from the Shareholders.

(e) Remaining Life of the Share Award Scheme

Unless terminated earlier by the Board in accordance with the rules of the Share Award Scheme, the Share Award Scheme is valid and effective for a term of 10 years commencing on the adoption date (i.e. March 30, 2021).

The Share Award Scheme shall terminate on the earlier of (i) the 10th anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant. Upon termination, all award Shares and the related income shall become vested on the selected participant so referable on such date of termination. Net sale proceeds (after making appropriate deductions) of the returned Shares and such non-cash income together with the residual cash and such other funds remaining in the trust shall be remitted to the Company forthwith after the sale.

Subject to the early termination, the remaining life of the Share Award Scheme is approximately five years and 11 months as of the Latest Practicable Date.

(f) Vesting and Lapse

When the selected participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the trustee shall transfer the relevant award Shares to the selected participant(s) or his/her nominee(s).

An award lapses when, (i) the relevant selected participant ceases to be an employee of the Group, or (ii) the subsidiary of the Company by which a selected participant is employed ceases to be a subsidiary of the Company (or of a member of the Group), or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), the award shall automatically lapse forthwith and the award Shares shall not vest on the relevant vesting date but shall become returned Shares for the purposes of the Share Award Scheme.

(g) Subscription Price and Consideration of the Award Shares

The price at which each award Share may be subscribed for shall be a price solely determined by the Remuneration Committee.

Prior to the year 2025, the Company had granted 5,671,054 share awards (equivalent to 1,134,210 Consolidated Shares after Share Consolidation became effective) pursuant to the Share Award Scheme to then Directors and senior management of the Group, details of which are set out below:

Name	Position	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2024	Granted awards under the Share Award Scheme	Vested awards under the Share Award Scheme	Lapsed awards under the Share Award Scheme	Cancelled awards under the Share Award Scheme	Subscription Price	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2025	Date of grant	Vesting date	Closing price of the Shares immediately before the date of grant	Weighted average closing price of the Shares immediately before the vesting date	Fair value of awards under the Share Award Scheme at the date of grant[1] (USD'000)
Directors and chief executive of our Company													
Mr. Chen Guoming	Non-executive Director and Chairman of our Board	–	332,654	332,654	–	–	HK$2.63	–	March 30,2022	March 30,2022	HK$2.54	HK$2.54	105
		–	410,300	410,300	–	–	HK$2.534	–	March 30,2023	March 30,2023	HK$2.57	HK$2.57	124
Mr. Zhao Liang	Executive Director (resigned with effect from December 15, 2025) and First Vice President	–	117,039	117,039	–	–	HK$2.63	–	March 30,2022	March 30,2022	HK$2.54	HK$2.54	37
		–	355,146	355,146	–	–	HK$2.534	–	March 30,2023	March 30,2023	HK$2.57	HK$2.57	107
		–	938,008	938,008	–	–	HK$0.90	–	April 8, 2024	April 8, 2024	HK$0.90	HK$0.90	108
Ms. Yan Luying	Executive Director (resigned with effect from December 15, 2025) and Vice President	–	318,924	318,924	–	–	HK$2.63	–	March 30,2022	March 30,2022	HK$2.54	HK$2.54	101
		–	257,213	257,213	–	–	HK$2.534	–	March 30,2023	March 30,2023	HK$2.57	HK$2.57	78
		–	436,214	436,214	–	–	HK$0.90	–	April 8, 2024	April 8, 2024	HK$0.90	HK$0.90	50
Subtotal		–	3,165,498	3,165,498	–	–							710
Other grantees in aggregate		–	228,620	228,620	–	–	HK$2.63	–	March 30,2022	March 30,2022	HK$2.54	HK$2.54	72
		–	6,344	6,344	–	–	HK$2.62	–	January 19, 2022	April 30, 2022	HK$3.65	HK$2.77	3
		–	7,034	7,034	–	–	HK$3.27	–	February 15, 2022	April 30, 2022	HK$3.21	HK$2.77	3
		–	11,067	11,067	–	–	HK$2.08	–	March 15, 2022	April 30, 2022	HK$2.17	HK$2.77	5
		–	8,742	8,742	–	–	HK$2.64	–	April 19, 2022	April 30, 2022	HK$2.78	HK$2.77	4
		–	363,564	363,564	–	–	HK$2.534	–	March 30,2023	March 30,2023	HK$2.57	HK$2.57	110
		–	1,880,185	1,880,185	–	–	HK$0.90	–	April 8, 2024	April 8, 2024	HK$0.90	HK$0.90	215
Subtotal		–	2,505,556	2,505,556	–	–							412
Total		–	5,671,054	5,671,054	–	–							1,122

Note:

(1) The fair value of the awarded Shares was calculated based on market prices of the Company's Shares as at the respective grant dates.

During the Reporting Period, the Company had granted 3,626,804 share awards (equivalent to 725,360 Consolidated Shares after Share Consolidation became effective) pursuant to the Share Award Scheme to Directors and senior management of the Group, representing 0.06% of the issued share capital of the Company, details of which are set out below:

Name	Position	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2024	Granted awards under the Share Award Scheme during the Reporting Period	Vested awards under the Share Award Scheme during the Reporting Period	Lapsed awards under the Share Award Scheme during the Reporting Period	Cancelled awards under the Share Award Scheme during the Reporting Period	Subscription Price	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2025	Date of grant	Vesting date	Closing price of the Shares immediately before the date of grant	Weighted average closing price of the Shares immediately before the vesting date	Fair value of awards under the Share Award Scheme at the date of grant[1] (USD'000)
Directors and chief executive of our Company													
Mr. Zhao Liang	Executive Director (resigned with effect from December 15, 2025) and First Vice President	–	397,302 equivalent to 79,460 Consolidated Shares after Share Consolidation became effective	397,302 equivalent to 79,460 Consolidated Shares after Share Consolidation became effective	–	–	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	–	April 8,2025	April 8,2025	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	39
Ms. Yan Luying	Executive Director (resigned with effect from December 15, 2025) and Vice President	–	794,605 equivalent to 158,921 Consolidated Shares after Share Consolidation became effective	794,605 equivalent to 158,921 Consolidated Shares after Share Consolidation became effective	–	–	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	–	April 8,2025	April 8,2025	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	79
Subtotal		–	1,191,907 equivalent to 238,381 Consolidated Shares after Share Consolidation became effective	1,191,907 equivalent to 238,381 Consolidated Shares after Share Consolidation became effective	–	–		–					118

Name	Position	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2024	Granted awards under the Share Award Scheme during the Reporting Period	Vested awards under the Share Award Scheme during the Reporting Period	Lapsed awards under the Share Award Scheme during the Reporting Period	Cancelled awards under the Share Award Scheme during the Reporting Period	Subscription Price	Number of Shares underlying the unvested share awards under the Share Award Scheme as of December 31, 2025	Date of grant	Vesting date	Closing price of the Shares immediately before the date of grant	Weighted average closing price of the Shares immediately before the vesting date	Fair value of awards under the Share Award Scheme at the date of grant[1] (USD'000)
Five highest paid individual during the Reporting Period [3]		–	556,223 equivalent to 111,244 Consolidated Shares after Share Consolidation became effective	556,223 equivalent to 111,244 Consolidated Shares after Share Consolidation became effective			HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	–	April 8, 2025	April 8, 2025	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	55
Other grantees in aggregate (excluding five highest paid individuals during the Reporting Period)		–	1,878,674 equivalent to 375,734 Consolidated Shares after Share Consolidation became effective	1,878,674 equivalent to 375,734 Consolidated Shares after Share Consolidation became effective			HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective		April 8, 2025	April 8, 2025	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	HK$0.76 equivalent to HK$3.8 after Share Consolidation became effective	185
Total			3,626,804 equivalent to 725,360 Consolidated Shares after Share Consolidation became effective	3,626,804 equivalent to 725,360 Consolidated Shares after Share Consolidation became effective									358

Notes:

(1) The fair value of the Awarded Shares was calculated based on market prices of the Company's shares as at the respective grant dates.

(2) The vesting of above awards is not subject to any performance targets.

(3) During the Reporting Period, three of the five highest paid individuals of the Company were granted awards under Share Award Scheme including Mr. Zhao Liang and Ms. Yan Luying. Details of the awards granted to Mr. Zhao Liang and Ms. Yan Luying have been separately set out, and accordingly, such awards are not repeated herein.

Save as disclosed above, none of the grantees for awards granted and to be granted under the Share Award Scheme during the Reporting Period (i) are the Directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) are awarded with awards granted and to be granted in excess of the 1% individual limit; and (iii) are related entity participants or service providers with awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue. No awards were granted or to be granted to any related entity participants, service providers or other employees during the Reporting Period.

CRM LTI Plan

The CRM LTI Plan was adopted by MicroPort CRM on June 30, 2020. Currently, as no new Shares will be issued under the CRM LTI Plan, the CRM LTI Plan will constitute a share scheme that is funded by existing Shares as referred to under Rule 17.01(1)(b) of the Listing Rules and shall be subject to the applicable requirements under Rule 17.12 of the Listing Rules. A summary of the principal terms of the CRM LTI Plan is set out below:

(a) Purpose

The purpose of the CRM LTI Plan is to recognize the contribution of certain eligible participants and to provide incentives to retain and attract suitable personnel for the continual operation and development of MicroPort CRM.

(b) Eligible Participants

Directors, officers, employees and consultants of MicroPort® or any of its subsidiaries, and prospective directors, officers and employees and consultants who have accepted offers of employment, appointment, directorship or engagement from MicroPort® or any of its subsidiaries; or business associates (any employee or consultant of any distributor, contractor, contract manufacturer, agent, customer, business partner, joint venture business partner, service provider of MicroPort® or any of its subsidiaries) who the Board considers, in its sole discretion, have contributed or will contribute to MicroPort® or any of its subsidiaries.

(c) Total Number of Shares Available for Issue under the CRM LTI Plan

The maximum aggregate number of Shares which may be distributed to Participants pursuant to all awards is equivalent to 333,167,904 Existing Shares (equivalent to 66,633,580 Consolidated Share awards after Share Consolidation became effective).

(d) Maximum Entitlement of Each Participant

There is no specific maximum entitlement applicable to any selected participant under the CRM LTI Plan.

(e) Remaining Life of the CRM LTI Plan

The CRM LTI Plan has no specific term or fixed duration and shall remain valid and effective.

(f) Grant of Awards

Each award granted to any participant shall entitle such participant to receive one share, subject to the terms and conditions stated herein and in the notice of grant.

(g) Vesting

The vesting of each Award is subject to the achievement of the relevant performance condition and the satisfaction of the relevant continued presence condition as set out in the CRM LTI Plan.

Performance Condition

The number of vested award shares which a participant will become entitled to receive under the awards will depend on the level of achievement of the relevant performance conditions as stated in the notice of grant.

The number of vested award shares which a participant will be become entitled to receive under the awards, based on the achievement of the relevant performance condition, will be rounded down to the whole number of shares closest to the number of vested award shares in the event that the application of the relevant performance condition should result in a number of vested award shares that is not whole.

The number of vested award shares, calculated by the board of MicroPort CRM based upon achievement of the relevant performance condition, and subject to satisfaction of the continued presence condition, will be communicated individually to each participant.

(h) Ungranted Awards

Upon the completion of MicroPort CRM Acquisition, the CRM LTI Plan converted into a share incentive scheme of the Group and since the completion of MicroPort CRM Acquisition to December 31, 2025, no further awards were granted pursuant to the CRM LTI Plan. No awards remain outstanding under the CRM LTI Plan as of the completion of MicroPort CRM Acquisition and December 31, 2025, respectively. The awards vested prior to the MicroPort CRM Acquisition was converted into the corresponding Existing Shares upon the completion of MicroPort CRM Acquisition. As of December 31, 2025, 138,620,372 Existing Share awards (equivalent to 27,724,074 Consolidated Share awards after Share Consolidation became effective) are available for grant under the CRM LTI Plan, all of which have been issued to the trustee established for holding such ungranted awards upon the completion of MicroPort CRM Acquisition.

The number of Shares that may be issued in respect of options and awards granted under all share incentive schemes of the Company during the Reporting Period divided by weighted average number of Shares in issue for the Reporting Period is 1.26%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board. The Directors and the senior management personnel are eligible participants of the Share Incentive Schemes.

The Company has adopted the Share Scheme, the Share Award Scheme and the Share Option Scheme (terminated on June 27, 2023) to provide incentives for certain employees. Please refer to the section headed "Share Incentive Schemes" in this annual report for further details.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in note 7 and note 8 to the consolidated financial statements, respectively.

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

CONNECTED TRANSACTIONS

Among the related party transactions disclosed in note 28 to the consolidated financial statements, the following transactions constitute connected transactions for the Company under Rule 14A.31 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. The Company confirmed that the related party transactions do not fall under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules. The Company further confirmed that it complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. The following transactions constitute the connected transaction or continuing connected transactions (each defined in the Listing Rules) for the Company and are required to be disclosed in this annual report in accordance with Chapter 14A of the Listing Rules.

The Connected Relationships

The relevant parties to the below connected transaction and continuing connected transaction with the Group and a description of their connected relationships with the Group as of the Latest Practicable Date are as follows:

Connected Person	Connected Relationship
MicroPort®	one of our Controlling Shareholders
MicroPort Sinica	a subsidiary of MicroPort®
Medical Product Innovation	a subsidiary of MicroPort®
Shanghai MicroPort Medical	a subsidiary of MicroPort®
Kewei Medical	a subsidiary of MicroPort®
MP CardioAdvent	a connected subsidiary of our Company prior to the MP CardioAdvent Acquisition

Connected Transactions and Continuing Connected Transactions

MP CardioAdvent Equity Transfer Agreement

On May 30, 2025, MicroPort Sinica and Shanghai Zuoqing (collectively as the sellers), MP CardioFlow (as the purchaser) and MP CardioAdvent entered into the MP CardioAdvent Equity Transfer Agreement, pursuant to which MP CardioFlow conditionally agreed to acquire, and MicroPort Sinica and Shanghai Zuoqing conditionally agreed to sell, approximately 35.27% and 13.73% equity interest in MP CardioAdvent, respectively, at a total consideration of RMB170,863,000, which was reached after arms' length negotiation among parties after taking into consideration of a number of factors, including but not limited to the valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer engaged for the MP CardioAdvent Acquisition to determine the fair value of MP CardioAdvent, the business prospect of MP CardioAdvent, and the reasons for and benefits of entering into the MP CardioAdvent Equity Transfer Agreement. Upon completion of MP CardioAdvent Acquisition, MP CardioFlow held 100% equity interest in MP CardioAdvent and MP CardioAdvent became a wholly-owned subsidiary of the Company.

As part of our Company's strategic initiative to deliver state-of-the-art total solutions for structural heart diseases, our Group acquired 51% equity interest in MP CardioAdvent in early 2024 (the "**Previous Acquisition**"). For further details of the Previous Acquisition, please refer to the Company's announcement dated January 1, 2024. MP CardioAdvent is a company focusing on medical devices in the field of LAA and primarily included two self-developed product candidates, AnchorMan® LAAC System and the AnchorMan® LAAA System which have been commercialized, and certain next generation LAAC and LAAA products are during the R&D process. Considering the AnchorMan® LAAC System and the AnchorMan® LAAA System have already been recognized by the market and have showed their highly competitiveness potentials, the Company believes that, acquiring the remaining 49% equity interest in MP CardioAdvent is a strategic move that aligns with the Group's commitment to innovation in the healthcare sector and positions the Company for future success in the treatment of structural heart diseases, ensuring that the Group could fully capture the commercialization benefits of AnchorMan® LAAC System and the AnchorMan® LAAA System, thus maximizing our profitability and Shareholders' value.

The Directors (including the independent non-executive Directors) are of the view that although the Acquisition is not conducted in the ordinary and usual course of business of the Company, the terms of the MP CardioAdvent Equity Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Please refer to the announcements of the Company dated May 30, 2025 and June 27, 2025 and the circular of the Company dated June 5, 2025, for further details.

MicroPort CRM Merger Agreement

On September 29, 2025, the Company, the Merger Sub and MicroPort CRM entered into the MicroPort CRM Merger Agreement, pursuant to which the Company agreed to acquire MicroPort CRM by way of merger, whereby the Merger Sub and MicroPort CRM merged and continued as one company. Following the merger, the separate corporate existence of Merger Sub ceased, with MicroPort CRM becoming the surviving corporation and subsisting under its existing name as a direct, wholly-owned subsidiary of MP CardioFlow BVI, which in turn remains a direct, wholly-owned subsidiary of the Company, and in consideration thereof, the Company has allotted and issued 3,953,847,407 new ordinary shares of the Company to the relevant shareholder of MicroPort CRM. Upon completion, members of MicroPort CRM Group became indirect subsidiaries of the Company.

The pre-transaction equity value of MicroPort CRM is US$680 million, which was determined after arm's length negotiations between the Company and MicroPort CRM with reference to the valuation conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. The MicroPort CRM Group is principally engaged in the CRM business focusing on solutions for the management of cardiac rhythm disorders. It offers devices that monitor patient cardiac information in order to (1) identify abnormal heart conditions such as bradycardia and tachy-arrhythmia; and (2) apply electrical pulses and shocks to prevent or treat such abnormal conditions or provide cardiac resynchronization therapy.

The Directors (including the independent non-executive Directors) are of the view that, the terms of the MicroPort CRM Merger Agreement are fair and reasonable, and the transaction contemplated thereunder is in line with the strategic development of the Group's business which will help the Group to build up a heart disease product platform with global presence offering diversified products and product pipelines and to achieve complementary synergies. Such synergies created by the transaction contemplated will amplify and diversify the existing business of the Group, specifically enhancing the Group's products and pipelines in structural heart disease and CRM solutions, along with R&D capabilities, manufacturing capabilities, distribution channels, and market expansion.

Please refer to the announcements of the Company dated July 16, 2025, September 29, 2025, December 15, 2025 and December 19, 2025, and the circular dated November 24, 2025, for further details.

Catering Services Framework Agreement

MP CardioFlow and MicroPort Sinica entered into the Catering Services Framework Agreement on January 17, 2023, which sets out the principal terms for the provision of catering services and beverages by the MicroPort Sinica Group and/or any third party engaged by the MicroPort Sinica Group at its staff canteens and other internal dining areas to the employees and guests of the Group such as (i) provision of breakfast, lunch, dinner and beverages; and (ii) provision of catering services for conferences, banquets and business meals.

The Catering Services Framework Agreement has an initial term commencing from January 17, 2023 to December 31, 2025 (both dates inclusive).

The entering into of the Catering Services Framework Agreement allows the Group to provide subsidized quality food and beverage services for its employees as part of their benefit package and to ensure quality food to be offered to the guests of the Group during its business functions. The Directors (including the independent non-executive Directors) are of the view that the terms of the Catering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The annual caps for the transactions under the Catering Services Framework Agreement for the years ended December 31, 2023, 2024 and 2025 are RMB3,000,000, RMB3,500,000 and RMB4,000,000, respectively. The aggregate transaction amount incurred in accordance with the Catering Services Framework Agreement for the year ended December 31, 2025 was RMB1,787,116.

Please refer to the announcement of the Company dated January 17, 2023 for details.

Property Management Services Framework Agreement

MP CardioFlow and MicroPort Sinica entered into the Property Management Services Framework Agreement on January 17, 2023, which sets out the principal terms for the provision of property management services for the production facilities and offices of the Group including but not limited to (i) common areas management and maintenance services; (ii) public facilities management and maintenance services (excluding settlement of utility fees in these common areas such as (i) water; (ii) electricity; and (iii) industrial gas); and (iii) purification plant equipment and facilities maintenance and repair services.

The Property Management Services Framework Agreement has an initial term commencing from January 17, 2023 to December 31, 2025 (both dates inclusive).

The Group requires property management services for its premises. The entering into of the Property Management Services Framework Agreement can ensure a safe working environment for the employees of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Property Management Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The annual caps for the transactions under the Property Management Services Framework Agreement for the years ended December 31, 2023, 2024 and 2025 are RMB4,000,000, RMB4,000,000 and RMB4,000,000, respectively. The aggregate transaction amount incurred in accordance with the Property Management Services Framework Agreement for the year ended December 31, 2025 was RMB1,995,787.

Please refer to the announcement of the Company dated January 17, 2023 for details.

2023 Master Raw Materials Procurement Agreement (Renewal of Master Raw Materials Procurement Agreement)

To continue the transactions under the Master Raw Materials Procurement Agreement after December 31, 2023, the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of the Retained MicroPort® Group and its joint ventures and associates) entered into the 2023 Master Raw Materials Procurement Agreement on December 6, 2023, pursuant to which, the Company will procure raw materials (the "**Raw Materials**") from the Retained MicroPort® Group and its joint ventures and associates.

The 2023 Master Raw Materials Procurement Agreement has an initial term commencing from January 1, 2024 and end on December 31, 2026 (both dates inclusive) after approval by the independent Shareholder at the extraordinary general meetings of the Company dated December 29, 2023. Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and requirements of securities regulatory authorities, the 2023 Master Raw Materials Procurement Framework Agreement may be renewed for a further term of no longer than three years from time to time. Upon renewal, the parties may amend the terms of such agreement based on the then prevailing circumstances.

We plan to procure the Raw Materials from the Retained MicroPort® Group and its joint ventures and associates as the prices are more favorable as compared to other third-party suppliers. The production of the Raw Materials requires specialized production line, facilities and personnel. The Retained MicroPort® Group and its joint ventures and associates currently have such production capacity and offer to provide customization of such products for Independent Third Parties, while we do not have or plan to build up such production capacity. Thus, it is commercially sensible to procure the Raw Materials from the Retained MicroPort® Group and its joint ventures and associates or Independent Third Parties instead of building up our own production capacity. The Raw Materials produced by Retained MicroPort® Group and its joint ventures and associates with high quality, stable and quick delivery in reasonable prices could satisfy and ensure the efficient commercialized production of our products and further product candidates.

The annual caps for the transactions under the 2023 Master Raw Materials Procurement Agreement for the years ended December 31, 2024, 2025 and 2026 are RMB37,000,000, RMB45,000,000 and RMB67,000,000, respectively. The aggregate transaction amount incurred in accordance with the 2023 Master Raw Material Procurement Agreement for the year ended December 31, 2025 was RMB64,477.

Please refer to the announcement and circular of the Company dated December 6, 2023 and December 12, 2023 respectively, for details.

2023 Promotion and Patient Health Management Service Procurement Framework Agreement

To continue the transactions under the 2022 Service Procurement Framework Agreement after December 31, 2023, the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group) entered into the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement on December 6, 2023, pursuant to which the Group will procure promotion and health management services from the Retained MicroPort® Group.

The 2023 Promotion and Patient Health Management Service Procurement Framework Agreement has an initial term commencing from January 1, 2024 and end on December 31, 2026 (both dates inclusive) after approval by the independent Shareholder at the extraordinary general meetings of the Company dated December 29, 2023. Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and requirements of securities regulatory authorities, the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement may be renewed for a further term of no longer than three years from time to time. Upon renewal, the parties may amend the terms of such agreement based on the then prevailing circumstances. The medical device industry which the Group operates in is intensely competitive and rapidly changing. The Company faces competition with major international medical device companies as well as domestic medical device companies which are developing heart valve disease solutions. In order to gain a higher market share in China and overseas TAVI markets, it is important for the Company to further strengthen the commercialization capabilities of the Company by, among others, leveraging the promotion services provided by external suppliers. Therefore, the services provided by the Retained MicroPort® Group under the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement are essential to the commercialization process and can be a supplement to the in-house sales and marketing team of the Group.

The Company is a biotechnology medical device company. Therefore, the promotion of its products and the management of the eligible patients of the Group's products require sophisticated experience and knowledge that are better handled by service providers with such capabilities. The Retained MicroPort® Group has a proven record of successfully commercializing medical devices and has a well-established and experienced sales and marketing team familiar with the Group's products with not only a broad coverage of the Group's target departments of domestic hospitals but also global outreach. Further, the Retained MicroPort® Group has been very familiar with the Group's requirements and has been providing us with various satisfying services in a timely and cost-efficient manner. Therefore, it is believed that engaging the Retained MicroPort® Group to provide the promotion services will be beneficial for the Company to boost brand awareness, enhance the Group's influence, grasp market dynamics and increase the penetration rate of the Group's products. In addition, in line with the Group's globalization strategy, with the support from the overseas sales and marketing team of the Retained MicroPort® Group, the Company will further advance its global commercialization process which will enable the Company to expeditiously establish an advantageous position in market share in the relevant overseas markets.

The annual caps for the transactions under the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement for the years ended December 31, 2024, 2025 and 2026 are RMB53,000,000, RMB54,000,000 and RMB55,000,000, respectively. The aggregate transaction amount incurred in accordance with the 2023 Promotion and Patient Health Management Service Procurement Framework Agreement for the year ended December 31, 2025 was RMB11,245,283.

Please refer to the announcement and circular of the Company dated December 6, 2023 and December 12, 2023 respectively, for details.

2023 Master Service Procurement Agreement and the Revision of Annual Cap

To continue the transactions under the Master Service Procurement Agreement after December 31, 2023, the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of the Retained MicroPort® Group and its joint ventures and associates) entered into the 2023 Master Service Procurement Agreement on December 6, 2023, pursuant to which the Group will procure sterilization services, product testing services, numerical simulation services, animal test services and administrative support services from the Retained MicroPort® Group.

The 2023 Master Service Procurement Agreement will commence from January 1, 2024 and end on December 31, 2026 (both days inclusive). Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and requirements of securities regulatory authorities, the 2023 Master Service Procurement Agreement may be renewed for a further term of no longer than three years from time to time. Upon renewal, the parties may amend the terms of such agreement based on the then prevailing circumstances.

As we are a biotechnology medical device company, the services provided by the Retained MicroPort® Group and its joint ventures and associates are essential to our development and manufacturing process and such services require sophisticated technologies and knowledge that are better handled by service providers with such capabilities. The Retained MicroPort® Group has been providing for our Group the sterilization services, product testing services, numerical simulation services, animal test services and administrative support services of good quality at reasonable fee rate previously. Due to the geographical proximity and long-term and stable cooperation relationship between the Retained MicroPort® Group and us, we believe the Retained MicroPort® Group and its joint ventures and associates will provide such services to us in a timely and cost-efficient manner. Thus, we are of the view that continuous procurement of the services from the Retained MicroPort® Group and its joint ventures and associates are in the interest of our Company and our Shareholders as a whole and will be beneficial to our Group.

The existing annual caps for the transactions under the 2023 Master Service Procurement Agreement for the years ended December 31, 2024, 2025 and 2026 are RMB8,000,000, RMB8,000,000 and RMB8,000,000, respectively.

On September 30, 2024, the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of the Retained MicroPort® Group and its joint ventures and associates) entered into the supplemental agreement to increase the existing annual cap for the 2023 Master Service Procurement Agreement (the "**Supplemental Agreement**"). Save for the revision of the annual cap, other principal terms of the 2023 Master Service Procurement Agreement shall remain unchanged.

The revision of the annual cap under the 2023 Master Service Procurement Agreement is mainly due to the development strategy of the Company and the MP CardioAdvent Acquisition, it is reasonably expected that the service procurement demand such as sterilization services, product testing services, numerical simulation services, animal test services and administrative support services of the Group will increase significantly. As we are a biotechnology medical device company, the enlarged services provided by the Retained MicroPort® Group and its joint ventures and associates are essential to our development and manufacturing process and such services require sophisticated technologies and knowledge that are better handled by service providers with such capabilities. The Retained MicroPort® Group has been providing for our Group the sterilization services, product testing services, numerical simulation services, animal test services and administrative support services of good quality at reasonable fee rate previously and thus is more familiar with our specific requirements and expectations. Due to the geographical proximity and long-term and stable cooperation relationship between the Retained MicroPort® Group and us, we believe the Retained MicroPort® Group and its joint ventures and associates will provide such high-quality services with an increased demand to us consistently in a timely and cost-efficient manner. Thus, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement (including the Revised Annual Cap) and transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The revised annual caps for the transactions under the Supplemental Agreement for the years ended December 31, 2024, 2025 and 2026 are RMB16,000,000, RMB16,000,000 and RMB16,000,000, respectively. The aggregate transaction amount incurred in accordance with the 2023 Master Service Procurement Agreement for the year ended December 31, 2025 was RMB10,376,003.

Please refer to the announcements of the Company dated December 6, 2023 and September 30, 2024 for details.

2023 Distribution Framework Agreement

On December 6, 2023, the Company (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group) entered into the 2023 Distribution Framework Agreement, pursuant to which the Company agreed to grant a non-exclusive right to the Retained MicroPort® Group to market and distribute the Group's distribution products (the "**Distribution Products**") in the target markets set out in the 2023 Distribution Framework Agreement (the "**Target Markets**").

The 2023 Distribution Framework Agreement has an initial term commencing from January 1, 2024 and end on December 31, 2026 (both dates inclusive) after approval by the independent Shareholder at the extraordinary general meetings of the Company dated December 29, 2023. Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and requirements of securities regulatory authorities, the 2023 Distribution Framework Agreement may be renewed for a further term of no longer than three years from time to time. Upon renewal, the parties may amend the terms of such agreement based on the then prevailing circumstances.

The medical device industry in which the Group operates is intensely competitive and rapidly changing. The Company faces competition with major international medical device companies as well as domestic medical device companies which are developing heart valve disease solutions. In line with the medical device industry norm, we adopt a distributorship model and we do not sell our products directly to hospitals. In order to gain access to or even a higher market share in TAVI market in the Target Markets, it is important for the Company to further strengthen the commercialization capabilities of the Company by, among others, leveraging the global distribution channels provided by external suppliers. The Retained MicroPort® Group has a proven record of successfully commercializing medical devices globally and has a well-established and experienced global sales and marketing team familiar with the Group's Distribution Products with global outreach. Benefiting from the synergy between our Distribution Products and the comprehensive products focusing on the treatment of heart-related diseases offered by the Retained MicroPort® Group, as well as the Retained MicroPort® Group's stable business relationships with eligible hospitals in the Target Markets, the Company will be able to facilitate the admission and penetration into such hospitals in the Target Markets. In addition, after years of cooperation with us, MicroPort® Group has developed an adequate understanding of our product portfolio and business operations. Through such arrangements under the 2023 Distribution Framework Agreement, the Group will be able to leverage MicroPort® Group's global distribution network to get access to a wide range of customers in the Target Markets. It is believed that engaging the Retained MicroPort® Group as distributor will be beneficial for the Company to boost brand awareness, enhance the Group's influence, grasp market dynamics and increase the penetration rate of the Group's Distribution Products. It will also help the Group to effectively control the transaction risk and communication costs during the sales process and is beneficial to the business development of the Group.

The Group will ascertain a final price (the "**Final Price**") to be charged by the Group in each purchase order based on the pricing policy under the 2023 Distribution Framework Agreement after considering the quantity of the order, the delivery schedule, the purpose for usage and the cost of transportation.

While the annual caps under the 2023 Distribution Framework Agreement are not presented in monetary form, given that (i) the Final Price shall be consistent with the pricing policy for the same Distribution Products that Group offers to independent third-party distributors and will be determined primarily based on the prevailing market price of similar products; (ii) the Company will adopt the price determination and review mechanism and the relevant internal control procedures as described in the section headed "Internal Control Policies" below which will effectively ensure the Final Price is fair and reasonable; (iii) the nature of the transactions under the 2023 Distribution Framework Agreement and the formula calculating the transaction amounts thereunder are clear and do not involve complex calculations or excessive management discretion; and (iv) the sufficient disclosure in relevant announcement and in the annual report which has already included or will include the key terms of the transactions to be contemplated under the 2023 Distribution Framework Agreement, the details of the 2023 Distribution Products and Target Markets, as well as the annual transaction amounts charged by us under the 2023 Distribution Framework Agreement, the Board considers that the current proposed annual caps in formular form (i) could provide the Shareholders and potential investors with all necessary information about the fees to be received from the Retained MicroPort® Group; and (ii) enable the Shareholders and potential investors to make a properly informed assessment of the subject transactions and/or hence an informed voting decision.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 14A.53(1) of the Listing Rules to express annual caps for the 2023 Distribution Framework Agreement in terms of monetary value. For further details, please refer to the announcement dated December 6, 2023. As of the conditions under the waiver, the transactions contemplated under the 2023 Distribution Framework Agreement are subject to, among others, the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The transaction amount the Group shall charge the Retained MicroPort® Group pursuant to the 2023 Distribution Framework Agreement will be determined by the following formula:

The transaction amount	**=**	**The sum of (The number of units of each Distribution Product ordered by the Retained MicroPort® Group in each Target Market**	**×**	**The Final Price of the relevant Distribution Product, which is determined primarily by the formula below:** ***The Final Price = The retail price of the Distribution Product in the relevant Target Market[1] – Distributor's gross profit[2]***

Notes:

(1) The retail price of our Distribution Product is determined based on the retail price of competing products in the Target Market and our production, shipping and insurance cost for the relevant Distribution Product, with reference to the market position and sales strategy for the relevant Distribution Product. The retail price is subject to adjustments in accordance with the market conditions from time to time.

(2) The distributor's gross profit is determined through arm's length negotiations between our Group and the Retained MicroPort® Group primarily based on the prevailing gross profit rate for distributing similar products in the relevant Target Market, which is expected to be 30%–50% of the retail price.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 14A.53(1) of the Listing Rules to express annual caps for the 2023 Distribution Framework Agreement in terms of monetary value. As of the conditions under the waiver, the transactions contemplated under the 2023 Distribution Framework Agreement are subject to, among others, the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The aggregate transaction amount incurred in accordance with the 2023 Distribution Framework Agreement for the year ended December 31, 2025 was RMB46,466,495.

Please refer to the announcement and circular of the Company dated December 6, 2023 and December 12, 2023 respectively, for details.

2024 MP CardioAdvent Service Procurement Framework Agreement

On April 15, 2024, the Company (for itself and on behalf of its subsidiaries, joint ventures and associates, excluding MP CardioAdvent) entered into the 2024 MP CardioAdvent Service Procurement Framework Agreement with MP CardioAdvent for a period from the date of the 2024 MP CardioAdvent Service Procurement Framework Agreement to December 31, 2025 (both days inclusive), pursuant to which, MP CardioAdvent will procure certain supporting services for its R&D and commercialization activities, such as technical services, registration, clinical trials, quality control, supply chain and sales promotion, from the Company and its subsidiaries, joint ventures and associates, excluding MP CardioAdvent.

As the R&D activities of MP CardioAdvent and the commercialization of its products involve a significant volume of confidential and sensitive information, provision of the certain services within the Group will ensure such information is effectively safeguarded and well-protected. In addition, the internal provision of the certain services is expected to create synergistic effects and enhance collaborative efforts, allowing for more effective resource consolidation, improved cost management, and increased operational efficiency, which is expected to contribute to the overall performance enhancement of the Group. Moreover, compared to other third-party suppliers, the Company has a better understanding of MP CardioAdvent's products and product candidates and is more familiar with MP CardioAdvent's specific requirements and expectations. This intrinsic knowledge leads to reduced communication costs, the accumulation of specialized expertise in service provision, and consistently high-quality service delivery to MP CardioAdvent. The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 MP CardioAdvent Service Procurement Framework Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The annual caps for the transactions under the 2024 MP CardioAdvent Service Procurement Framework Agreement for the years ended December 31, 2024 and 2025 are RMB10,000,000 and RMB16,000,000, respectively. The aggregate transaction amount incurred in accordance with the 2024 MP CardioAdvent Service Procurement Framework Agreement for the year ended December 31, 2025 was nil.

Please refer to the announcement of the Company dated April 15, 2024 for details.

2024 Kewei Distribution Framework Agreement

On July 19, 2024 (after trading hours), MP CardioFlow and Kewei Medical entered into the 2024 Kewei Distribution Framework Agreement, pursuant to which, for a term commencing from July 19, 2024 to December 31, 2025 (both day inclusive), Kewei Medical agreed to grant an exclusive right to MP CardioFlow to distribute the certain self-owned products of Kewei Medical (the "**Kewei Distribution Products**") in China.

The 2024 Kewei Distribution Framework Agreement presents a strategic opportunity for the Company to venture into new and burgeoning markets within the structural heart disease field, recognized for their high growth potential. This expansion is in line with our strategic goal to diversify revenue streams and reinforce our commitment to pioneering comprehensive solutions for structural heart diseases. The agreement is expected to leverage synergies between the Company's existing products and Kewei Distribution Products, enhancing our market presence and enabling us to capture a larger share of the market. This strategic move not only boosts our competitiveness but also enhances our sustainability in the industry by aligning with our mission to provide accessible, advanced solutions for structural heart diseases globally. The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 Kewei Distribution Framework Agreement (including the proposed annual caps thereof) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of our Group and in the interests of the Company and its Shareholders as a whole.

The annual caps for the transactions under the 2024 Kewei Distribution Framework Agreement for the years ended December 31, 2024 and 2025 are RMB3,000,000 and RMB6,000,000, respectively. The aggregate transaction amount incurred in accordance with the 2024 Kewei Distribution Framework Agreement for the year ended December 31, 2025 was RMB234,000.

Please refer to the announcement of the Company dated July 19, 2024 for details.

Kewei Loan Agreement

On July 19, 2024 (after trading hours), MP CardioFlow and Kewei Medical entered into the Kewei Loan Agreement, pursuant to which, MP CardioFlow, as the lender, agreed to grant Kewei Medical, as the borrower, a loan facility in a principal amount of RMB10.0 million, at an interest rate equivalent to the one-year LPR on the date of the Kewei Loan Agreement within two years from the date of drawdown. The loan facility shall be secured by the pledge of security given by Kewei Medical under certain equipment and facilities of Kewei Medical with an aggregate net value of approximately RMB17.1 million in favour of MP CardioFlow.

The decision to enter into the Kewei Loan Agreement was driven by a strategic need for enhanced coordination and interaction between our Group and Kewei Medical. This arrangement is a cornerstone of our broader business strategy aimed at fostering deeper collaboration with Kewei Medical. Through the capital provided under the Kewei Loan Agreement, Kewei Medical will be able to allocate additional resources to optimize the operations and refinement of the Kewei Distribution Products. These products are not only complementary to our existing product pipeline but are also crucial in expanding our offerings in the market. Additionally, the Kewei Loan Agreement establishes a solid foundation for future collaborative ventures between our Group and Kewei Medical. The financial terms of the Kewei Loan Agreement were negotiated at arm's length, ensuring alignment with current market interest rates and best practices, affirming that the agreement supports our financial health and operational stability without introducing significant risks. The Directors (including the independent non-executive Directors) are of the view that the terms of the Kewei Loan Agreement (including the proposed annual caps thereof) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of our Group and in the interests of the Company and its Shareholders as a whole.

Please refer to the announcement of the Company dated July 19, 2024 for details.

BoCom Short-term Guarantee Agreement

On September 30, 2024, MP CardioAdvent and BoCom Shanghai Branch entered into the BoCom Short-term Facility Agreement, pursuant to which, BoCom Shanghai Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB5 million for a term of one year commencing from September 30, 2024. As the security for the due performance of the repayment obligations of MP CardioAdvent to BoCom Shanghai Branch under the BoCom Short-term Facility Agreement, MP CardioFlow has entered into the BoCom Short-term Guarantee Agreement in favour of BoCom Shanghai Branch on the same day, pursuant to which MP CardioFlow has agreed to provide a guarantee with an irrevocable joint and several liability in favor of BoCom Shanghai Branch for the due performance of the repayment obligations of the MP CardioAdvent under the BoCom Short-term Facility Agreement.

Please refer to the announcement of the Company dated September 30, 2024 for details.

BoCom Mid-term Guarantee Agreement

On September 30, 2024, MP CardioAdvent and BoCom Shanghai Branch entered into the BoCom Mid-term Facility Agreement, pursuant to which, BoCom Shanghai Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB5 million for a term of two years commencing from September 30, 2024. As the security for the due performance of the repayment obligations of MP CardioAdvent to BoCom Shanghai Branch under the BoCom Mid-term Facility Agreement, MP CardioFlow has entered into the BoCom Mid-term Guarantee Agreement in favour of BoCom Shanghai Branch on the same day, pursuant to which MP CardioFlow has agreed to provide a guarantee with an irrevocable joint and several liability in favor of BoCom Shanghai Branch for the due performance of the repayment obligations of the MP CardioAdvent under the BoCom Mid-term Facility Agreement.

Please refer to the announcement of the Company dated September 30, 2024 for details.

SHRCB Guarantee Agreement (together with BoCom Short-term Guarantee Agreement and BoCom Mid-term Guarantee Agreement collectively, the "Guarantee Agreements")

On September 30, 2024, MP CardioAdvent and SHRCB Zhangjiang Hi-Tech Branch entered into the SHRCB Facility Agreement, pursuant to which, SHRCB Zhangjiang HiTech Branch has agreed, subject to the terms and conditions contained therein, to grant MP CardioAdvent, the facility in an aggregate principal amount of up to RMB6 million for a term of one year commencing from September 30, 2024. As the security for the due performance of the repayment obligations of MP CardioAdvent to SHRCB Zhangjiang HiTech Branch under the SHRCB Facility Agreement, MP CardioFlow has entered into the SHRCB Guarantee Agreement in favour of SHRCB Zhangjiang Hi-Tech Branch on the same day, pursuant to which MP CardioFlow has agreed to provide a guarantee with an irrevocable joint and several liability in favor of SHRCB Zhangjiang Hi-Tech Branch for the due performance of the repayment obligations of the MP CardioAdvent under the SHRCB Facility Agreement.

The guarantees under the Guarantee Agreements are provided as security to enable MP CardioAdvent to secure funding for the continued development of its R&D activities and the commercialization of its products, which will further improve MP CardioAdvent's development and profitability and contribute to the overall strategy layout of the Group. After reviewing the latest management accounts and performing credit risk check and considering the repayment ability and financial conditions of MP CardioAdvent, the Company considers that the risk level with reference to the Guarantees is relatively low. As a high-tech medical device company focusing on LAA solutions, MP CardioAdvent's primary products include AnchorMan® LAA Access System, and AnchorMan® LAAC System. After securing the funding, MP CardioAdvent will utilize these resources to advance product iterations, marketing efforts, and promote commercialization processes, as well as to explore overseas markets and deepen its presence in the domestic market. By integrating MP CardioAdvent's offerings, the Company aims to penetrate high-growth market segments within the structural heart disease field. This strategy will diversify the Group's revenue streams and expand strategic initiatives, ultimately delivering state-of-the-art solutions for treating structural heart diseases and enhancing the Group's competitiveness. In view of the above and given the facility is provided by licensed banks in the PRC at arms' length and on normal commercial terms, and the terms of the Guarantee Agreements were negotiated at arms' length, the Directors (including the independent non-executive Directors) are of the view that the terms of the Guarantee Agreements and the Guarantees contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

Please refer to the announcement of the Company dated September 30, 2024 for details.

The above connected transaction and continuing connected transactions have followed the policies and guidelines under chapter 14A of the Listing Rules when determining the price and terms of the transactions conducted for the year ended December 31, 2025.

2025 Property Lease Agreement

On April 1, 2025 (after trading hours), MP CardioFlow entered into the 2025 Property Lease Agreement with Shanghai MicroPort Medical, pursuant to which MP CardioFlow agrees to lease the property located at Floor 1 and 2, Building 2, Area A at 501 Niudun Road, Zhangjiang Science City, Pudong New Area, Shanghai Province, the PRC (中國上海市浦東新區張江科學城牛頓路501號), with the total gross floor area of approximately 2,200 sq.m (the "**Lease Property**"), to Shanghai MicroPort Medical for the R&D and offices purposes for a term from April 1, 2025 to March 31, 2028 (both days inclusive). The rent of the property shall be RMB6.54/sq.m. per day from April 1, 2025 to March 31, 2028 (both days inclusive). Shanghai MicroPort Medical shall pay the rental to MP CardioFlow on a quarterly basis.

The annual caps for the transactions under the 2025 Property Lease Agreement for the years ended December 31, 2025, 2026, 2027 and March 31, 2028 are RMB4,000,000, RMB5,300,000, RMB5,300,000 and RMB1,400,000, respectively. The aggregate transaction amount incurred in accordance with the 2025 Property Lease Agreement for the year ended December 31, 2025 was RMB3,613,500.

Please refer to the announcement of the Company dated April 1, 2025 for details.

CONFIRMATION FROM THE AUDITORS AND DIRECTORS

The auditors have reviewed the above continuing connected transactions and provided the Board of directors with a confirmation in accordance with Rule 14A.56 of the Listing Rules that nothing has caused them to believe that the continuing connected transactions (i) had not been approved by the Board; (ii) were not in accordance with the Company's pricing policies; (iii) were not entered into in accordance with the agreement governing them; and (iv) had exceeded the annual cap.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have confirmed that the above continuing connected transactions: (i) have been entered into, and will be carried out, in the ordinary and usual course of business of our Group and on normal commercial terms or better to us and are fair and reasonable and are in the interests of our Company and our Shareholders as a whole and (ii) the terms and proposed annual caps (if applicable) are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

The Company confirms that, in respect of the continuing connected transactions disclosed above, the Group has during the Reporting Period followed the pricing policies and guidelines as set out in the relevant agreements when determining the price and terms of such transactions.

The Company has designated a team of senior management from business operation, legal, risk control and finance departments and Board and Securities Affairs department to monitor the continuing connected transactions and ensure that the continuing connected transactions with the above-mentioned connected persons are on arm's length basis and that the annual caps are not exceeded. Such team of senior management continuously traces and regularly monitors the progress of the continuing connected transactions and reports to management of the Company. They review the continuing connected transactions with the finance department to ensure that annual caps are not exceeded. They will also communicate with the Audit Committee, management and the Board, monthly or as needed, to report the progress of the continuing connected transactions, and request for approval of new changes of existing transaction terms. The heads of different departments of the Company will be informed on a periodic basis in relation to the terms and pricing policies of the continuing connected transactions as well. The Audit Committee has also assigned the independent internal audit team the task to ensure that the Company's internal control measures in respect of the continuing connected transactions remain effective and complete. With these measures, the independent non-executive Directors could therefore assess and give the confirmations in the preceding paragraph.

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

Save as aforesaid, none of the "Material Related Party Transactions" as disclosed in note 32 to the consolidated financial statements for the year ended December 31, 2025 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent of the above "Material Related Party Transactions" constituted 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 during the year ended December 31, 2025.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" and "Significant Investments, Material Acquisitions and Disposals" above, no contract of significance was entered into between the Company, or one of its subsidiary companies, and any of its Controlling Shareholders or subsidiaries for the year ended December 31, 2025.

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

Save for the 1,415,000 Shares of the Company purchased through the trustee of the Share Award Scheme at cash consideration of HK$0.97 million on the Stock Exchange for the Share Award Scheme, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of Treasury Shares) of the Company during the Reporting Period. As of December 31, 2025, the Company did not hold any Treasury Shares.

ISSUE OF SHARES FOR THE ACQUISITION OF MICROPORT CRM

Upon the passing of the ordinary resolution by the Shareholders on December 15, 2025 at the extraordinary general meeting, subject to and conditional upon the fulfilment or waiver of the conditions precedent set out in the MicroPort CRM Merger Agreement, the Directors have been granted a specific mandate to allot and issue a total of 3,953,847,407 new ordinary Existing Shares at the issue price of HK$1.35 each to the relevant shareholders of MicroPort CRM upon completion of the merger in accordance with the terms and conditions of the MicroPort CRM Merger Agreement.

For further details, please refer to the circular of the Company dated November 24, 2025 and the announcements of the Company dated September 29, 2025 and December 21, 2025, respectively.

MATERIAL LITIGATION

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

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's Shares were listed on the Stock Exchange on February 4, 2021. The net proceeds from the Global Offering amounted to approximately HK$2,717.2 million. On December 29, 2023, the Board has resolved to reallocate of unutilized net proceeds ("**Change of Use of Net Proceeds**"). For further details of the Change of Use of Net Proceeds, please refer to the Company's announcement dated January 1, 2024. The table below sets out the actual use of the net proceeds and the revised allocation of the unutilized net proceeds. As of December 31, 2025, our Company had used the net proceeds from the Global Offering for the following purposes:

	Amount of net proceeds for the relevant use HK$ million	Percentage of total net proceeds as disclosed in the Prospectus (before Change of Use of Net Proceeds)	Amount of proceeds unutilized as of December 15, 2023[1] HK$ million	Use of proceeds after reallocation HK$ million	Revised percentage of unutilized net proceeds	Amount of proceeds unutilized as of January 1, 2025 HK$ million	Utilized amount during the Reporting Period HK$ million	Actual amount of proceeds utilized as of December 31, 2025 HK$ million	Amount of proceeds unutilized as of December 31, 2025 HK$ million	Expected timeframe for unutilized net proceeds
VitaFlow Liberty®										
— the ongoing R&D activities, clinical trial and product registration of VitaFlow Liberty®	423.9	15.6%	250.2	50.2	3.52%	20.3	20.3	223.9	—	
— the ongoing sales and marketing activities of VitaFlow Liberty® in China and overseas	391.3	14.4%	154.9	104.9	7.36%	10.0	10.0	341.3	—	
Subtotal	**815.2**	**30.0%**	**405.1**	**155.1**	**10.89%**	**30.3**	**30.3**	**565.2**	**–**	
VitaFlow®	**92.4**	**3.4%**	**19.2**	**19.2**	**1.35%**	**–**	**–**	**–**	**–**	**–**
The remaining products										
— fund the research, preclinical, clinical trial and commercialization of VitaFlow® III, and VitaFlow® Balloon Expandable	190.2	7.0%	98.5	98.5	6.91%	66.4	14.9	138.7	51.5	2028
— the ongoing and planned R&D of our TMV product candidates	312.5	11.5%	202.8	202.8	14.24%	165.5	8.0	155.1	157.4	2028
— the ongoing and planned R&D of our TTVR product candidates, surgical valves and procedural accessories	163.0	6.0%	127.1	75.0	5.27%	65.3	8.0	53.6	57.3	2028
— fund the planned commercialization activities after receiving the relevant regulatory approvals	67.9	2.5%	67.9	—	—	—	—	—	—	—
Subtotal	**733.6**	**27.0%**	**496.3**	**376.3**	**26.42%**	**316.5**	**31.0**	**347.4**	**266.2**	
Fund the expansion of our product portfolio through collaboration with global enabler	**407.6**	**15.0%**	**53.2**	**523.2**	**36.73%**	**326.1**	**70.0**	**621.5**	**256.1**	**2028**
Expand our production capacity and strengthen our manufacturing capabilities for VitaFlow® and VitaFlow Liberty®	**396.7**	**14.6%**	**299.2**	**299.2**	**21.00%**	**252.2**	**36.5**	**181.0**	**215.7**	**2028**
Working capital and general corporate purposes	**271.7**	**10.0%**	**151.5**	**51.5**	**3.62%**	**17.5**	**17.5**	**171.7**	**–**	
Total	**2,717.2**	**100.0%**	**1,424.5**	**1,424.5**	**100.0%**	**923.2**	**185.2**	**1,979.2**	**738.0**	

Notes:

(1) December 15, 2023, being the latest available date for calculating the use of net proceeds from the Global Offering prior to the Change of Use of Net Proceeds.

(2) Before the Change of Use of Net Proceeds, the net proceeds from the Global Offering have been used in a manner consistent with the disclosure in the Prospectus. Since the Change of Use of Net Proceeds, the net proceeds from the Global Offering have been used in a manner consistent with the disclosure in the announcement of the Company dated January 1, 2024. As of the date of this annual report, saved as disclosed above, the Company does not anticipate any change to its plan on the use of proceeds. The Company expects that all the net proceeds from the Global Offering will be utilized in accordance with the intended uses disclosed in the announcement of the Company dated January 1, 2024 by the end of 2025. The expected timeline for utilizing the net proceeds from the Global Offering has been extended and is based on the best estimation of future market conditions made by the Company and subject to changes in accordance with our actual business operation.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the Latest Practicable Date, the Company has maintained the prescribed minimum percentage of public float under the Listing Rules, i.e., at least 25% of the total issued Shares of the Company.

AUDITOR

The consolidated financial statements of the Group have been audited by KPMG, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets during the Reporting Period.

COMPANY'S INVESTMENT POLICY

1. Investment Policy and Objectives

The Company's investment policy aims to preserve and grow its assets while exploring strategic opportunities that align with its corporate strategy and principal business operations. The purpose of these investments is to generate long-term value, maintain sufficient liquidity for operational needs, and foster potential synergies with other enterprises to support future growth. The scope of the Company's investments includes, but is not limited to, the following primary asset classes:

- Listed Equities: Investments in publicly traded companies with strong growth potential, strategic value, industry synergy and alignment with the Company's long-term goals. These investments are expected to not only deliver financial returns but also provide opportunities for strategic partnerships, co-development initiatives, and knowledge sharing that can drive mutual growth. Investments are limited to stocks traded on recognized stock exchanges (e.g., SSE, SZSE, NYSE, NASDAQ, HKEX, LSE) unless otherwise approved by the Board of the Company. Investments in companies subject to prolonged trading suspension, significant regulatory or legal uncertainties, or those with clear indicators of delisting risks are generally not permissible.

- Unlisted Equities: Investments in private companies that offer opportunities for collaboration, joint ventures, or integration with the Company's business operations. Investments may also target startups or growth-stage companies with innovative business models or untapped market potential, or those operating in emerging industries or markets that align with the Company's long-term strategic priorities.

- Bonds: Investments in government and corporate bonds are evaluated based on creditworthiness, with a preference for bonds rated BBB+ or above by recognized credit rating agencies.

- Low-risk Wealth Management Products: Investments in other low-risk financial instruments, structured deposit, fixed-income products and money market funds and other products classified as or equivalent to risk level of R2 or below to manage liquidity and seize short-term opportunities.

While the above categories represent the primary focus of the Company's investment activities, the Company retains the flexibility to explore investments in trust products, cryptocurrencies and financial derivatives, each of which will undergo independent due diligence and is subject to approval by the Board.

The investment strategy is closely aligned with the Company's corporate strategy, focusing on assets that complement its principal businesses and strategic priorities. The Company's approach combines long-term investments, which target sustainable growth and strategic collaboration, with short-term investments, which aim to maintain liquidity and capture immediate market opportunities.

2. Risk Management and Control Measures

The Company has established a robust risk management framework to safeguard its investments and ensure a balance between risk and return.

Defined Risk Limits and Metrics:

The Company assesses risks such as liquidity, valuation, regulatory, and foreign exchange risks. It utilizes measurable metrics such as portfolio concentration, credit ratings, and market exposure to evaluate and mitigate these risks. Diversification across asset classes, sectors, and geographies is employed to reduce overall portfolio risk.

- Liquidity Buffer: The Company maintains a reasonable liquidity buffer to ensure operational flexibility and financial stability. Investments in liquid assets, such as money market funds and short-term bonds, provide the ability to meet financial obligations and respond to market changes promptly.

- Credit Risk: Bond investments shall have a minimum credit rating of BBB+ or equivalent unless otherwise approved by the Board.

- Counterparty Risk: The Company conducts thorough due diligence on counterparties, evaluating their creditworthiness, financial stability, and compliance with regulatory requirements. Only counterparties that meet the Company's risk tolerance and performance criteria are selected.

- Other Risks: Risks such as foreign exchange exposure, valuation risk, and regulatory changes will be carefully assessed.

Investments are reviewed quarterly based on key performance indicators, such as return on investment (ROI), risk-adjusted returns, and contribution to corporate strategy. The financial management department evaluates the financial status and operational performance of all investment portfolios, providing periodic updates to the Board.

The Company continuously monitors its investments by tracking market developments, regulatory changes, and macroeconomic conditions. Regular reviews are conducted to ensure the portfolio remains aligned with the Company's objectives and risk tolerance.

3. Approval and Oversight Mechanisms

The Company's investment policy and activities are governed by the Board, which ensures that all decisions align with the Company's corporate objectives.

- Approval Process:

  All investment proposals will be subject to review and approval by the Board. Investment proposals are submitted by management and must include detailed analysis, rationale, and supporting data. The Board may seek advice from external experts and advisors as needed. Proposals are thoroughly reviewed to ensure compliance with the Company's risk management framework and alignment with its objectives. The approval of investments by the Board and Shareholders will adhere to the requirements of Chapter 14 and Chapter 14A of the Listing Rules.

- Monitoring and Reporting:

  The Board conducts annual reviews of the investment portfolio. Independent audits may be conducted to assess compliance with investment policies and risk management measures.

  By maintaining a clear approval and oversight mechanism, the Company ensures its investment decisions are well-governed, strategically aligned, and consistent with regulatory and corporate governance requirements. The investment policy is subject to semi-annual review of the Board.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Monday, June 1, 2026 to Thursday, June 4, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Thursday, June 4, 2026. In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's 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 before 4:30 p.m. on Friday, May 29, 2026. The record date for determining the Shareholders' eligibility to attend and vote at the AGM is Thursday, June 4, 2026.

By order of the Board
MicroPort CardioFlow Medtech Corporation
Mr. Chen Guoming
Chairman

Shanghai, PRC
March 30, 2026

CORPORATE GOVERNANCE REPORT

GENERAL

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

CORPORATE GOVERNANCE PRACTICES

The Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the Code Provisions of the CG Code* as the basis of the Company's corporate governance practices during the Reporting Period, and has complied with all applicable Code Provisions as set out in the CG Code during the Reporting Period and up to the Latest Practicable Date.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices.

* *The amendments to the CG Code effective on July 1, 2025 will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after July 1, 2025.*

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on its vision, mission and values.

During the Reporting Period, the Company continued to strengthen its cultural framework by focusing on the purpose of helping billions of people worldwide thrive healthily beyond the age of 115, and mission to provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives.

Upon completion of the Merger, the Company initiated the brand philosophy of "One Heart. Every Beat". "One Heart" reflects a holistic view of cardiovascular care by treating the heart as one company as an integrated system rather than a collection of isolated conditions or procedures. "Every Beat" carries three deliberate meanings:

(i) Clinical continuity across rhythm management, structural intervention, and heart failure, recognizing that cardiac disease does not exist in set silos.

(ii) Human inclusivity for every patient, every condition, every stage of disease, without hierarchy or exclusion.

(iii) Organizational inclusivity for every employee, discipline, and contribution matters in building meaningful cardiovascular solutions.

Together, the phrase signals that CardioFlow is built to serve the entire cardiac journey, with precision, empathy, and consistency.

The Company also change the vision to "building a leading enterprise of emerging technologies in cardiac diagnosis and therapy" to emphasis the Company's professional focus as cardiac diagnosis and therapy, covering structural heart disease, arrhythmias, and heart failure. It also reflects our competitive advantage of driving sustainable corporate development through technological innovation, and our goal of becoming a leading enterprise in the industry.

Our corporate spirit and principle of employees' behaviors are enlightened and manifested by "Eyes for Greatness, Hands on Details". We deeply understand our products are directly related to patients' lives, and even the slightest deviation could cause significant impact. Because of this, we work to relentlessly master every detail of our medical technologies so that patients everywhere can enjoy better and longer lives. It's how we remain true to our beliefs and committed to the core values we uphold. These principles are essential to the relationships we build with our partners and customers. And it's evident in every detail of our workday.

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

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

BOARD OF DIRECTORS

Responsibilities of the Directors

The Board is responsible for making all major decisions of the Company including the approval and monitoring of all major policies of the Group and overall strategies, internal control and risk management systems, notifiable and connected transactions, nomination of the Directors and joint company secretaries, and other significant financial and operational matters.

All of the Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions are periodically reviewed. Approval must be obtained from the Board before any significant transaction is entered into.

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.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

Board Composition

The Board structure is governed by the Company's Articles of Association. The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the strategy, governance and business of the Group.

The Board currently comprises nine members, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The list of all Directors, which also specifies the posts, e.g. Chairman, co-Chairman and chairman and member of committees, held by each Director is set out in the section headed "Corporate Information" of this annual report. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

The Board of the Company comprises the following Directors:

Executive Directors:

Mr. Zhang Ruinian *(appointed with effect from March 27, 2025)*
Mr. Philippe Wanstok *(appointed with effect from December 15, 2025)*
Mr. Jeffrey R Lindstrom *(resigned with effect from March 27, 2025)*
Mr. Zhao Liang *(resigned with effect from December 15, 2025)*
Ms. Yan Luying *(resigned with effect from December 15, 2025)*

Non-Executive Directors

Mr. Chen Guoming *(Chairman)*
Dr. Brian Chang *(Co-Chairman) (appointed with effect from December 15, 2025)*
Ms. Wu Xia
Mr. Deng Aoyi *(appointed with effect from December 15, 2025)*
Mr. Zhang Junjie *(resigned with effect from December 15, 2025)*

Independent Non-Executive Directors

Mr. Jonathan H. Chou
Ms. Sun Zhixiang
Dr. Hu Bingshan *(appointed with effect from June 27, 2025)*
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*

The biographical details of the current Directors are set out in the section headed "Profiles of Directors and Senior Management" on pages 19 to 27 of this annual report.

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

Independence of Independent Non-Executive Directors

During the Reporting Period and up to the Latest Practicable Date, the Company has three independent non-executive Directors, which at all times meets the requirement of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board and should not be less than three, and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Board has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years until terminated in accordance with the terms and conditions stated in the letter.

Board Independence

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and independent views. The current composition of the Board, comprising one third of the independent non-executive Directors and the members of the Audit Committee are all independent non-executive Directors exceed the independence requirements under the Listing Rules. The Remuneration Committee and Audit Committee are chaired by independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his/her appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires.

Chairman and Chief Executive Officer

Mr. Chen Guoming acted as the chairman of the Board and Mr. Zhang Ruinian acted as the chief executive officer of the Company. The roles of the chairman of the Board and the chief executive officers are distinct and separate with a clear and well established division of responsibilities. The chairman of the Board, the chief executive officer of the Company and other Directors do not have any relationships (including financial, business, family or other material or relevant relationships).

The Board and the senior management, which comprise experienced and high calibre, individuals can ensure the balance of power and authority.

Appointment and Re-election of Directors

Code Provision B.2.2 of the CG Code states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to Article 16.19 of the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Pursuant to Article 16.2, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting. Any Director required to stand for re-election pursuant to Article 16.2 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation.

Hence, Ms. Wu Xia, Dr. Brian Chang, Mr. Philippe Wanstok, Mr. Deng Aoyi, Dr. Hu Bingshan and Mr. Jonathan H. Chou shall retire from office and being eligible, and will offer themselves for re-election pursuant to Article 16.19 and 16.2 of the Articles of Association at the 2026 AGM.

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment/re-election and succession planning of Directors.

Induction and Continuing Development of Directors

Upon appointment to the Board, Directors are provided with comprehensive induction training to ensure that they have a thorough understanding of the Group's business, operations and governance policies, as well as their role and responsibilities.

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. All Directors are required to provide the Company with their training records on an annual basis.

All Directors confirmed that they had complied with Code Provision C.1.4 of the CG Code during the Reporting Period, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. The Company has distributed training materials prepared by the legal advisor of the Company to all Directors and all Directors confirmed reading the training materials. The training materials covered topics which include, directors' duties, the disclosure obligations under laws of Hong Kong and other applicable laws, the requirements of disclosable transactions and connected transactions etc. under the Listing Rules, and the amendments of the Listing Rules.

Dr. Hu Bingshan was appointed as an independent non-executive Director on June 27, 2025. He has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 27, 2025 and has confirmed that he understood his obligations as a director of a listed company.

Mr. Philippe Wanstok was appointed as an executive Director and Dr. Brian Chang and Mr. Deng Aoyi were appointed as non-executive Directors, respectively on December 15, 2025. Each of them has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on December 15, 2025 and has confirmed that he understood his obligations as a director of a listed company.

BOARD MEETINGS

The Board requires Directors to devote sufficient time and attention to their duties and responsibilities. The Board normally schedules meetings at quarterly intervals each year and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company.

Code provision C.5.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

The board held 7 meetings during the year ended December 31, 2025. The attendance records of each member at the Board meeting during the year ended December 31, 2025 are set out below:

Name of Members	Attendance/Number of meetings held during the term of office of the Board members
Mr. Zhang Ruinian *(appointed with effect from March 27, 2025)*	6/7
Mr. Philippe Wanstok *(appointed with effect from December 15, 2025)*	1/7
Mr. Jeffrey R Lindstrom *(resigned with effect from March 27, 2025)*	1/7
Mr. Zhao Liang *(resigned with effect from December 15, 2025)*	6/7
Ms. Yan Luying *(resigned with effect from December 15, 2025)*	6/7
Mr. Chen Guoming *(Chairman of the Board)*	7/7
Dr. Brian Chang *(Co-Chairman of the Board) (appointed with effect from December 15, 2025)*	1/7
Ms. Wu Xia	7/7
Mr. Deng Aoyi *(appointed with effect from December 15, 2025)*	1/7
Mr. Zhang Junjie *(resigned with effect from December 15, 2025)*	6/7
Mr. Jonathan H. Chou	7/7
Ms. Sun Zhixiang	7/7
Dr. Hu Bingshan *(appointed with effect from June 27, 2025)*	5/7
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*	2/7

Note: The attendance of the Directors refers to the number of meetings held during their respective tenure.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the Directors and all Directors confirmed that they have complied with the Model Code for transactions in the Company's securities during the Reporting Period. In addition, the Company is not aware of any non-compliance of Model Code by the senior management of the Group for the year ended December 31, 2025.

DELEGATION BY THE BOARD

Corporate Governance Functions

The Board is responsible for determining corporate governance policy of the Company and performing the functions set out in Code Provision A.2.1 of the CG Code. Such duties have been delegated to the Audit Committee.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code, the Company's code of conduct applicable to its employees and Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

Board Committees

The Board reserves for its decision all major matters of the Company, in terms of approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information and the advices/services of the company secretary, with a view to ensure that Board procedures and all applicable laws and regulations are properly followed. Each Director can seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The Board has delegated a schedule of responsibilities to senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control systems.

The Board has established five committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy Committee and the Commercialization Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are available to Shareholders. The terms of reference of three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request. The independent non-executive Directors are invited to serve on these three Board committees.

Audit Committee

The Company established the Audit Committee on January 15, 2021 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members:

Mr. Jonathan H. Chou *(Chairman)*
Ms. Sun Zhixiang
Mr. Chen Guoming *(appointed with effect from December 15, 2025)*
Dr. Hu Bingshan *(appointed with effect from June 27, 2025)*
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*

The Audit Committee consists of two independent non-executive Directors and one non-executive Director. Mr. Jonathan H. Chou, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The main duties of the Audit Committee include the following:

- Review of the financial information of the Group;
- Review of the relationship with and the terms of appointment of the external auditor;
- Review of the Company's financial reporting system, internal control system and risk management system; and
- Review of the Company's connected transactions

The Audit Committee oversees the internal control system and risk management system of the Group, reports to the Board on any material issues, and makes recommendations to the Board. In addition to the duties and responsibilities set out under its terms of reference, the Audit Committee assists the Board by providing an objective non-executive review of the effectiveness and efficiency of the internal control, risk management and governance processes of the Group on an annual basis.

During the Reporting Period, the Audit Committee reviewed the Group's annual results and annual report for the year ended December 31, 2024, interim results and interim report for the first half year of 2025, the financial reporting and compliance procedures, the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors.

The Audit Committee held 3 meetings during the Reporting Period. The attendance records of each member at the Audit Committee meetings during the year ended December 31, 2025 are set out below:

Name of Members	Attendance/Number of meetings held during the term of office of the Audit Committee member
Mr. Jonathan H. Chou *(Chairman)*	3/3
Ms. Sun Zhixiang	3/3
Mr. Chen Guoming *(appointed with effect from December 15, 2025)*	0/3
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*	2/3
Dr. Hu Bingshan *(appointed with effect from June 27, 2025)*	1/3

Note: The attendance of the Directors refers to the number of meetings held during their respective tenure.

Remuneration Committee

The Company established the Remuneration Committee on January 15, 2021 with written terms of reference amended and adopted by the Board on January 12, 2023 in compliance with the CG Code.

The Remuneration Committee comprises three members:

Ms. Sun Zhixiang *(Chairwoman)*
Mr. Jonathan H. Chou
Dr. Hu Bingshan *(appointed with effect from December 15, 2025)*
Mr. Chen Guoming *(resigned with effect from December 15, 2025)*

All three members of the Remuneration Committee are independent non-executive Directors.

The primary duties of the Remuneration Committee are to review and assess the performance of our Directors and make recommendations to our Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management, the establishment of a formal and transparent procedure for developing policy on such remuneration, and to review and/or approve matters relating to share schemes of the Company under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee reviewed and made recommendations to the Board on the year-end bonus of senior management and the related remuneration policy pursuant to Code Provision E.1.2 (c)(ii) of the CG Code.

The Remuneration Committee held 2 meetings during the year ended December 31, 2025. The attendance records of each member at the Remuneration Committee meetings during the year ended December 31, 2025 are set out below:

Name of Members	Attendance/Number of meetings held during the term of office of the Remuneration Committee member
Ms. Sun Zhixiang *(Chairwoman)*	2/2
Mr. Jonathan H. Chou	2/2
Mr. Chen Guoming *(resigned with effect from December 15, 2025)*	2/2
Dr. Hu Bingshan *(appointed with effect from December 15, 2025)*	0/2

Note: The attendance of the Directors refers to the number of meetings held during their respective tenure.

The remuneration of the members of senior management by band for the year ended December 31, 2025 is set out below:

Remuneration bands (USD)	Number of senior management
200,001–300,000	2
0–200,000	6
Total	8

Note: 6 senior management joined the Group on December 19, 2025 upon completion of the MicroPort CRM Acquisition. The remuneration is calculated on pro-rata basis.

Details of the remuneration of the Directors and senior management for the year ended December 31, 2025 are set out in note 7 to the consolidated financial statements in this annual report.

Nomination Committee

The Company established a Nomination Committee on January 15, 2021 with written terms of reference amended and adopted by the Board on March 27, 2025 in compliance with the CG Code.

The Nomination Committee comprises three members, with two independent non-executive Directors and one non-executive Director:

Dr. Hu Bingshan *(Chairman) (appointed with effect from June 27, 2025 and redesignated as chairman with effect from December 15, 2025)*
Ms. Sun Zhixiang
Dr. Brian Chang *(appointed with effect from December 15, 2025)*
Mr. Chen Guoming *(resigned with effect from December 15, 2025)*
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*

The primary duties of the Nomination Committee are to review the structure, diversity, size and composition of the Board, assess the independence of the independent non-executive Directors and make recommendations to our Board regarding the appointment of Directors and Board succession.

During the Reporting Period, 2 Nomination Committee meetings was held at which the Nomination Committee reviewed the Board composition, made recommendation to the Board on the proposed re-election of retiring Directors at the forthcoming annual general meeting.

The attendance records of each member at the Nomination Committee meetings during the year ended December 31, 2025 are set out below:

Name of Members	Attendance/Number of meetings held during the term of office of the Nomination Committee member
Dr. Hu Bingshan *(Chairman) (appointed with effect from June 27, 2025 and redesignated as chairman with effect from December 15, 2025)*	0/2
Ms. Sun Zhixiang	2/2
Dr. Brian Chang *(appointed with effect from December 15, 2025)*	0/2
Mr. Chen Guoming *(resigned with effect from December 15, 2025)*	2/2
Dr. Ding Jiandong *(retired with effect from June 27, 2025)*	1/2

Note: The attendance of the Directors refers to the number of meetings held during their respective tenure.

The nomination policy was approved and adopted by the Board for evaluating and selecting any candidate for directorship. The Nomination Committee would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

Board Diversity Policy

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, we have adopted the Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of the Board. Pursuant to the Board Diversity Policy, we seek to achieve the diversity of the Board through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, age, cultural and educational background and professional experience and knowledge. The ultimate decision of the appointment will be based on merit and the contribution that the selected candidates will bring to the Board. The board diversity policy will be reviewed by the nomination committee annually.

The Board currently comprises of nine directors, of which 2 are executive Directors, 4 are non-executive Directors and 3 are independent non-executive Directors. Among which, 2 Directors are female and 7 directors are male, and 1 in the age group of 21–30; 1 in the age group of 31–40; 3 in the age group of 41–50; 1 in the age group of 51–60; and 3 in the age group of 61–70. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Going forward, the Nomination Committee will use its best endeavors to identify and recommend suitable director candidates to the Board when vacancy appears or considering expanding board size to at least ensure the current level of gender diversity of the Board.

The Board has an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance and business, 4 directors are in executive leadership & strategy; 3 directors are accounting professionals/ financial management expertise, 2 directors are investment expertise, 3 directors have medical background, 2 directors have R&D experience in medical devices, and 1 director in legal professional. The Company has three independent non-executive Directors with different industry backgrounds, representing one third of the members of the Board. Further details on the biographies and experience of the Directors are set out on page 19 to page 27 of this annual report.

The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity.

Workforce and gender diversity

Our Company will continue our efforts to promote gender diversity in the recruitment of middle and senior staff so that our management includes a wide range of genders, thereby allowing a diverse group of potential successors to succeed our Board in due course.

For the year ended December 31, 2025, the employees (including senior management) include 53.2% females and 46.8% males. The total gender diversity of the Group is balanced and the Group will continue to maintain the gender diversity in workforce.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025.

The Directors are 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 Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 204 to 206 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness annually. The Company is exposed to various risks during our operations and have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations. Our policies and procedures relate to the R&D, manufacture and commercialization of our products. To monitor the ongoing implementation of our risk management policies and corporate governance measures, the Company has adopted the following risk management measures:

- Establish the Audit Committee to review and supervise our financial reporting process and internal control system. The Audit Committee consists of three members, namely Mr. Jonathan H. Chou, who serves as chairman of the committee, Mr. Chen Guoming and Ms. Sun Zhixiang;

- Adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- Attend the training session by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; and

- Provide regular anti-corruption and anti-bribery compliance training for our Directors and senior management in order to enhance their knowledge and compliance of applicable laws and regulations.

The Company is committed to excellence and continual improvement and will continue to encourage innovation while maintaining a low-risk profile. Employees are encouraged to adopt a positive approach to risk management, which further strengthens the risk-aware culture (as opposed to risk-adverse culture) of the Group. Risk management is incorporated into the strategic and operational processes at all levels within the Group in order to minimize the impact of risk. Opportunities and risks are identified and are proactively assessed and monitored by employees on an on-going basis.

The Group has established an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems. Relevant personnel have been designated to be responsible for identifying and monitoring the Group's risks and internal control issues and reports directly to Audit Committee of any findings and follow-up actions. Each member of the Group is required to adhere strictly to the Group's internal control procedures and report to the internal audit manager of any risks or internal control measures.

In addition, as part of our risk management measures, the Company has implemented specific measures against corruption and bribery. The Company requires our employees, especially those involved in procurement, distribution and sales, and other business functions which are more susceptible to bribery and corruptions, to abide by our compliance requirements, and make necessary representations and warranties to the Company. We also communicate our anti-bribery and anti-corruption principles to our distributors as well as the CMOs and SMOs we engaged for our clinical trial and require them to comply with our anti-bribery and anti-corruption principles. We have established a system of supervision that allows complaints and reports to be submitted to management regarding non-compliant behavior of our employees and external customers and suppliers.

The Group has also adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

An employee who becomes aware of a matter or event that he/she considers to be material or inside information shall report to his division/department head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report to the Board and/or the company secretary of the Company.

The Audit Committee considered that the above-mentioned risk management and internal control measures are effective and adequate. Going forward, the Board, to be supported by the Audit Committee as well as the management report and the internal audit findings, will continue to review the effectiveness of the risk management and internal control systems of the Group, including the financial, operational, compliance controls and risk management annually. The annual review will also cover the financial reporting and staff qualifications, experience and relevant resources.

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

Anti-corruption Policy

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

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

Whistleblowing Policy

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

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

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" on pages 204 to 206 in this annual report.

For the year ended December 31, 2025, the fees for audit services and non-audit services rendered by external auditor, KPMG were as follows:

During the year ended December 31, 2025, non-audit services performed by KPMG are primarily in relation to service fees for the very substantial acquisition of CRM business.

	USD'000
Audit services	459
Non-audit services	941
Total	1,400

JOINT COMPANY SECRETARIES

Ms. Li Xiangmei was appointed as one of our joint company secretaries on October 27, 2020. She has been taking the position of the Board secretary of our Group since she joined our Group in February 2020. She has over 20 years of experience in investors relations management, shareholders and securities affairs of Hong Kong listed Companies.

Ms. Chan Lok Yee was appointed as one of our joint company secretaries on October 27, 2020. Ms. Chan is currently a senior manager of Corporate Services of Vistra Corporate Services (HK) Limited, a professional provider of corporate services. She has had over 10 years of experience in providing company secretarial and compliance services to private and listed companies.

Both Ms. Li and Ms. Chan are associates of the Hong Kong Chartered Governance Institute, and have undertook no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings by Shareholders

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company for the transaction of any business specified in such requisition.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the general meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Act (as amended from time to time) or the Articles of Association. However, Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

As regards the procedures for Shareholders to propose a person for election as a Director, they are available on the Company's website at https://www.cardioflowmedtech.com/.

Putting Forward Enquiries to the Board

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

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

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

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

The Company held its annual general meeting on June 27, 2025 (the "**2025 AGM**"). Shareholders, including their proxies or representatives attended the 2025 AGM. Excluding the Shareholder and its associates which had abstained from voting at the 2025 AGM, the shares voted was 53.21% of the total issued shares of the Company. The percentage of the affirmative votes on all proposed resolution is above 50%. All resolutions proposed at the 2025 AGM were passed.

The Company also held an extraordinary general meetings on December 15, 2025 (the "**2025 EGM**"). Shareholders, including their proxies or representatives attended the 2025 EGM. Excluding the Shareholder and its associates which had abstained from voting at the 2025 EGM, the shares voted was 21.56% of the total issued shares of the Company. The percentage of the affirmative votes on the proposed resolution is above 50%. The resolution proposed at the 2025 EGM was passed.

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

DIVIDEND POLICY

The Articles of Association provides that the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Company may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.

The Company may in addition from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit.

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025 since the Company recorded a net loss in the same period. The Company is making efforts to improve revenue and control cost so as to improve profitability to enhance investors' return.

CHANGES IN CONSTITUTIONAL DOCUMENTS

For the year ended December 31, 2025, no change has been made to the constitutional documents of the Company. The latest version of the Memorandum and Articles of Association is available on the websites of the Stock Exchange and the Company.

GOING CONCERN

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance.

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

CONTACT DETAILS

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

Address: 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, The People's Republic of China (For the attention of the Board Secretary)
Fax: (86) (21) 50801305
Email: CardioFlow-ir@microport.com

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

CHANGES AFTER CLOSURE OF FINANCIAL YEAR

This annual report takes into account the significant changes that have occurred since the end of 2025 to the Latest Practicable Date.

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The 2025 Environmental, Social and Governance ("**ESG**") Report (hereinafter referred to as "**this report**") is the sixth ESG report issued by MicroPort CardioFlow Medtech Corporation (hereinafter referred to as "**CardioFlow**", "**we**" or "**the Group**"). This report aims to objectively and truthfully articulate the Group's strategies, policies, measures, and achievements in sustainable development, focusing on disclosing relevant ESG information of the Group and its subsidiaries (collectively referred to as the "**Group**").

Basis of Preparation

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Code* (hereinafter referred to as "**ESG Code**") and its main amendments outlined in Appendix 27 of the *Listing Rules of The Stock Exchange of Hong Kong Limited* (hereinafter referred to as "**Hong Kong Stock Exchange**"). Readers can refer to "Appendix II Index to the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange" for quick access.

Reporting Cycle

From January 1, 2025, to December 31, 2025 (hereinafter referred to as the "**Reporting Period**").

Reporting Scope

The policies and relevant environmental, social and governance data set out in this report mainly cover the relevant operations and entities of the Group within Mainland China. Given that the relevant merger was completed in December of the current year and the inclusion period was relatively short, the environmental, social and governance data for the current year remain subject to the reporting boundary adopted in the previous year's ESG report, so as to ensure continuity of the data methodology and comparability of historical data. The financial data set out in this report have been prepared on a global consolidation basis. Unless otherwise specified, the financial data contained in this report are presented in USD. Historical data cited in this report are final statistical figures.

Reporting Principles

Materiality:	CardioFlow should report when the Board determines that relevant environmental, social and governance matters would have a significant impact on investors and other stakeholders.
Quantitative:	Key Performance Indicators (KPIs) concerning historical data must be measurable. CardioFlow should set targets (which can be specific figures or directional, forward-looking statements) for reducing individual impacts. In this way, the effectiveness of the Group's Environmental, Social and Governance (ESG) policies and management systems can be assessed and verified. Quantitative data should be accompanied by explanations describing their purpose and impact, and, where appropriate, comparative data should be provided.
Balance:	The ESG report should present CardioFlow's performance in a balanced manner, avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of the report's readers.
Consistency:	This report employs consistent disclosure and statistical methodologies, enabling meaningful comparison of ESG data in the future.

Reliability and Assurance of Information

Unless otherwise specified, the data in this report is derived from internal materials, survey interview records, and related documents of the Group. The Board of Directors of the Group commits that there is no false information or misleading statements in this report and is responsible for the authenticity, accuracy, and completeness of the content.

Confirmation and Approval

This report was confirmed by the management and approved by the Board of Directors on March 30, 2026.

Access to the Report

This report is published in both print and online versions. The online version of the report can be accessed or downloaded at the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Group's official website (https://www.cardioflowmedtech.com).

1. LEAN CARDIO FLOW, STEADY FORWARD

A standardized and compliant operational system serves as the core safeguard for the Group's long-term and steady development. CardioFlow consistently regards the enhancement of the Group's governance structure as a critical foundation for promoting sustainable operations. By continuously strengthening the supervisory function of the Board of Directors in environmental, social, and governance-related affairs, the Group drives the effective implementation of governance requirements across all levels of management.

Anchored in long-term development objectives, the Group systematically integrates key elements such as business ethics, risk management mechanisms, and information and data security into strategic planning and daily operations. By continuously improving the completeness and execution efficacy of the governance system, it provides stable support for the sustainable and healthy development of the business, achieving the synergistic growth of operational performance and social responsibility.

1.1 ESG Management

Within the framework of the overall development strategy, CardioFlow integrates the ESG philosophy into all aspects of the Group's operational decision-making, management, and value chain management, making it a crucial guide for the Group's long-term and steady operations. Based on this philosophy, the Group continually refines the ESG-related governance structure and operational mechanisms, promoting the systematic implementation of sustainable development requirements within the organization.

1.1.1 ESG Governance Structure

To ensure the systematic advancement and effective implementation of ESG management, we have established a three-tier governance structure comprising the Board, the ESG Working Group, and various functional departments. This structure provides organizational assurance for the standardized execution of ESG-related work. Furthermore, we incorporate key performance indicators for critical ESG issues, such as energy conservation, emission reduction, and talent development, into the performance assessment system for senior management. By linking these indicators to management responsibilities, we promote the top-down implementation of ESG goals within the organization, continuously enhancing the overall management level and practical effectiveness of sustainable development.

ESG Management Structure

1.1.2 Board Statement

Board of Directors' Responsibilities

The Board of Directors, as the highest decision-making and supervisory body for the Group's sustainable development affairs, bears overall responsibility for the formulation and implementation of the Group's sustainable development strategy. The Board is responsible for reviewing the strategic direction, management systems, and phased objectives related to ESG governance. It continuously monitors and identifies significant ESG issues faced by the Group in operations and makes coordinated decisions regarding the management of and responses to these issues. Simultaneously, the Board identifies, assesses, and manages ESG-related risks and development opportunities, driving the Group towards long-term sustainable development based on sound operations.

Execution of ESG work

At the operational level, the Group incorporates the review of significant ESG-related matters into the agenda of regular Board meetings and has established an ESG Working Group responsible for promoting the implementation of Board decisions. By organizing and coordinating various functional departments, the ESG Working Group assists the Board in carrying out ESG supervision and management, ensuring the effective advancement and continuous implementation of measures related to policy execution, risk and opportunity analysis, and stakeholder communication.

Material ESG Issues

The Group places high importance on the identification and assessment of material ESG issues. It collects stakeholder opinions through diversified communication channels and regular engagement mechanisms, and conducts systematic analysis in conjunction with the policy environment and industry development trends to enhance the scientific and forward-looking nature of materiality judgments. The determination of material ESG issues is primarily based on the results of independent third-party assessments and is ultimately confirmed after thorough discussion and review by the ESG Working Group and the Board, ensuring the standardization and transparency of the issue identification process.

ESG Risk Management

The Board of Directors continuously monitors ESG risks and potential opportunities associated with its operations. It reviews and makes decisions on significant ESG risk matters arising from daily operations and guides the formulation of corresponding risk response measures. By strengthening the mechanisms for risk identification, assessment, and response, the Group consistently enhances its management capabilities regarding ESG risks, mitigates the potential adverse impacts of such risks on business activities, and supports the sustainable development of the enterprise.

1.2 Stakeholder Engagement

CardioFlow values the establishment of continuous and effective communication mechanisms with various stakeholders, regarding stakeholder engagement as a vital component of the Group's governance system. Through institutionalized communication and feedback arrangements, we regularly conduct the identification and assessment of material issues, systematically understanding the key concerns and legitimate expectations of both internal and external stakeholders. We actively respond to these in operational decision-making and management practices, aligning the direction of the Group's sustainable development with stakeholder expectations.

1.2.1 Stakeholder Communication

Adhering to open and transparent communication principles, CardioFlow has established information disclosure mechanisms and regular communication channels that cover multiple categories of stakeholders, conducting diverse forms of exchanges and interactions on a regular basis. By continuously refining communication processes and feedback mechanisms, the Group can more promptly and systematically identify the core issues of concern to stakeholders. In conjunction with the business development stage and changes in the industry environment, it dynamically optimizes and adjusts the focus of ESG management, consistently enhancing the relevance and effectiveness of governance decisions.

Category of Stakeholders	Related Parties	Issues of Concern	Communication Channels
Government and regulatory authorities	National and local governments, market regulators, tax regulators, environmental protection regulators, industry regulators, etc.	• Compliance management • Business ethics and anti-corruption • Product safety and quality	• Site visits to institution • Official correspondence • Policy implementation • Information disclosure
Shareholders and investors	Shareholders and potential investors who make equity investments in the Group	• Technology and innovation • Product safety and quality • Intellectual property protection • Risk management	• Investor relations website • General meeting • Information disclosure • Correspondence • Conference calls • Reception of visitors • Roadshow
Customers	Global distributors, hospitals, physicians and surgeons	• Information security and privacy protection • Product safety and quality • Customer service • Responsible marketing	• Distributor meetings • Customer survey • Technical seminar • Customer service hotline • Customer satisfaction survey
Employees	Group's employees	• Talent development • Employee's remuneration and benefits • Diversity, equality and inclusion • Occupational health and safety	• Labor union • Employee activities • Employee survey • Employee training • Internal publications
Suppliers	Raw material suppliers	• Product safety and quality • Responsible supply chain	• Supplier assessment • Supplier exchange and training
Community and media	Local communities, public, media, etc.	• Community contribution • Product safety and quality	• Volunteer service • Community activities • Media communication and interviews

1.2.2 Materiality Issue Assessment

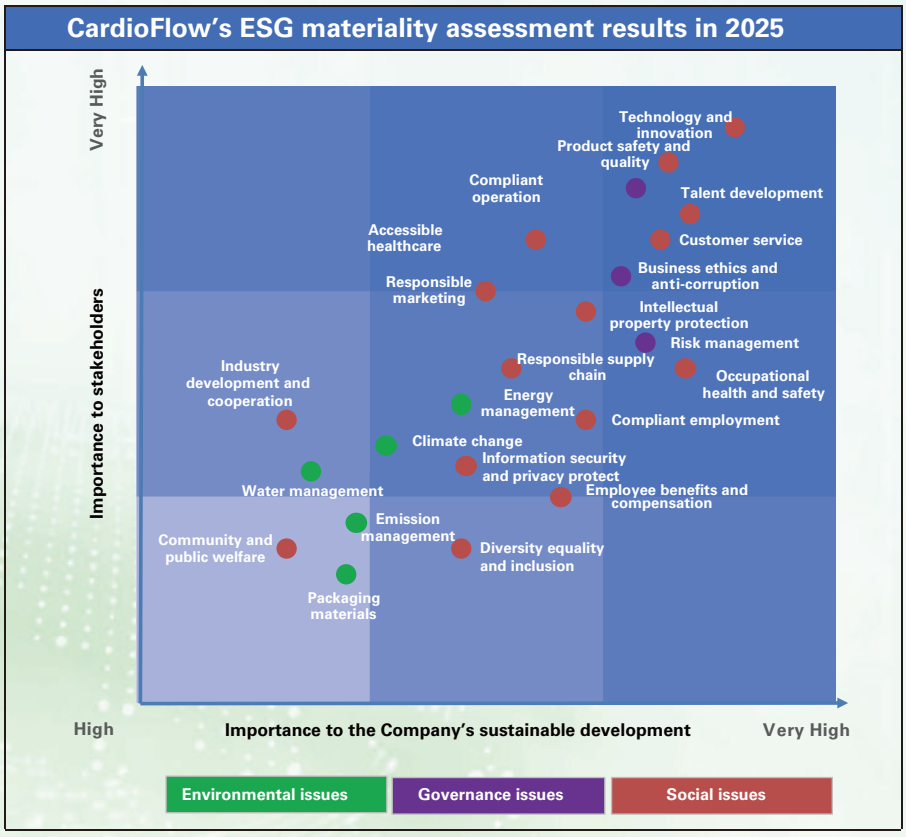
We actively monitor and respond to the expectations and concerns of various stakeholders regarding CardioFlow's sustainable development performance. We regularly undertake the identification, assessment, and disclosure of material issues to ensure that ESG priorities align with the Group's strategic objectives and industry trends.

Building on this, we regularly conduct identification, assessment, and information disclosure related to material issues. During the assessment, we comprehensively consider strategic priorities, industry trends, and actual operational conditions to systematically analyze and prioritize the significance of ESG issues. This ensures that ESG priorities remain consistent with the Group's long-term development goals while continuously enhancing the standardization and transparency of the materiality management process.

CardioFlow Materiality Issue Assessment Process

Materiality Issue Identification	• The Group identifies potential material ESG issues based on laws and regulations, capital market requirements, industry hotspots, benchmarking against excellent practices within the sector, and consultations to gather stakeholder suggestions.
Materiality Issue Prioritization	• The Group prioritizes the identified material issues based on third-party expert opinions, peer experiences, and stakeholder feedback, generating a materiality issues matrix.
Materiality Issue Approval	• The Group's Board and ESG Working Group review and confirm the assessment results.
Materiality Issue Management	• The Group regularly reviews and supervises its operational systems, proposing improvement measures to ensure management effectiveness. When formulating response measures, the Group fully considers stakeholder opinions to enhance the effectiveness and scientific basis of decision-making, ensuring that stakeholder interests are not compromised.

Following assessment, during the Reporting Period, the Group's materiality matrix covered a total of 23 issues across three categories: environmental, social, and governance.



1.3 Business Ethics

Within the healthcare industry, integrity and compliance serve as the cornerstone for the steady operation of an enterprise. CardioFlow continuously refines its institutional framework and execution mechanisms concerning integrity governance and business ethics. By establishing a compliance management framework that covers the entire operational process, the Group integrates regulatory and ethical requirements into business decision-making, internal controls, and daily operations. This promotes the development of a sustainable business environment rooted in integrity and provides institutional support for the Group's long-term and stable performance.

1.3.1 Standards of Business Ethics

CardioFlow maintains a zero-tolerance stance towards commercial bribery, unfair competition, and other violations of business ethics, consistently strengthening compliance constraints in all operational activities. The Group strictly adheres to applicable laws and regulations, including 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 *Interim Provisions on Prohibiting Commercial Bribery*. It has also formulated and implemented internal policies such as the *Code of Business Conduct and Ethics*, providing clear standards of conduct and compliance guidance for Board members, all employees, as well as suppliers, distributors, contractors, and other partners. Furthermore, we continually improve the compliance management system and internal control mechanisms, enhancing the identification, monitoring, and management of potential business ethics risks, thereby ensuring the effective implementation of integrity requirements in all business activities.

Integrity Governance System

To ensure the effective implementation of business ethics management at the organizational level, CardioFlow has established a compliance operation system that encompasses all levels of the organization, enabling unified supervision and continuous advancement of integrity and compliance requirements. The Legal and Compliance Department, as the executing body for business ethics management, is responsible for the day-to-day monitoring and enforcement of relevant policies, ensuring that compliance requirements are effectively enforced among all employees.

Simultaneously, the Group incorporates external partners into a unified compliance management framework. By embedding the *Commitment of Supplier for Corporate Social Responsibility* into the *Procurement Framework Agreement* and including anti-corruption compliance clauses in distribution cooperation agreements, the Group aligns suppliers and distributors with its business ethics standards, further strengthening the foundation of compliance management across the supply chain.

Integrity Culture Construction

The Group consistently reinforces the foundation of an integrity culture within the organization through training, communication, and compliance initiatives. We conduct regular business ethics and anti-corruption training for formal employees, contract personnel, as well as relevant external parties such as suppliers and distributors. Through diverse communication methods, we enhance compliance awareness and risk prevention capabilities, fostering the understanding and adherence to business ethics standards in practical business scenarios, and cultivating a compliant and well-regulated operating environment. During the Reporting Period, the Group's business ethics and anti-corruption training covered all employees and members of the Board.

Business Ethics Audit

During the Reporting Period, the Group conducted an internal audit focusing on the implementation of business ethics. Compliance checks were performed on key areas including daily business entertainment expenses, fees for services provided by healthcare professionals, and costs related to academic activities. The authenticity and compliance of these expenses were verified by reviewing supporting documentation. The audit findings did not identify any anomalies or violations, and the relevant oversight mechanisms were operating smoothly overall.

1.3.2 Whistleblowing and Investigation Mechanism

To create a standardized, transparent, and trustworthy operating environment, CardioFlow continuously improves its business ethics oversight and reporting management mechanisms. The Group encourages employees and various stakeholders, including suppliers, distributors, and other partners, to provide feedback and report any potential violations or misconduct. The Group has established multiple reporting channels. Relevant parties can submit reports via telephone, email, or written correspondence, ensuring accessible and convenient channels for raising concerns.

Upon receiving a report, the Legal and Compliance Department conducts independent verification and investigation in accordance with established procedures. Based on the investigation findings, the department proposes handling recommendations, reports them promptly to the Group's management according to authority limits, and ensures that related matters are addressed in a standardized and effective manner. By continuously refining the closed-loop mechanism for report intake, investigation, and rectification, the Group enhances the capability to identify and respond to business ethics risks, thereby strengthening the foundation of compliance governance.

During the Reporting Period, CardioFlow was not involved in any concluded corruption litigation cases filed against the issuer or its employees.

CardioFlow Whistleblowing and Complaint Channels

Compliance hotline: 021-38954600-1111
Email address: cardioflow_compliance@microport.com
Correspondence address: 6/F, Building C, No. 1661 Zhangdong Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai

To further strengthen the protection of whistleblowers, the Group has established a comprehensive whistleblower protection system within the *Policies on Employee Honest Practices*. This system safeguards the legitimate rights and interests of whistleblowers at both policy design and implementation levels, preventing them from suffering unfair treatment or retaliation due to reporting. The Group maintains strict confidentiality regarding the identity of whistleblowers and the content of reports, limiting the scope of individuals with access to this information through standardized procedures. Should any information leakage or retaliatory action against a whistleblower be discovered, the relevant responsible persons will be disciplined according to the severity of the circumstance. Cases involving suspected illegal or criminal activities will be referred to judicial authorities for legal accountability in accordance with the law.

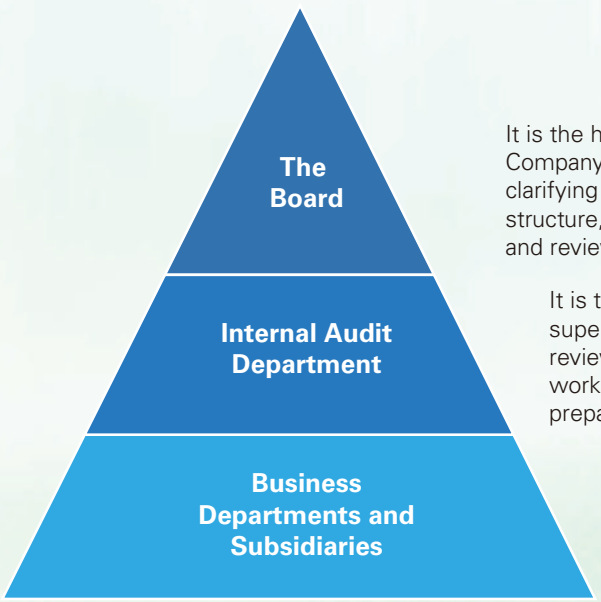
1.4 Risk Management

CardioFlow has established a systematic risk governance framework encompassing the entire management and operational process. By continuously improving mechanisms for risk identification, assessment, and response, we have formed a closed-loop management system covering prevention, ongoing control, and post-event supervision. This continuously enhances our ability to manage uncertainties, providing strong support for the Group's long-term and steady development.

1.4.1 Risk Management System Construction

The Group has formulated and continually refined internal regulatory documents such as the *Risk Management Policy*, embedding the concept of risk management into business decision-making and processes. This drives the evolution of risk management from isolated point-based control to systematic governance. Focusing on key stages such as risk identification, assessment, response, and monitoring, the Group has built a risk management system with clear operational mechanisms and well-defined responsibilities. A clear organizational structure with distinct authorities and duties has been gradually established to ensure the sustained and effective execution of risk management work.

CardioFlow Risk Management System



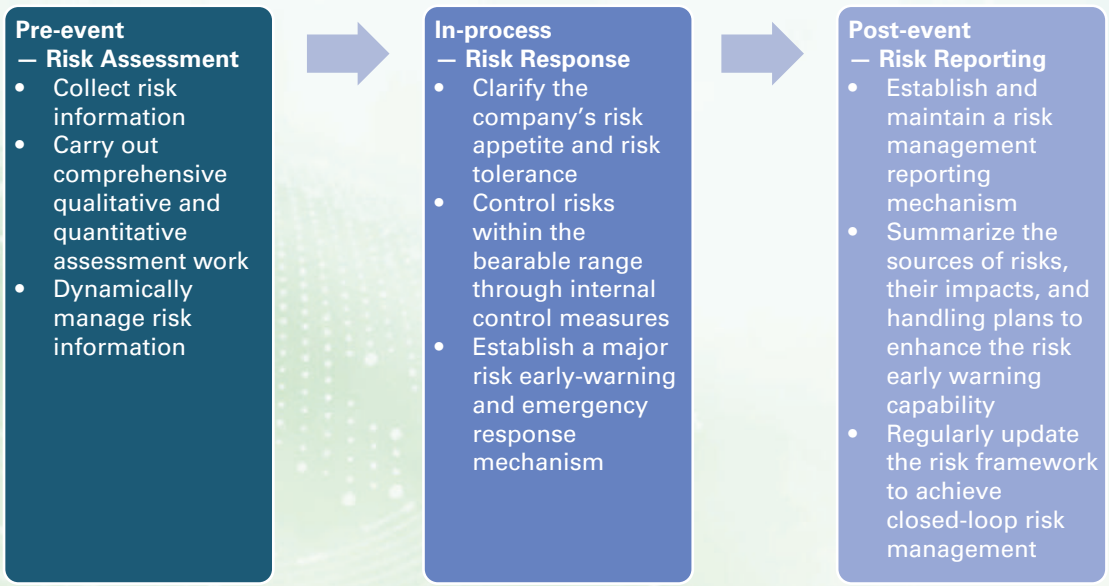
It is the highest decision-making body for the Company's risk management, responsible for clarifying the risk management system and structure, approving risk management decisions, and reviewing and approving the annual report, etc.

It is the Company's risk management supervision department, responsible for reviewing the execution of internal risk control work by the Company's business units and preparing a risk management assessment report

Implement specific risk management tasks

The Group comprehensively employs methods such as interviews, and questionnaires to systematically identify the main risks faced across various business areas. A tiered assessment and comprehensive analysis are conducted based on factors including the likelihood of risk occurrence, impact severity, response capability, and the time horizon of impacts. This process results in the development of a risk heat map and priority ranking. During the Reporting Period, the Group further clarified key business risk areas requiring focused attention. Based on actual operations, targeted prevention and control measures as well as management arrangements were formulated in advance. This facilitates a shift in risk response from post-incident handling to proactive risk prevention, thereby enhancing the overall foresight and effectiveness of the Group's risk governance.

CardioFlow Risk Management Process



1.4.2 Risk Assessment and Review

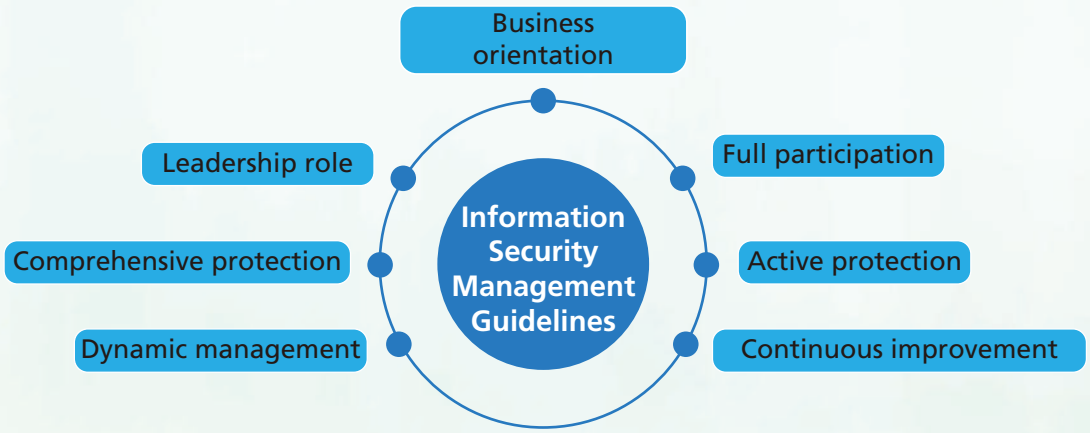
To strengthen risk oversight and internal control, CardioFlow conducts risk audits covering key areas and critical business operations in accordance with the *Internal Audit Policy*. Based on the findings, targeted risk response and rectification measures are developed to ensure timely control of various risks and maintain operational stability.

During the Reporting Period, the Group's internal audit department formulated an annual audit plan and conducted comprehensive audits focusing on core business processes such as procurement, sales, R&D, and asset management. For identified weaknesses in risk management, the department issued rectification requirements and conducted continuous follow-up to ensure implementation. One internal risk audit was carried out within the year, achieving an audit coverage rate of 100%. The overall risk control mechanism operated smoothly.

1.5 Information Security

To address the risks associated with information security and privacy protection in digital operations, CardioFlow integrates relevant management requirements into the overall risk and compliance governance framework. We strictly adhere to laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. We have also established policies related to information security and privacy protection. By continuously improving management processes and the foundational policy framework, we strengthen our risk management capabilities. Furthermore, the Group has established a three-tier management system. This system is overseen by the Information Security and Privacy Committee for overall decision-making, coordinated by the Information Security and Privacy Work Team for daily management, and executed by all employees. This structure ensures the standardized implementation of information security and privacy protection initiatives at the organizational level.

CardioFlow's Information Security Management Policy



Facing the evolving challenges of information security and privacy protection in the digital operational environment, the Group treats information security capability building as a crucial component of its overall risk governance. By refining information asset management mechanisms, strengthening employee security awareness training, and conducting targeted risk drills, we are progressively building a comprehensive protection system covering prevention, identification, and response. This continuously reduces the potential impact of information security incidents and privacy breaches on our business operations.

Simultaneously, the Group conducts information security and privacy protection training for all employees and carries out phishing email simulation drills. These initiatives continuously enhance employees' awareness of risk prevention and their capabilities for emergency response in practical scenarios. During the Reporting Period, the aforementioned training and drills achieved 100% coverage of employees.

In addition, we place a high priority on the development of our information security management system and external certifications, which serve as an important safeguard for the stable operation of our business. In accordance with ISO/IEC 27001:2013 and ISO/IEC 27701:2019, we have established a comprehensive information security and privacy protection management system and are actively preparing for external certification.

2. RESPONSIBLE CARDIOFLOW, INTEGRITY DRIVES INNOVATION

As a leading global medical technology company, CardioFlow consistently upholds the mission of "to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases". We are committed to advancing technological progress and clinical translation in the field of cardiovascular interventional therapy through continuous innovation and excellence in quality management. We deeply understand that high-quality products and responsible research and development practices are not only the cornerstone for the sustainable development of the enterprise but also a solemn commitment to patient life and health.

2.1 R&D Innovation

CardioFlow is dedicated to providing more advanced, safer, and more effective medical solutions for patients worldwide. We continuously increase R&D investment, optimize the innovation management system, and accelerate the development process of key product pipelines, while strengthening the intellectual property portfolio to consolidate and enhance our market competitive advantage.

Furthermore, we further solidify our foundational R&D capabilities, strengthen the talent echelon development, and deepen industry-university-research partnerships. This provides a solid foundation for technological breakthroughs and the commercialization of achievements.

Cultivating Innovative Technical Talent

- We have established a core R&D team with profound technical expertise in biomaterials, structural design, and processing techniques, providing continuous professional assurance for our product innovation.
- We have formed multiple cross-functional project teams, including project management, R&D, process, procurement, quality, registration, clinical trials, and medical technology, working together to promote the entire process of new product development and improve product R&D efficiency.
- We organize R&D personnel to participate in internal and external R&D innovation training, technical lectures, seminars, etc., providing a platform for team members to exchange and learn cutting-edge technologies. This not only enhances the knowledge and skills of R&D personnel but also encourages them to demonstrate innovative thinking in R&D projects, continuously upgrading technologies and products, and providing a continuous driving force for the Group to maintain its technological leadership.

Integrating Innovative Academic Resources

- We continuously deepen our cooperation with globally top-tier scientists and clinical experts. Relying on our International Scientific Advisory Committee, we conduct in-depth exchanges on the latest trends and technological breakthroughs in heart valve disease treatment. This provides strategic guidance for our R&D direction and accelerates our product development and clinical transformation.
- We continue to build a digital R&D platform, having established handle modularization and catheter polymer platforms, polymer synthesis platforms, and actively using data-driven R&D tools such as 3mensio, Creo and Solidworks to enhance the efficiency of product R&D innovation.

Participating in National Scientific Research Projects

- We always insist on promoting technological progress and innovation, and actively participate in national scientific research projects.

Innovation-Driven Achievements

We advance the strategic R&D layout for providing state-of-the-art total solution for treating structural heart disease in an orderly and efficient manner. Adhering to the principle of intensification, we have consolidated resources for projects under development, rationally planned project timelines, efficiently progressed the development of products with rapid commercialization potential, and orderly advanced medium-to long-term projects towards achieving their R&D milestones. Our self-developed product portfolio includes seven certified products — VitaFlow®, VitaFlow Liberty® (including the procedure accessories supplied therewith), VitaFlow Liberty® Flex, Alwide® Plus, AccuSniper™, the AnchorMan® Left Atrial Appendage Closure System, and the AnchorMan® left atrial appendage guide system — as well as a variety of TAVI products, TMV products, TTV products, left atrial appendage products, and surgical accessories at different stages of development. The figure below provides an overview of the product portfolio developed in-house and in collaboration with our business partners. For more detailed product information, please refer to the "Our Products" section of the Annual Report.

Products		
Aortic Valve Products	VitaFlow® system	VitaFlow®
		Alwide® Valve Balloon Dilatation Catheter*
	VitaFlow Liberty® system	VitaFlow Liberty® (Retrievable)
		Angelguide® Pre-shaped Extra-Stiff Guidewire
	VitaFlow Liberty® Flex (Adjustable-curve Delivery System)	
	VitaFlow® IV (Lower profile, enhanced durability and hemodynamic performance)	
	Aortic Regurgitation Product (Self-developed)	
Mitral Valve Products	Replacement Product (Self-developed)	
	AltaValve™ — Replacement Product (In collaboration with 4C Medical — Rights for commercialization in China)	
Tricuspid Valve Products	Replacement Product (Self-developed)	
	Replacement Product (In collaboration with 4C Medical)	
Surgical Accessories	Alwide® Plus Valve Balloon Catheter	
	AccuSniper™ Peripheral Balloon Catheter	
Left Atrial Appendage Products	AnchorMan® Left Atrial Appendage Guide System	
	AnchorMan® Left Atrial Appendage Closure System	
	Next-Generation AnchorMan® Left Atrial Appendage Closure System	
	Next-Generation AnchorMan® Left Atrial Appendage Guide System (Adjustable-curve)	

CardioFlow continuously strengthens its core technology development and product innovation capabilities, driving product upgrades and enhanced clinical value through high-quality R&D achievements, thereby promoting technological advancement and improved accessibility in the field of structural heart disease. During the Reporting Period, the Group made multiple advancements in the development of its innovation and R&D system and the achievement transformation.

Partial Key R&D Achievements in 2025

- The second-generation TAVI product independently developed by CardioFlow, the VitaFlow Liberty® transcatheter aortic valve and retrievable delivery system, was successively approved in more than ten countries, including Brazil, Kazakhstan, Mexico and Ecuador.
- The AnchorMan® left atrial appendage closure system, independently developed by Shanghai MicroPort CardioAdvent Co., Ltd., a subsidiary of CardioFlow, obtained CE certification in the European Union and was approved for marketing by the National Administration of Drugs, Foods and Medical Devices (ANMAT) in Argentina.
- The second-generation valve balloon dilatation catheter independently developed by CardioFlow — Alwide® Plus valve balloon dilatation catheter — successfully obtained CE certification and was subsequently approved in multiple countries, including Turkey, Belarus and Kazakhstan.
- The TMVR product independently developed by CardioFlow for the treatment of patients with mitral regurgitation (MR) has completed multiple human implantations and follow-ups, with its safety and efficacy further validated.

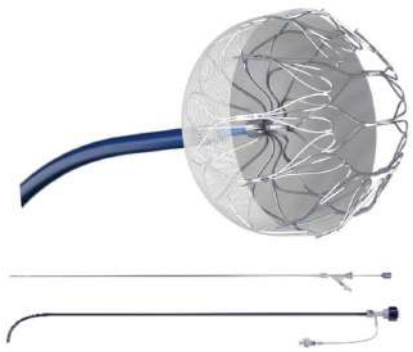
Building on these R&D achievements, CardioFlow further strengthened its innovation capabilities and global R&D presence, with additional progress made in areas such as R&D platform development, product recognition, and strategic collaboration.

CardioFlow Granted "Multinational R&D Center" Accreditation

In July 2025, CardioFlow was granted the "Multinational R&D Center" accreditation, reflecting the Group's comprehensive strength in its R&D system and technological innovation. Focusing on the field of structural heart disease, CardioFlow has successfully commercialised nearly 10 innovative products and established a pipeline of nearly 20 products under development, covering aortic valves, mitral valves, tricuspid valves, and left atrial appendage closures. Among them, the VitaFlow® series has continuously achieved technological breakthroughs. Its third-generation product, VitaFlow Liberty® Flex, leveraging the unique technical advantage of being the world's only "true" coaxial, steerable, self-expanding Transcatheter Aortic Valve (TAV) delivery system, has been adopted in over 700 key hospitals across more than 20 countries and regions, cumulatively treating over 10,000 patients. This demonstrates the international competitiveness of "Intelligent Manufacturing in China".

AnchorMan® Included in the *Shanghai Biomedical "New and Excellent Drugs and Medical Devices" Product Catalogue*

The AnchorMan® left atrial appendage closure system, independently developed by CardioFlow, was successfully included in the sixth batch of the *Shanghai "New and Excellent Drugs and Medical Devices" Product Catalogue* in June 2025, following its dual certification by the NMPA[1] and CE MDR[2] in 2024, marking another authoritative recognition at the municipal level. As China's only approved semi-occlusive occluder, its design addresses the clinical challenge of traditional plug-based occluders requiring deep sheath insertion into the appendage, through a semi-occlusive structure formed by 12 "3D folding" units at the distal end together with the mesh frame. Its distal rounded, soft design and dense Nitinol mesh frame significantly improve sealing efficacy and reduce the risk of tissue damage. Within one year of its market launch in China, the product achieved the milestone of progressing from the first implant to 500 implants, with a procedural success rate of 100%. It also completed its first overseas clinical application in May 2025, marking the beginning of its global rollout.



Product Figure

Furthermore, we continuously enhance our R&D synergy capabilities and global innovation footprint through strategic mergers and acquisitions that integrate high-quality technologies and resources, driving the upgrade of our comprehensive solution capabilities in the cardiovascular field.

Collaboration with MicroPort CRM to Accelerate Building a Global Heart Failure Platform

In 2025, CardioFlow and MicroPort CRM (Cardiac Rhythm Management) strategically merged. By integrating their respective technological strengths in structural heart disease (e.g., valve intervention) and cardiac rhythm management (e.g., pacemakers, defibrillators), a synergistic innovation model of "Passive Devices + Active Devices + Data Platform" has been formed. For example, combining CardioFlow's hemodynamic technology with MicroPort CRM's capabilities in AI diagnostics and biosignal analysis can facilitate the development of comprehensive device solutions covering early monitoring, diagnosis, and long-term management for heart failure patients.

1 NMPA Certification: NMPA Certification refers to the approval process conducted by China's National Medical Products Administration for the registration and market access of medical devices, ensuring products meet safety and efficacy standards.

2 CE MDR Certification: The EU Medical Device Regulation (MDR) is the European Union's regulation for medical devices. CE Certification is the mark that ensures a product complies with EU safety standards.

Intellectual Property Protection

We attach great importance to the creation, protection, and utilization of intellectual property (IP), continuously improving our IP management system and strengthening the patent portfolio for core technologies. We strictly adhere to laws and regulations such as the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*. We have formulated and continuously refined internal policies, including the *Provisions for the Administration of Intellectual Property Work*, the *Provisions for the Administration of Intellectual Property Rights of Technological Innovation Achievements*, and the *Management Procedures for Intellectual Property Documentation*, to ensure the effective management and protection of the Group's IP. During the Reporting Period, CardioFlow was not involved in any intellectual property-related litigation cases.

The Group has implemented a series of systematic and standardized intellectual property management measures to comprehensively safeguard the core competitiveness of our technologies and products.

CardioFlow Intellectual Property Management Initiatives

System management

Continuously improving the "WADE" digital intellectual property management system to achieve full-process digital management, encompassing proposal management, case management, expense management, agency collaboration and layout operation, thereby enhancing the efficiency and transparency of intellectual property management.

Incentive policy

Continuously refining incentive mechanisms, including the *Rewarding Intellectual Property Contributors* and the *Management Procedures for Intellectual Property Acquisition, Maintenance, Utilization and Rewards* to encourage employees' active participation in technological innovation and IP creation, thereby facilitating the translation of intellectual property value into corporate competitiveness.

Internal training

Conduct special trainings on "Documentation of Intellectual Property Management System", "The Use of Database" and "Patent infringement risk", to raise the awareness and skills of intellectual property protection of relevant employees.

Protection of confidential information

Continuously improving trade secret protection systems, including the *Confidentiality Management Procedures*, the *Provisions on the Management of Trade Secrets*, and the *Reward and Compensation Agreement for Resigned Patent Inventors*, and signing confidentiality agreements with employees and business partners to clearly define confidentiality obligations and legal responsibilities, thereby effectively preventing the leakage of core technologies and business information.

As of the end of the Reporting Period, the Group had accumulated 401 patents and 125 trademarks.

CardioFlow's cumulative patent and trademark application through the end of 2025

Patent Type	Unit	Accumulated holdings	In application (pending)
Invention Patent	Item	238	237
Utility Model Patent	Item	151	0
Industrial Design Patent	Item	12	0
Trademark	Item	125	25
Total	Item	526	262

2.2 Excellent Quality

CardioFlow has established a comprehensive quality management system, strictly implementing all quality control standards to ensure that every product meets the most stringent quality requirements. We are committed to continuously enhancing product quality and safeguarding patient safety and health through scientific quality management processes, precise product testing and release, and a comprehensive training and evaluation system.

2.2.1 Quality Management System

Based on relevant laws, regulations, and industry standards 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 Administration of Medical Device Production*, and the *Regulations on the Quality Management for Medical Device*, CardioFlow has formulated and implemented a series of management systems, including the *Quality Manual*, to ensure quality management throughout the entire product lifecycle. In response to the latest legal and regulatory requirements and international quality management standards, we continuously update and improve our corporate policy documents. During the Reporting Period, we updated a total of 20 procedural documents and 66 management system documents, covering areas such as the record control procedure, management review control procedure, system audit control procedure, data analysis control procedure, and vigilance system control procedure.

CardioFlow continuously refines its four major quality management modules: Quality Assurance (QA), Quality Control (QC), Testing Center (TC), and Quality Management System (QMS). These modules are responsible for quality assurance, process control, testing and verification, and system operation throughout the product lifecycle, respectively, forming a management structure with clear responsibilities and efficient collaboration. In 2025, the Group set clear quality management objectives: no recall events and no product return due to quality issues for the entire year. During the Reporting Period, these quality objectives were successfully met, with 0 recall or return incidents occurring due to product quality issues.

In 2025, the Group maintained its ISO 13485:2016 Medical Devices Quality Management System certification. New operational sites in Australia, Brazil, and Canada obtained certification under the Medical Device Single Audit Program (MDSAP). We also ensured that the Testing Center maintained the validity of its ISO/IEC 17025:2017 China National Accreditation Service for Conformity Assessment (CNAS) Laboratory accreditation certificate. These efforts ensure that all products continuously comply with international standards and industry regulations throughout their R&D, production, and post-market phases.


CERTIFICATE

DEKRA

Shanghai MicroPort CardioFlow Medtech Co., Ltd.

ISO 13485:2016

MDSAP

MDSAP Certification Certificate

Furthermore, the Group actively explores digital and automated upgrade paths for quality management. By introducing intelligent inspection equipment, information management systems, and data traceability platforms, we enhance the precision and response efficiency of quality control.

Quality Testing and Product Release

The Group continuously optimizes product testing processes and enhances the automation and intelligence level of inspection equipment to ensure products comply with national regulations and industry standards throughout their lifecycle. In 2025, we successfully passed the CNAS Laboratory re-accreditation review. Building upon our existing testing capabilities, we added new testing sites, further improving our physical performance testing capacity and inspection throughput. This provides more stable and efficient technical support for product quality verification and further refines testing processes and technical standards. During the Reporting Period, the Group expanded its testing capabilities with 9 new accredited scopes, broadening the coverage of testing items and enhancing the verification capability for key quality indicators. Simultaneously, we continue to engage qualified third-party testing institutions to conduct microbiological and chemical performance testing, ensuring products meet regulatory requirements for biosafety and related physical and chemical indicators. Through the synergy of enhanced internal testing capabilities and external professional resources, the Group continuously improves testing efficiency and result reliability.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认可决定书

CNAS Accreditation Decision Letter

Based on a robust testing system, the Group integrates quality control requirements into the management of the entire product lifecycle. We have established a comprehensive quality inspection system covering raw materials, semi-finished products, and finished products. Combined with product risk management outcomes, we formulate quality control strategies to ensure that inspection items and release standards at each stage are scientific and compliant. During the product release process, the Quality Assurance and Quality Control teams systematically review production and testing data to ensure that products only enter the market after confirming compliance with quality standards.

Regarding testing capabilities, the Group continuously enhances its internal testing proficiency while entrusting qualified third-party institutions to conduct microbiological and chemical performance testing, ensuring products meet regulatory requirements for biosafety. Through the coordinated use of internal and external testing resources, the Group consistently improves testing efficiency and the accuracy of results.

In terms of quality review and release processes, the Company actively advances digitalization and process management. During the Reporting Period, we actively operated the newly launched online processes for Emergency Release and Metrological Monitoring, achieving systematic management of related approvals and monitoring tasks. Concurrently, the Company continuously optimizes the online approval workflows for emergency release and metrological monitoring, improving cross-departmental collaboration efficiency and anomaly response speed. By effectively utilizing management dashboards and data analysis tools, we have achieved real-time monitoring of quality data, anomaly alerts, and process management for improvement measures, further enhancing the systematic nature and traceability of quality control.

Internal and External Quality Audits

The Group regularly conducts internal quality system audits to comprehensively evaluate key processes and control points, ensuring that the quality management activities of all business units comply with established standards and regulatory requirements. During internal audits, we focus on core areas such as production process control, product release management, supplier quality management, and post-market surveillance, developing corrective action plans for any issues identified. During the Reporting Period, the Company conducted 2 internal audits of its quality management system. All issues identified during the audits were addressed according to the established corrective action plans.

Simultaneously, we actively cooperate with external audits conducted by regulatory authorities and third-party certification bodies, continuously improving the operational effectiveness of our quality management system. In 2025, the Group underwent a total of 7 external audits, covering types such as Medical Device Single Audit Program (MDSAP) certification, routine regulatory inspections, Russian registration change audits, ISO 13485:2016 Medical Devices Quality Management System certification, and EU Medical Device Regulation (MDR, EU 2017/745) compliance audits. All audits were passed successfully, and all identified non-conformities were rectified according to plan.

Quality Training and Competitions

To enhance the quality awareness of all employees, the Group continuously carries out multi-level and multi-dimensional quality training and skills improvement activities. During the Reporting Period, the Group's quality-related training covered a total of 5,787 person-times. In 2025, we further optimized the quality training curriculum system, incorporating case studies and hands-on exercises to strengthen employees' understanding and implementation capabilities regarding quality standards and operational specifications.

Quality Improvement Proposal Evaluation

In October 2025, the CardioFlow QC team participated in the "Quality Month" outstanding improvement proposal evaluation activity organized by the Group. The activity aimed to identify improvement opportunities within the production and inspection processes. A total of 28 improvement suggestions were proposed, with 25 adopted and 16 implemented, resulting in an implementation rate of 64%. This activity effectively facilitated the timely and efficient implementation of improvement measures, yielding tangible results in cost reduction and efficiency gains. It also motivated the quality management team to pursue progress and innovation, thereby enhancing the quality awareness of all employees.

MicroPort® Union Labour Competition

In 2025, CardioFlow participated in the labor competition organized by the MicroPort® Union. 3 of our quality improvement projects were entered into the competition, with 2 of them receiving the "Excellence Award". Led by the quality team and implemented in collaboration with departments such as Production and R&D, these projects focused on optimizing quality control processes and improving execution efficiency. They successfully promoted the implementation of improvement measures while ensuring stable product quality.

Regarding supplier quality management, the Group collaborated with the Procurement Department to conduct quality training for key suppliers. This was based on the *Supplier Management System (Service Supplier Management System)* and the *2025 Supplier Audit Plan*, focusing on critical materials and key service processes. The training content covered vital aspects throughout the product lifecycle, including raw material management, incoming quality inspection, production process control, first-and-last piece quality control, measurement equipment management, and finished product protection. This helped suppliers better understand the Group's quality standards and management requirements. During the Reporting Period, the Group conducted relevant quality training for 65 key material suppliers (Category A and B).

2.2.2 Clinical Safety Management

CardioFlow always prioritizes patient safety and has established a comprehensive clinical safety management system covering product clinical trials, post-market surveillance, and adverse event management. We strictly adhere to industry regulatory requirements and technical guidelines such as the *Norms on the Quality Management for the Clinical Trials of Medical Devices* and the *Guidelines for the Design of Clinical Trials for Medical Devices*, promoting the scientific, standardized, and compliant execution of clinical research. We continuously refine relevant procedures, including the *Control Procedure for Clinical Trials,* the *Supervision on Clinical Trials,* the *Continuous Safety Assessment of Clinical Trials* and the *Management System of Clinical Program Training*. This strengthens end-to-end management from study design, initiation, and execution to final evaluation, ensuring the authenticity, accuracy, and traceability of clinical trial data. We place high importance on professional competence and compliance awareness of clinical trial personnel. Continuous Good Clinical Practice (GCP) training is conducted, ensuring 100% of relevant personnel complete the training and pass the assessments, providing talent assurance for the high-quality execution of clinical trials. In terms of clinical safety monitoring, we have established a robust adverse event management mechanism. We continuously track, assess, and handle safety events arising during clinical trials, regularly perform data aggregation and trend analysis, and generate periodic summary reports. This enables the timely identification of potential risks and the continuous enhancement of clinical trial safety and quality management levels.

2.3 Quality Service

CardioFlow is committed to building an efficient and trustworthy service system to assist clinicians in improving diagnosis and treatment outcomes, and to enhance patient accessibility and satisfaction.

2.3.1 Customer Service Management

To continuously improve customer satisfaction and service experience, CardioFlow strictly adheres to relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Product Quality Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Medical Devices*, and the *EU Medical Device Regulation (MDR) 2017/745*. In line with business development needs, we continuously optimize internal procedures including the *Control Procedures Related to Customers,* the *Feedback Control Procedures,* the *After-sales Service Management System* and the *International Agent Management Standards*. We have established diversified customer communication platforms covering WeChat official accounts, service hotlines, email, and the official website, ensuring that customer service processes are standardized, regulated, and traceable. We respond quickly to customer feedback, take effective measures to resolve issues, and continuously enhance customer satisfaction. During the Reporting Period, we received 13 complaints regarding products and services. All complaints were promptly addressed and satisfactorily resolved.

We conduct regular training on customer service-related systems, strengthening the professional capabilities of frontline staff and distributors in areas such as product knowledge, complaint handling, and channel management, ensuring employees fully understand and adhere to service standards.

Regarding product safety and the protection of patient rights, the Group has established mechanisms for adverse event monitoring and product recall management. We strictly comply with the *Measures for the Administration of Medical Device Adverse Event Monitoring and Re-evaluation* and relevant international regulations. Internal systems such as the *Domestic Adverse Event Monitoring, Re-evaluation,* and the *Product Recall System and Regulations of Medical Device Reporting in Overseas Market* have been formulated and are followed, ensuring controllable product safety risks in both domestic and international markets. A Safety Incident Assessment Team, composed of multiple departments including Clinical Department, the R&D Department and the Project Department, quickly responds to adverse events related to product recalls, conducts in-depth analysis and correction, and continuously improves the safety and reliability of products in clinical use. During the Reporting Period, the Group did not experience any recall incidents due to safety and health reasons.

Furthermore, we regularly conduct product recall drills to test the effectiveness of emergency response mechanisms and enhance team coordination and handling capabilities.

We regularly conduct customer satisfaction surveys and assessments to continuously improve the professionalism and refinement of our customer service. In 2025, CardioFlow conducted a customer satisfaction assessment covering dimensions such as overall impression, customer loyalty, overall product evaluation, product satisfaction, service quality, and suggestions. This drives continuous service quality improvement. During the Reporting Period, CardioFlow conducted a customer satisfaction survey, achieving a score of 9.47 out of 10.

2.3.2 Responsible Marketing

CardioFlow consistently upholds the principle of responsible marketing, strictly complies with relevant laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and formulates and implements management systems including the *Code of Business Conduct and Ethics*. This standardizes marketing and promotion activities, ensuring the compliance and transparency of all marketing initiatives. During the Reporting Period, the Group did not incur any administrative penalties or litigation cases due to marketing violations.

Advertising and Promotion Review Process

To ensure the authenticity and accuracy of advertising content, we have established the *Media Platform Press Realize System*, implementing a hierarchical management mechanism. All materials undergo a joint review by the Legal and Compliance Department and the Marketing Department to ensure that all advertising and promotional content aligns with the Group's product information.

Distributor Compliance Management

In collaborations with distributors, we ensure all partners adhere to consistent business ethics standards through the *Anti-Corruption Compliance Standards Clause* within the *Distribution Contract*. This joint effort maintains the integrity and reputation of the Group's brand.

Compliance Marketing Training

The Group regularly conducts Compliance Marketing Training for frontline sales personnel, distributors, and other partners. The training covers areas such as market development and program promotion, aiming to enhance the compliance awareness of marketing personnel and ensure that all marketing activities strictly comply with laws and regulations.

Responsible Marketing Management Measures

3. GREEN CARDIOFLOW, BUILDING AN ECOSYSTEM

CardioFlow attaches great importance to environmental protection and climate-related issues, and integrates green and low-carbon development principles into its corporate strategy and daily operations. We continuously enhance its environmental management and climate risk response systems, focusing on key areas such as emissions control, efficient resource utilization, and environmental risk management. Through these efforts, the Company strives to strengthen its environmental governance capabilities and climate resilience, while minimising its environmental impact alongside business growth.

3.1 Climate Change Response

Climate change poses a threat to human well-being and the ecological balance of the planet. CardioFlow incorporates the low-carbon transition into its strategic planning, systematically conducts climate risk assessments, and simultaneously explores development opportunities within green practices, actively responding to this global challenge.

3.1.1 Governance

CardioFlow pays high attention to the potential impact of climate change on economic and social development as well as the operation of the healthcare industry, regarding climate issues as a vital component of sustainable development. Our Board, as the highest responsible body, provides comprehensive oversight of climate change management. The ESG Working Group and its members advance climate mitigation and adaptation efforts within their respective areas of responsibility[3].

3.1.2 Strategy

We continuously identify and assess climate-related risks and opportunities, gradually integrating climate considerations into the overall framework of our environmental and operational management in line with our business characteristics. Concurrently, the Group achieves sustainable low-carbon development by planning emission reduction pathways and applying energy-saving and emission-reduction technologies. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and considering national climate strategies and global climate challenges, we have identified and assessed the climate change transition risks, physical risks, and opportunities facing the Group, and are actively taking responsive measures.

[3] 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.

Climate-related Risk and Opportunity		Impact Cycle	Probability of Occurrence	Impact Level	Financial Impact[4]	Potential Impact	Response Measures
Physical Risk	Acute Physical Risk	Short-term	Low	Weak	Increased Operational Costs	Extreme weather events (such as typhoons, rainstorms, and thunderstorms) may disrupt the Group's daily production and operations and, under certain circumstances, trigger supply chain interruption risks, thereby adversely affecting employee health and safety, production continuity, and operational efficiency.	In accordance with the *Trial Provisions of Shanghai Municipality on Issuing Warning Signals of Severe Weather*, standardize the prevention, monitoring, and early warning procedures for extreme weather events, and improve the emergency response capabilities for extreme weather events. Equip with emergency supplies such as flood prevention sandbags, water pumps and flood control barriers, formulate the *Special Emergency Plan for Flood and Typhoon Control*, carry out annual drills for extreme weather events, and clearly regulate the emergency response, rescue measures, and follow-up work plans for extreme weather events such as typhoons, thunderstorms, floods and cold waves. In line with production needs, inventory levels are reasonably increased in advance. The Group also continuously develops and evaluates backup suppliers to strengthen supply chain resilience.
	Chronic Physical Risk	Long-term	Low	Medium	Increased Operational Costs	The ongoing high-temperature weather and changes in precipitation patterns induced by climate change may place higher demands on the Group's production scheduling and operational management.	
Transition Risk	Policy and Legal Risk	Medium-term	Low	Strong	Increased Operational Costs	As regulatory requirements related to energy conservation, consumption reduction, and low-carbon development gradually become stricter, the Group may face increasing cost pressures in compliance management. Failure to meet these requirements in a timely manner could pose risks of regulatory penalties or investigations.	Continuously strengthen the study and research on low-carbon policies and regulations, actively communicates with relevant government authorities, and keeps abreast of and responds to the latest regulatory requirements.

Climate-related Risk and Opportunity		Impact Cycle	Probability of Occurrence	Impact Level	Financial Impact[4]	Potential Impact	Response Measures
	Technology Risk	Short-term	High	Medium	Increased Operational Costs	To meet low-carbon emission requirements, the Group may need to strengthen exploration and investment in new technologies and upgrade existing R&D and production equipment, which could lead to increased operational costs.	Continuously conduct research and evaluation of new technologies and equipment, giving priority to options that offer comprehensive advantages in both environmental performance and cost-effectiveness.
	Market Risk	Medium-term	High	Medium	Increased Operational Costs	Changes in the prices of raw materials such as energy and water as well as emission requirements such as waste disposal may lead to higher production costs.	Advance initiatives related to efficient management and the circular economy, continuously enhancing the usage efficiency of resources such as energy and water, and reducing per-unit resource consumption, thereby mitigating cost pressures arising from price fluctuations in energy resources and waste disposal.
	Reputation risk	Medium-term	Low	Weak	Decreased Revenue	Should the Group's actions in addressing climate change prove insufficient, it may affect the confidence of stakeholders such as investors, adversely impacting the Group's reputation and business development.	Formulate and improve the climate risk management plan, proactively respond to the expectations of stakeholders, including investors, regarding climate-related risk management and associated performance indicators, thereby enhancing the foresight and effectiveness of its climate change risk management.
Opportunity	Resource efficiency	Medium-term	High	Medium	Decreased Operational Costs	By improving the efficiency of energy, water, and other resource usage, the Group reduces its operational costs.	Continuously implement a series of energy conservation and water conservation management initiatives, effectively enhancing resource usage efficiency.

[4] Due to the currently limited financial sensitivity of the Company to climate risks, we have identified the potential financial impacts of climate-related factors on the Company primarily through qualitative analysis. The scenario parameters and models required for a fully quantitative assessment of climate-related financial impacts are still under continuous development. Building on the existing qualitative analysis, we will continue to monitor developments in climate-related issues, progressively enhance our quantitative assessment in accordance with regulatory requirements, and provide more in-depth disclosures in due course.

Based on the systematic identification of climate-related risks and opportunities, the Group has formulated corresponding strategies to address climate change for the short, medium, and long term, in line with its operational realities and resource endowments. These strategies are dynamically adjusted according 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 inventory 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. Promptly optimize strategic direction to ensure strategic resilience.

Long-term (>5 years)
Adhere to the goals of carbon peak and carbon neutrality, striving to achieve long-term effectiveness in both mitigating and adapting to climate change.

Building upon the aforementioned climate change management strategy, CardioFlow continues to advance its work related to energy management, focusing on this critical area to enhance resource utilization efficiency and support low-carbon operations.

CardioFlow strictly adheres to laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and continuously optimizes its energy management system. We integrate energy conservation and carbon reduction into the entire production and operation process by optimizing energy-saving management, introducing energy-efficient technologies, and fostering a culture of conservation. This continuously improves comprehensive energy management efficiency, effectively reduces energy consumption, and strives to achieve energy consumption efficiency targets and carbon emission targets.

CardioFlow's Energy Conservation and Carbon Reduction Measures

Optimization of Energy Conservation Management

- Strengthen the management of major energy-consuming equipment such as air conditioning systems, optimize the operation modes of cleanroom air conditioning based on production and R&D schedules, and implement reduced-frequency operation during production intervals.
- Set upper and lower temperature limits for air conditioning in office areas during winter and summer, and lock the control panels for air conditioning in unoccupied areas to prevent unnecessary usage.
- Establish equipment operation schedules to reasonably adjust the operating hours of energy-consuming devices such as landscape lighting, water features, large screens, cycad lights, and signage lights across the campus, ensuring operation on demand.
- Intensify inspection rounds in office areas to promptly turn off unnecessary lighting, air conditioning, audio-visual equipment, etc. Energy waste behaviors identified are reported and rectified to reinforce proper energy use practices.

Introduction of Energy-saving Technologies

- Introduce energy-efficient lighting equipment, such as replacing high-energy-consuming incandescent lamps in the canteen and visitor corridors with LED lighting, and adopting fire exit lighting that integrates radar sensing with light control, thereby improving lighting efficiency and reducing energy consumption.

3.1.3 Risk Management

CardioFlow has integrated climate-related risks into its overall environmental and operational risk management framework. We implement a standardized climate risk management process of "Risk and Opportunity Identification — Risk and Opportunity Assessment — Risk and Opportunity Response", with a particular focus on the potential impact of factors such as extreme weather events, energy usage, and policy changes on business continuity.

Climate Risk Management Initiatives

Risk and Opportunity Identification
• Continuous monitoring of changes in external policies and market dynamics in light of the Company's business layout, operating environment and industry characteristics, with systematic identification of climate-related risks and opportunities. • Assessment from both physical and transition risk dimensions, taking into account operational status, strategic planning, industry characteristics and key stakeholder concerns, to develop a list of climate-related risks and opportunities with potential impacts on the Company.
Risk and Opportunity Assessment
• Internal thematic analyses conducted to assess the likelihood and potential impact of identified climate-related risks, with prioritization based on materiality to support management decision-making. • Comprehensive evaluation of risk impacts incorporating operational conditions, industry trends and stakeholder expectations.
Risk and Opportunity Response
• Formulation and dynamic refinement of corresponding management measures based on assessment results, with implementation incorporated into regular monitoring and review mechanisms to facilitate a continuous improvement management loop. • Development of coordinated response pathways for identified risks and opportunities, taking into account climate scenario analysis as well as operational and external environmental conditions, to progressively enhance the climate change management framework.

3.1.4 Metrics and Targets[5]

CardioFlow continuously conducts the statistics and management of energy consumption and greenhouse gas emissions, serving as a crucial foundation for assessing the impact of climate change and promoting energy conservation and emission reduction. As of the end of the Reporting Period, the Group's metrics for energy consumption and greenhouse gas emissions are as follows:

Metrics	Unit	2025	2024	2023
Energy consumption[6]				
Direct Energy Consumption				
Natural Gas[7]	kWh	**668,582**	820,044	1,283,795
Petrol	kWh	**0**	2,456	41,799
Diesel	kWh	**1,476**	3,755	2,323
Indirect Energy Consumption				
Purchased Electricity	kWh	**4,045,436**	3,529,147	5,397,878
Purchased Steam[8]	kWh	**395**	/	/
Comprehensive Energy Consumption	kWh	**4,715,889**	4,355,401	6,725,795
Intensity of Comprehensive Energy Consumption[9]	kWh/USD Million Revenue	**82,671**	85,728	141,685
Greenhouse Gas (GHG) Emission[10]				
Scope 1 GHG Emissions	Tonne of CO_2 Equivalent	**134.0**	165.5	267.5
Scope 2 GHG Emissions	Tonne of CO_2 Equivalent	**2,466.3**	2,066.7	3,078.4
Total GHG Emissions	Tonne of CO_2 Equivalent	**2,600.2**	2,232.2	3,345.9
Intensity of GHG Emission[11]	Tonne of CO_2 Equivalent/ USD Million Revenue	**45.58**	43.94	70.48

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

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

7 To encourage green transportation and energy conservation, the group did not own or rent any fuel vehicles in 2025. Therefore, the gasoline consumption data is 0.

8 The newly added purchased steam indicator in 2025 is due to the Company's relocation to our owned property during the reporting period. Purchased steam is used for humidification and heating of the air purification system.

9 The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

10 The greenhouse gas emission factors refer to the *Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors (Trial)* of the National Development and Reform Commission in 2015. The emission factors for purchased electricity refer to the *Announcement on the Release of the 2022 Carbon Emission Factors for Electricity* released by Ministry of Ecology and Environment of the People's Republic of China in 2023. We are gradually advancing the investigation and quantification of Scope 3 emissions and will disclose it at an appropriate time.

11 The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

3.2 Environmental Management

CardioFlow adheres to the principles of compliant and standardized environmental management. We integrate ecological and environmental protection requirements into the group's operational and risk governance framework, strictly complying with applicable laws and regulations such as 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*. By formulating internal policies related to environmental management, we refine environmental objectives and clarify responsibility assignments. This drives the effective implementation of environmental protection measures in our business activities, continuously improves the overall level of environmental management, and ensures the practical fulfillment of our corporate environmental responsibilities.

The Group has established a systematic environmental management structure. An EHS (Environment, Health, and Safety) Management Team, led by the Group President, coordinates the environmental management responsibilities of various departments, integrating environmental management requirements deeply into daily operations and management processes. This promotes the normalized operation and standardized oversight of environmental management work.

Furthermore, the Group has developed an environmental management system tailored to its business characteristics. The system has passed ISO 14001 Environmental Management System recertification. External certification bodies conduct annual audits to evaluate the system's operation, ensuring the environmental management mechanism functions continuously and effectively.


ENVIRONMENTAL MANAGEMENT SYSTEM
CERTIFICATE OF CONFORMITY

Shanghai MicroPort CardioFlow Medtech Co., Ltd.

Apr.26, 2024

Shanghai Audit Center of Quality System

ISO 14001 Environmental Management System Certification

To ensure ecological and environmental safety and operational stability, the Group continuously improves its management and emergency response system for environmental incidents. By formulating and dynamically updating specific emergency response plans, and regularly organizing drills to test and optimize response procedures, we ensure a rapid activation of response mechanisms and the effective implementation of countermeasures in the event of environmental emergencies. This minimizes the potential impact on the surrounding ecological environment and maintains the coordinated stability of our operations and environmental safety.

Simultaneously, we continuously deepen the cultivation of environmental awareness and the development of a green culture. Through multi-level environmental protection training, regular awareness campaigns, and daily educational activities, we guide employees to enhance their understanding of environmental responsibility. This improves their conscientiousness for green behavior and risk prevention capabilities in specific work scenarios. We are gradually fostering an environmental protection atmosphere where all employees are attentive and collectively participate, promoting the establishment of a long-term mechanism for environmental protection principles within the organization.

During the Reporting Period, CardioFlow did not experience any violations of environmental protection laws and regulations, and the overall environmental compliance management system remained stable and effective.

3.3 Emissions Management

Within the corporate environmental governance framework, the control of pollutant emissions is a critical component for measuring the level of green operations. CardioFlow integrates emission management into the overall framework of sustainable development and social responsibility fulfillment. We strictly comply with applicable laws and regulations, including the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, implementing systematic, full-process management for emission categories such as waste, wastewater, exhaust gases, and noise.

By continuously optimizing emission control mechanisms and treatment processes, we ensure the standardized disposal and stable, compliant discharge of various pollutants. Where conditions permit, we benchmark against higher environmental management requirements, striving to reduce the potential environmental impact of our production and operational activities at the source. This continuously enhances our level of green operations and environmental performance.

3.3.1 Waste Management

For the full-process control of solid waste, the Group has established an institutionalized and categorized waste management system. By formulating documents such as the *Solid Waste Pollution Control Procedure* and the *Hazardous Chemicals Management System*, we provide the institutional basis and operational guidance for standardized waste management. Furthermore, the Group continuously refines management mechanisms for waste reduction, resource recovery, and compliant disposal. While meeting regulatory requirements, we promote the enhancement of waste reuse capabilities to lessen the environmental burden caused by our operations.

The hazardous waste generated by the Group primarily includes medical waste and chemical waste liquids from R&D and production activities. Non-hazardous waste mainly consists of general office waste and common industrial solid waste. For different categories of waste, the Group implements differentiated management measures, including segregated collection, standardized transfer, and professional disposal. This ensures that all types of waste are handled safely and compliantly, and continuously improves the overall level of waste management.

Hazardous Waste

- Hazardous waste is segregated at the point of generation by relevant departments and transferred to designated temporary storage areas for centralized containment, in accordance with management requirements.
- Regular entrustment is made to qualified third-party institutions for standardized and safe disposal.
- The process of hazardous waste transfer is strengthened through ledger documentation and procedural controls to ensure clear traceability of the waste flow.

Non-hazardous Waste

- General industrial solid waste is collected uniformly and disposed of centrally by professional agencies following regulatory requirements.
- Municipal solid waste is cleared and subsequently treated by the environmental sanitation department, ensuring daily waste disposal complies with regulations and maintains environmental safety.

During the Reporting Period, CardioFlow's waste-related data is as follows.

Metrics	Unit	2025	2024	2023
Hazardous Waste				
Total Amount of Hazardous Waste Generated	Tonne	**32.00**	57.32	63.82
Intensity of Hazardous Waste Generated[12]	Tonne/USD Million Revenue	**0.56**	1.13	1.34
Non-Hazardous Waste				
Total Amount of Non-Hazardous Waste Generated	Tonne	**17.12**	16.44	23.60
Intensity of Non-Hazardous Waste Generated[13]	Tonne/USD Million Revenue	**0.30**	0.32	0.50

[12] The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

[13] The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

3.3.2 Wastewater Management

CardioFlow strictly adheres to applicable laws and regulations in its operating locations, such as the *Water Pollution Prevention and Control Law of the People's Republic of China*. In line with our actual business operations, we have established and continuously improved internal systems related to wastewater management, including the *Water Pollution Prevention and Control Management Regulations* and the *Water Pollution Prevention and Control Procedures*. These documents implement standardized control over the entire process of wastewater generation, treatment, and discharge, ensuring that wastewater emissions consistently meet compliance requirements and adhere to high environmental management standards.

The Group's wastewater primarily consists of process wastewater generated from production and R&D activities, as well as domestic sewage from daily office operations. For these types of wastewater, we have installed corresponding treatment facilities for centralized processing. Before discharge, we engage qualified third-party institutions to conduct water quality testing. Discharge into the municipal sewage network is only permitted after confirming compliance with standards, thereby ensuring that the effluent quality meets relevant regulatory requirements. Simultaneously, by implementing a stormwater and sewage separation system, we channel rainwater separately into the municipal stormwater system. This reduces the pressure on wastewater treatment at the source and enhances overall treatment efficiency.

As of the end of the Reporting Period, CardioFlow's data related to wastewater discharge is as follows.

Metrics	Unit	2025	2024	2023
Wastewater				
Total Amount of Wastewater	Tonne	**12,909.34**	18,048.00	25,760.00
Intensity of Wastewater[14]	Tonne/USD Million Revenue	**226.30**	355.24	542.66

During the Reporting Period, the wastewater discharged by the Group was fully compliant with the relevant emission standards.

[14] The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

3.3.3 Air Emissions Management

CardioFlow strictly adheres to the applicable legal and regulatory requirements in its operating locations, such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*. In line with the characteristics of our production and operations, we have established and implemented internal systems including the *Air Pollution Prevention and Control Management Regulations* and the *Air Pollution Prevention and Control Procedures*. These documents enforce standardized, full-process management and source control for various types of exhaust gases generated during production, continuously strengthening the level of compliant control over air emissions.

The primary air pollutants generated during the Group's production and operational activities include particulate matter, ethanol, and volatile organic compounds (VOCs). To further enhance the effectiveness of air emission treatment, the Group optimized and upgraded its activated carbon adsorption treatment facilities by introducing high-performance honeycomb-activated carbon material, which increased the purification efficiency to approximately 90%. Concurrently, the Group regularly engages qualified third-party testing institutions with professional expertise to test the treated exhaust gases and issue test reports, ensuring that all air emission indicators consistently meet the requirements of relevant standards.

Optimising Cleaning Processes to Reduce VOC Emissions

During the Reporting Period, the Company optimised its production processes by replacing alcohol with purified water in the raw material cleaning stage. This adjustment maintained cleaning effectiveness while reducing the use of organic solvents. As a result, volatile organic compound (VOC) emissions were reduced at the source, alongside a decrease in material consumption, contributing to improved environmental performance in production operations.

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

Metrics	Unit	2025	2024	2023
Air Emissions				
Total Air Emissions	Tonne	**0.09**	0.10	/
Intensity of Total Air Emissions[15]	Tonne/USD Million Revenue	**0.0015**	0.0020	/

During the Reporting Period, the air emissions from the Group were fully compliant with the relevant emission standards.

[15] The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

3.3.4 Noise Management

To systematically reduce the potential impact of our production and operational activities on the surrounding acoustic environment, CardioFlow continuously strengthens noise prevention and control management throughout our operations. We strictly adhere to applicable laws and regulations, such as the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, and have established and implemented a noise management system covering source control, operational management, and monitoring and assessment. This system includes internal regulatory documents like the *Management Regulations for Prevention and Control of Noise Pollution* and the *Procedures for Prevention and Control of Noise Pollution*. By scientifically scheduling production operations and enhancing process governance, we promote a relatively stable acoustic environment between the plant's operation and the surrounding community.

At the implementation level, the Group conducts preliminary assessments of potential high-noise equipment during the project construction phase. We implement noise reduction measures such as installing glass curtain walls and filling with rock wool sound-absorbing materials to reduce noise generation and propagation intensity at the source. During the operational phase, the Group continuously performs periodic noise monitoring for new, expanded, and renovated projects, as well as for relevant production equipment, to prevent nighttime production from disturbing neighboring residents. Should monitoring results indicate any anomalies, the Group will promptly initiate corrective and handling procedures and complete information reporting as per management requirements, ensuring timely control of noise risks.

3.4 Resource Utilization

Guided by the principles of green, low-carbon, and circular utilization, CardioFlow regards the efficient allocation and conservation of resources as vital support for sustainable operations. We continuously deepen the concept of the circular economy in our management, systematically advancing the intensive utilization and circular management of key resources such as water and packaging materials. This continuously improves overall resource efficiency, gradually building a resource management model characterized by conservation, intensification, and environmental friendliness, and steadily steering our production and operations towards sustainable development.

3.4.1 Water Resource Management

The Group strictly complies with applicable legal and regulatory requirements, such as the *Water Law of the People's Republic of China*. In line with our production and operational characteristics, we have established relevant water resources management systems, implementing standardized, end-to-end water souring, usage, recycling, and discharge to promote the scientific allocation and rational utilization of water resources.

To enhance water use efficiency and promote recycling, the Group has set an overall objective to continuously optimize the water resources management system and advance the development of a water recycling management system. This shifts water conservation management from singular control to systematic governance.

Furthermore, we have established a water usage monitoring and conservation management mechanism covering all aspects of production and operations. This enables dynamic monitoring of water usage, allowing for the timely identification and handling of abnormal consumption, thereby continuously improving management effectiveness. The Group's water supply primarily comes from the municipal water system and is widely used for cleaning, processes, and domestic purposes. For different water usage needs, the Group implements differentiated water-saving measures and strengthens recycling management, enhancing the overall efficiency and effectiveness of water resources utilization and management.

CardioFlow Water Conservation Initiative

Clean Water
• Reuse purified water generated from cleaning containers and equipment, and advance the "Saving water in the standby mode of the water purification system" project by adjusting system operating parameters to reduce water waste.

Process Water
• Implement circulating treatment and reuse management for production water to improve the efficiency of secondary water resource utilization.

Domestic Water
• Post water-saving reminder signs in public areas to reinforce employees' awareness of water conservation.

During the Reporting Period, the Group's metrics for water resource consumption are as follows:

Metrics	Unit	2025	2024	2023
Total Water Consumption	Tonne	**16,758.68**	22,561.00	36,800.00
Intensity of Water Consumption[16]	Tonne/USD Million Revenue	**293.79**	444.07	775.23

[16] The denominator of intensity indicators has been changed from "revenue in RMB" to "revenue in USD", in alignment with the Annual Report. Due to the change in the measurement unit, the intensity data for 2024 and 2023 have been recalculated based on USD revenue. The 2025 Annual Report has disclosed the 2024 revenue in USD, while the 2023 revenue was converted using the RMB/USD central parity rate on the last working day of 2023. The exchange rate source can be found at the State Administration of Foreign Exchange of China: https://www.safe.gov.cn/safe/rmbhlzjj/index.html.

3.4.2 Packaging Material Management

Under the guidance of resource conservation and green manufacturing, CardioFlow continuously improves its packaging materials management system. We regard the sustainable packaging as a critical pathway to enhance resource utilization efficiency and reduce environmental impact. The Group promotes multidimensional improvements focusing on two key areas: packaging design optimization and supply chain collaborative management. On the premise of ensuring product safety and transportation stability, we effectively reduce material consumption and continuously elevate the level of green packaging management.

Packaging Design Optimization

- Advance packaging structure optimization to reduce unnecessary material usage.
- Develop recycling and recovery management for packaging materials to lower resource consumption.
- Introduce environmentally friendly alternative materials to decrease the use of traditional high-consumption materials.
- Implement lightweight design to reduce packaging weight while ensuring transportation safety.
- Substitute a part of paper-based cartons with EPE foam to reduce paper material usage.

Supplier Packaging Management

- Require suppliers to sign the *Procurement Framework Agreement* to ensure packaging material quality meets standards and prioritize suppliers that fulfill environmental requirements.
- Sign the *Procurement Framework Agreement* with suppliers, clarifying packaging quality and compliance requirements.
- Prioritize environmentally friendly suppliers based on the *Commitment of Supplier for Corporate Social Responsibility*.
- Extend the concept of green packaging to procurement and collaboration processes.
- Establish a collaborative mechanism for green packaging materials covering procurement, usage, and management.

During the Reporting Period, the Group's metrics for packaging materials are as follows:

Indicator	Unit	2025	2024	2023
Total consumption of packaging materials	Tonne	**55.70**	10.00	53.00
Total consumption density of packaging materials	Tonne/USD Million Revenue	**0.98**	0.20	1.12

4. TOGETHER CARDIOFLOW, LEADERSHIP THROUGH EXPERTISE

CardioFlow treats talent as the core asset driving the Group's innovative development. To safeguard employee rights, foster the collaborative growth of employees and the enterprise, the Group continuously builds and optimizes a comprehensive management system covering recruitment, incentives, development, promotion, and the work environment. This system encompasses fair recruitment processes, market-competitive compensation and incentives, systematic training design, transparent and compliant career development paths, as well as a healthy, positive work atmosphere, strongly supporting the mutual development of employees and the organization.

4.1 Diversified Employment

CardioFlow adheres to a "people-oriented" employment philosophy. We strictly comply with relevant recruitment and employment regulations, effectively safeguard the legitimate rights and interests of employees, and build an attractive compensation and benefits system to fuel enterprise development.

4.1.1 Rights and Interests of Employees

Compliant Employment

In its operations, CardioFlow strictly follows 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 *Social Insurance Law of the People's Republic of China*, ensuring all employment activities are conducted lawfully and compliantly. To systematically implement relevant legal requirements, the Group has formulated internal management systems including the *Employee Handbook*. These clarify regulations regarding recruitment and termination, working hours, leave arrangements, promotion paths, compensation and performance, and employee conduct standards. During the Reporting Period, in accordance with policy requirements, the Group has signed the *Labor Contracts* with all full-time employees, practically safeguarding their legitimate rights and interests.

Diverse Recruitment

CardioFlow explicitly prohibits the use of child labor and any form of forced labor in its employment practices, strictly adhering to the principle of lawful employment. Regarding discrimination and harassment in the workplace, the Group maintains a zero-tolerance stance and has established corresponding prevention and handling mechanisms. Employees who encounter workplace discrimination can file a complaint through internal Group channels. Upon verification, the Group will take disciplinary action against the individuals involved according to regulations. In cases involving workplace harassment, employees may choose to report it to the Group or seek legal recourse. The Group will actively cooperate with investigations and take necessary measures, including termination of employment, based on facts and the law. During the Reporting Period, the Group did not experience any incidents related to child labor, forced labor, workplace discrimination, or sexual harassment.

During the Reporting Period, the Group's metrics for employee are as follows:

Index	Unit	2025
Number of Employees		
Total Number of Employees	Person	421
Number of Employees by Gender		
Male	Person	193
Female	Person	228
Number of employees by age		
30 Years Old and Below	Person	101
31–50 Years Old	Person	319
Over 50 Years Old	Person	1
Number of Employees by Region		
China	Person	421
Overseas	Person	0
Number of Employees by Employee Level		
Senior-level Management	Person	5
Middle-level Management	Person	35
Other Employees	Person	381
Employee Turnover Rate		
Employee Turnover Rate	%	16.63
Employee Turnover Rate by Gender		
Male	%	16.81
Female	%	16.48
Employee Turnover Rate by Age		
30 Years Old and Below	%	24.63
31–50 Years Old	%	13.55
Over 50 Years Old	%	50.00
Employee turnover rate by region		
China	%	16.63
Overseas	%	0
Employee Turnover Rate by Employee Level		
Senior-level Management	%	16.67
Middle-level Management	%	2.78
Other Employees	%	17.71

4.1.2 Remuneration and Benefits

CardioFlow is committed to establishing and continuously optimizing a compensation framework aligned with the market. By regularly monitoring industry salary trends and analyzing the actual compensation levels for various functional positions, and in combination with employees' performance evaluation results, the Group sets specific standards for compensation distribution. To ensure effective linkage between performance and compensation, the Group has built a complete performance management system covering goal setting, process management, and outcome evaluation. Relevant systems include the *Performance Management System, Project Incentive System, Sales Incentive System* and *Executive Performance Evaluation Standards*, thereby ensuring that compensation reflects employees' actual contributions.

Beyond salary, the Group has also established a comprehensive benefits and security system for employees. Based on actual employee needs, we have designed and implemented diverse supplementary benefit programs to enhance employees' sense of belonging and satisfaction.

CardioFlow Employee Benefits

Statutory Benefits
• CardioFlow implements employee insurance and housing housing fund programs in accordance with regulatory requirements. • Employees are entitled to statutory holidays, paid time off, maternity leave, etc.
Financial Support
• Alongside statutory benefits, CardioFlow also offers commercial insurance, employee medical check-ups, and meal allowance, etc. • Provide technical allowances, talent subsidies, clinical subsidies for employees who accompany operations in the operating room, etc., for employees in some special positions.
Family Care
• CardioFlow provides wedding bonuses, newborn benefits, and gifts for festivals and birthday, etc.
Work-Life Balance
• Flexible working arrangements are in place. • The Group enhances the development of the "Love Maternity and Baby Room" to provide convenience and care for female employees during pregnancy and lactation. • Employee-friendly service areas have been established.

4.2 Training and Development

CardioFlow is continuously committed to building a comprehensive and well-structured talent development mechanism, carrying out employee capability cultivation in a systematic manner. By providing diversified learning support and growth paths that align with employees' individual development needs, we fully stimulate and enhance their potential. This not only supports employees in achieving continuous career development but also drives the steady growth of the organization.

4.2.1 Talent Development Strategy

CardioFlow continuously refines and implements a clear and transparent talent development strategy to support employees in achieving continuous progress and capability enhancement throughout their careers. To help employees plan their career paths based on their own strengths, we have established the Two Career Paths and Eighteen Ranks career development system encompassing both leadership and management, and the professional and technical path, providing employees with a broader space for development and more diversified opportunities for growth.

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

"One Point"

- Conduct annual talent check by combining position review and employee review.

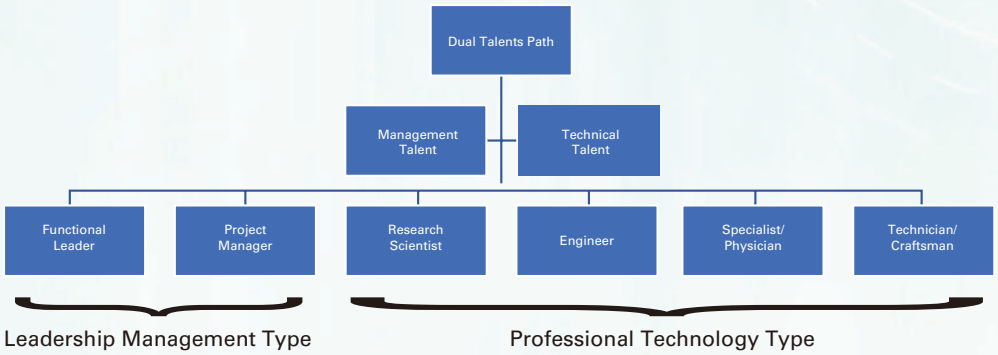
"Two Paths"

- Dual talent paths of career development regarding "Management Talent" and "Technical Talent", and retain the dual-channel conversion development opportunities.
- Set up the "Two Career Paths and Eighteen Ranks" career development system. Each development channel consists of 18 job grades to guide employees to gradually achieve their development goals.

"Three Programs"

- Including Overseas Returnee Leadership Program, Next Generation Leadership Program, and Future Talent Program.
- Follow the *Implementation Rules for Talent Programs* to realize the mechanism of new entry and exit of employees, and pay more attention to training, welfare.

The CardioFlow's Two Career Paths and Eighteen Ranks Career Development System



4.2.2 Talent Development Initiatives

CardioFlow bases its systematic training system on a global talent development philosophy that is rooted in corporate culture, centered on the enhancement of practical job skills, and oriented towards market results.

Guided by regulations such as the *Training Management System,* the *Internal Lecturer Management System,* and the *New Employee Induction Guide*, the Group establishes the foundation for training management. Leveraging four core training platforms — Earth-Down Leadership Academy, Innovation Qualification & Competency Institute, Emerging Technology Knowledge & Action Institute and Culture & Philosophy Academy — we provide employees with customized and diversified learning and development support.

CardioFlow offers training resources to all employees, covering three major modules: general competencies, leadership development, and professional capability enhancement. This aims to continuously strengthen employees' professional competence and expertise. Simultaneously, the Group supports employees in deepening their personal development by participating in external academic education and professional qualification certifications. We provide corresponding education subsidies and external training opportunities, supporting employees in continually advancing within their professional fields and realizing their self-worth.

During the Reporting Period, the Group actively collaborated with higher education institutions and professional consulting firms, introducing external expert resources to conduct specialized training in areas including pathology, polymer textiles, metal materials. This enhanced employees' professional knowledge and practical skills. In 2025, through a blended teaching model combining "online and offline" methods, we developed a total of 82 specialized training courses throughout the year. The content covered multiple dimensions such as professional skills, system standards, and operational procedures. During the Reporting Period, a total of 5,629 person-times of professional empowerment training were completed, with a key focus on covering key positions in areas such as research and development innovation, quality control, engineering technology, and clinical solutions. Through a systematic and standardized training mechanism, the Group continuously drives the improvement of employees' professional capabilities and overall competencies, providing talent support for the sustainable development of the enterprise.

Employee Compliance and Information Security Training 2025

In 2025, the Group systematically conducted compliance and information security training for all employees, including frontline staff, and implemented a unified assessment. This achieved the goal of 100% training participation and 100% assessment pass rate. The compliance training covered anti-corruption and anti-bribery, conflicts of interest, economic sanctions and export controls, the *Code of Business Conduct* and ethical standards, and compliance manuals. The information security training focused on enhancing employee awareness of information security and privacy management.

4.3 Care and Communication

CardioFlow places emphasis on building a mutual communication mechanism between the enterprise and its employees. By establishing effective internal communication channels, we actively pay attention to and respond to employees' opinions and suggestions. Concurrently, the Group organizes diverse employee care initiatives aimed at enhancing employees' sense of belonging and organizational cohesion.

Based on the "people-oriented" principle, the Group continuously implements daily care for employees. Relying on various horizontal organizations such as the labor unions, sports leagues, volunteer service teams and poetry and wine clubs, we enrich employees' after-work lives and practice humanistic care. During the Reporting Period, the Group organized a total of 5 employee events centered around themes like Girls' Day, Mother's Day, and the Dragon Boat Festival, further promoting internal communication and team integration.

4.4 Occupational Health and Safety

CardioFlow consistently prioritizes employee occupational health and safety in production. By establishing a robust safety management mechanism, we focus on creating and maintaining a safe working environment. The Group regularly organizes safety culture development and awareness activities, continuously enhancing employees' safety protection awareness to support the enterprise in achieving safe, stable, and sustainable operations.

4.4.1 Robust Management Systems

CardioFlow fully complies with national 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 the Prevention and Control of Occupational Diseases*. Adhering to the safety management guiding principle of "people-oriented, safety first; prevention first, comprehensive management; full participation, continuous improvement", we continuously optimize our EHS management system, effectively ensuring that employees enjoy safe and healthy working conditions.

The Group has established a Safety Management Team led by the President with coordinated implementation by various functional departments, systematically advancing occupational health and safety management work. Through the continuous refinement of EHS management system standards, the Group has passed the certification of the Shanghai Safety Production Association and has acquired the certification of National Safety Production Standardization Level 3 Enterprise. As of the end of the Reporting Period, 100% of the Group's major operating bases had obtained ISO 45001 Occupational Health and Safety Management System certification.


OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
CERTIFICATE OF CONFORMITY

Shanghai MicroPort CardioFlow Medtech Co., Ltd.

Certification Body:

Apr 28, 2024

IAF CNAS

Shanghai Audit Center of Quality System

CardioFlow ISO 45001 Certification

4.4.2 Maintaining a Safe and Healthy Work Environment

CardioFlow continuously optimizes a series of control procedures, including the *Special Equipment Management*, the *Chemical Use Management* and the *Emergency Preparedness Contingency Preparation and Reaction Control Procedure*. We set clear safety performance objectives and systematically conduct safety risk identification and hidden hazard inspections covering all business processes. This effectively prevents and controls occupational disease hazards to ensure safe production.

CardioFlow Safety Management Initiative

Safety management objectives

- All employees are required to sign the *Letter of Responsibility for Safety Production Objectives.*
- Covering five aspects: Accident indicators, process indicators, enhancement of intrinsic safety, strengthening of capability building and improvement of management standards.
- Linking the achievement of safety management objectives with performance appraisal to ensure that all employees pay attention to safety production.

Safety risk identification

- Continuously carry out the "Safety BBS" activity and improve the safety hazard management platform, refine the reporting requirements and incentive programs to encourage employees to actively participate
- Remind employees to pay full attention to the potential safety risk factors in their positions to prevent potential safety hazards.

Prevention of occupational diseases

- Authorized external agencies to carry out occupational health testing and work environment testing, and the testing data did not exceed the standard.
- Organize employees exposed to occupational hazards to participate in annual physical examinations, the results are normal, and the Group has no patients with occupational diseases or occupational contraindications.

During the Reporting Period, CardioFlow did not experience any work-related accidents over the past three years, and therefore no workdays were lost due to occupational injuries.

4.4.3 Safety Culture Construction

To continuously strengthen employees' safety protection capabilities, the Group regularly conducts specialized safety training through a combination of online and offline methods. We also organize various promotional and practical activities such as Occupational Safety Month, chemical spill drills, fire escape drills to enhance employees' emergency response and risk prevention awareness. Additionally, the Group utilizes regular, visual channels like safety bulletin boards and themed safety posters to subtly reinforce safety concepts among employees. During the Reporting Period, we organized 6 safety trainings, with a cumulative total of 332 employees participating in the training, and 5 emergency drills were conducted, with a cumulative total of 46 participant attendances.

5. SHARING CARDIOFLOW, WORKING TOGETHER FOR DEVELOPMENT

5.1 Responsible Procurement

CardioFlow consistently adheres to responsible procurement principles. We continuously improve the management mechanisms for the entire supply chain process, strengthen ESG risk control capabilities within the supply chain, and actively promote green procurement. We work with our partners to jointly build a sustainable and low-carbon development supply chain.

5.1.1 Supplier Management

CardioFlow strictly complies with the legal and regulatory requirements in our operating locations. We formulate and update documents such as the *Supplier Management System*, the *Procurement Control Procedures,* the *Service Supplier Management System*, etc. This refines the supplier management process, which includes supplier classification, development, evaluation, qualified supplier management, file management, audit management, etc., continuously strengthening supply chain management.

Supplier Access

- For new suppliers, we have established an access management mechanism including qualification audit, on-site audit, sample audit, etc. We require suppliers of key materials to provide third-party certification management system certificates and related qualification documents, so as to ensure the introduction of suppliers with qualifications and strengths.
- As of 2025, 94 suppliers have completed third-party certification management system certification.

Supplier Classification

- After the access, implement hierarchical management according to the importance of the products purchased by the Group, and set different audit frequencies for suppliers of different levels.

Supplier Evaluation
• We arranged on-site audits, background investigations and other assessment work to carry out regular audits of key suppliers in the four dimensions of quality, price, delivery and service, and carried out rectification of suppliers with problems in the assessment to continuously monitor the level of supplier management.
• Incorporate environmental and social sustainability standards into the supplier qualification assessment.
• In 2025, system audits were carried out on a total of 63 material suppliers, with 100% coverage of key supplier audits, 100% audit pass rate, and 100% rectification completion rate (including timeliness rate).

During the Reporting Period, the Group's metrics for supplier are as follows:

Indicator	Unit	2025	2024	2023
Number of Suppliers		**106**	95	113
Number of Suppliers by Region				
China		**92**	78	88
America		**11**	13	20
European		**2**	3	4
Other Countries		**1**	1	1

5.1.2 Sustainable Supply Chains

CardioFlow places emphasis on the stability and sustainability of the supply chain, systematically integrating ESG factors into the supplier management process. This drives the supply chain towards sustainable development in areas such as compliance, risk prevention and control, and environmental friendliness.

The Group is committed to building a transparent and fair procurement environment, requiring suppliers to strictly adhere to business ethics standards throughout the collaboration. Guided by the principles of the *Procurement Framework Agreement* and with clear stipulations on business ethics in the *Commitment of Supplier for Corporate Social Responsibility*, we promote a collaborative mechanism between both parties regarding employee code of conduct, anti-corruption, and fair competition. In 2025, the Group continued to advance the signing of the Commitment, with a total of 94 suppliers completing the signing. Simultaneously, by organizing business ethics training, we continuously convey the Group's compliance culture to suppliers, enhancing their understanding and implementation capabilities of the code of business conduct.

Continuously Optimizing the Supply Chain Risk Prevention and Control Mechanism

- Continuously improving the mechanism for supply chain risk identification and response, focusing on potential risks such as supply disruption and logistics fluctuations, and establishing a full-process management system covering early warning, assessment, and response.
- Closely monitoring raw material market dynamics, incorporating key material supply risks into the enterprise's overall risk repository, and flexibly adjusting procurement and production plans based on inventory and logistics situations. Conducting advance procurement of overseas materials as appropriate to ensure production continuity.
- Advancing the localization and in-house development processes for key raw materials, gradually enhancing the independent supply capability for certain core materials.
- Establishing alternative supplier mechanisms for critical logistics links to ensure stable operations can be maintained during unexpected risk events.

Promoting Green Supply Chain Development

- Actively guiding suppliers to focus on green and low-carbon development, encouraging them to adopt environmentally friendly materials and energy-saving methods in areas such as packaging and transportation.
- Continuously promoting the use of green packaging materials and green transportation vehicles, driving the reduction of the overall carbon footprint across the supply chain.
- Giving priority to suppliers that provide environmentally friendly products and services, helping to build an efficient, environmentally sustainable supply chain system.

5.2 Industry Cooperation

CardioFlow continuously deepens its mechanisms for external exchange and cooperation, committed to promoting close collaboration and resource integration among industry, academia, and research. By integrating resources from universities, social institutions, and industry partners, and leveraging its own strengths in technology and platforms, the Group jointly contributes to industry advancement and ecosystem development.

5.2.1 Industry Development

CardioFlow closely focuses on key issues in the medical field, bringing together domestic and international medical experts and industry representatives. By organizing high-level academic events, we facilitate the exchange of cutting-edge ideas and jointly contribute to the development of medical technology. During the Reporting Period, we organized a number of high-level academic events to foster the exchange of ideas and technological advancement, thereby continuously enhancing the Group's academic influence and brand reputation in the professional field.

5.2.2 School-Enterprise Cooperation

CardioFlow continuously advances collaborative innovation with higher education institutions and research organizations. Based on the Group's long-term development direction and actual business needs, we effectively integrate the resources of the corporate platform with the professional strengths of universities in talent and technology. This enhances overall R&D efficiency and builds mutually beneficial cooperation mechanisms. The Group maintains stable collaborative innovation relationships with multiple universities and research institutions, including East China University of Science and Technology, University of Shanghai for Science and Technology, and Guilin University of Electronic Science and Technology. Through complementary advantages, we improve the efficiency of new technology development and are committed to providing patients with more accessible and safer medical service solutions.

5.3 Contribution to Community

CardioFlow leverages its industry characteristics and product expertise to continuously advance inclusive healthcare initiatives and actively participate in various social responsibility activities. We earnestly fulfill our corporate social responsibilities and give back to society through actions.

5.3.1 Accessible Healthcare

CardioFlow is consistently committed to improving the affordability and accessibility of medical products. Guided by the mission of "provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases", the Group implements inclusive healthcare programs. By collaborating with external partners to integrate resources, we continuously expand the beneficiary population for advanced medical technologies. As of the end of the Reporting Period, the Group has established clinical and commercial partnerships with over 650 hospitals nationwide, providing a significant number of patients with access to minimally invasive interventional treatments such as Transcatheter Aortic Valve Replacement (TAVR), tangibly helping to improve patients' quality of life.

The Group also actively promotes the inclusion of its core products in the multi-tiered healthcare security system and participates in national and local centralized procurement programs. Currently, the Group's core products have been included in the reimbursement scope of the basic medical insurance in multiple provinces, municipalities, and autonomous regions, including Shanghai, Guangdong, Guangxi, Henan, Anhui, Jiangxi, Shanxi, Fujian, Jilin, and Ningxia. This enables more patients to access high-quality, affordable advanced medical technologies.

5.3.2 Social Welfare

CardioFlow continuously engages in social responsibility initiatives, participating in public welfare practices through diverse channels to actively fulfill its corporate citizenship duties. The Group upholds the volunteer spirit of dedication, fraternity, cooperation and advancement, encouraging employees to form and participate in volunteer teams. These teams carry out various forms of public welfare activities in communities near our operating locations, including health education, community service, and environmental beautification.

6. APPENDIX I CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
A. Environmental			
A1: Emissions	General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer *Note:* *Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.* *Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.* *Hazardous wastes are those defined by national regulations.*	3.3 Emission Management
	A1.1	The types of emissions and respective emission data	3.3 Emission Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	3.3 Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	3.3 Emission Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them	3.3 Emission 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	3.3 Emission Management

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
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.*	3.4 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)	3.4 Resource Utilization
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	3.4 Resource Utilization
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	3.4 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	3.4 Resource Utilization
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	3.4 Resource Utilization
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	3.4 Resource Utilization
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	3.4 Resource Utilization
B. Social			
Employment and Labour Practices			
B1: Employment	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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	4.1 Diversified Employment
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	4.1 Diversified Employment
	B1.2	Employee turnover rate by gender, age group and geographical region	4.1 Diversified Employment

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
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	4.4 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	4.4 Occupational Health and Safety
	B2.2	Lost days due to work injury	4.4 Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	4.4 Occupational Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for 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.*	4.2 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	4.2 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category	4.2 Training and Development
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 Diversified Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour	4.1 Diversified Employment
	B4.2	Description of steps taken to eliminate such practices when discovered	4.1 Diversified Employment

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	5.1 Responsible Procurement
	B5.1	Number of suppliers by geographical region	5.1 Responsible Procurement
	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	5.1 Responsible Procurement
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5.1 Responsible Procurement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	5.1 Responsible Procurement
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	2.3 Quality Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.3 Quality Service
	B6.2	Number of products and service related complaints received and how they are dealt with.	2.3 Quality Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1 R&D Innovation
	B6.4	Description of quality assurance process and recall procedures.	2.2 Excellent Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.5 Information Security

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
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.	1.3 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.	1.3 Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	1.3 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 into consideration the communities' interests.	5.3 Contribution to Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.3 Contribution to Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	5.3 Contribution to Community
Part D: Climate-related Disclosures			
(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:	3.1 Climate Change Response
		(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;	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
		(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	3.1 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;	3.1 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	3.1 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:	3.1 Climate Change Response
		(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	3.1 Climate Change Response
(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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
		(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.	3.1 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	3.1 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.	3.1 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	3.1 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).	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			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.	3.1 Climate Change Response
		(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect).	3.1 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	3.1 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	3.1 Climate Change Response
		(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
	5.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a).	3.1 Climate Change Response
	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	3.1 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.	3.1 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	3.1 Climate Change Response
		(ii) its planned sources of funding to implement its strategy; and	3.1 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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
		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:	
		(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.	3.1 Climate Change Response
		(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	3.1 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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs					Chapter
		(b)	how and when the climate-related scenario analysis was carried out, including:		
			(i)	information about the inputs used, including:	3.1 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	3.1 Climate Change Response
			(iii)	the reporting period in which the climate-related scenario analysis was carried out.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			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).	3.1 Climate Change Response
		(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	3.1 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).	3.1 Climate Change Response
		(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks.	3.1 Climate Change Response
		(v) how the issuer monitors climate-related risks; and	3.1 Climate Change Response
		(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period.	3.1 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	3.1 Climate Change Response
		(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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			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 CO_2 equivalent, classified as:	
		(a) Scope 1 greenhouse gas emissions.	3.1 Climate Change Response
		(b) Scope 2 greenhouse gas emissions; and	3.1 Climate Change Response
		(c) Scope 3 greenhouse gas emissions.	3.1 Climate Change Response
	11.	An issuer shall:	3.1 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.	3.1 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	3.1 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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
		(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	3.1 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).	3.1 Climate Change Response
	Climate-related transition risks		
	12.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	3.1 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.	3.1 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.	3.1 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.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs	Chapter
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	3.1 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.	3.1 Climate Change Response
Remuneration	3.1 Climate Change Response
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).	
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

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			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.	3.1 Climate Change Response
		(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	3.1 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).	3.1 Climate Change Response
		(d) the period over which the target applies.	3.1 Climate Change Response
		(e) the base period from which progress is measured.	3.1 Climate Change Response
		(f) milestones or interim targets (if any).	3.1 Climate Change Response
		(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	3.1 Climate Change Response
		(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	3.1 Climate Change Response

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
	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.	3.1 Climate Change Response
		(b) the issuer's processes for reviewing the target.	3.1 Climate Change Response
		(c) the metrics used to monitor progress towards reaching the target; and	3.1 Climate Change Response
		(d) any revisions to the target and an explanation for those revisions.	3.1 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.	3.1 Climate Change Response
	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.	3.1 Climate Change Response
		(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	3.1 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.	3.1 Climate Change Response
		(d) whether the target was derived using a sectoral decarbonisation approach; and	Not applicable

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter
		(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		Not applicable
	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).	

Independent auditor's report to the shareholders of
MicroPort CardioFlow Medtech Corporation
(Incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of MicroPort CardioFlow Medtech Corporation ("the Company") and its subsidiaries ("the Group") set out on pages 207 to 296, 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 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 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 this matter.

Key audit matters (continued)

Revenue Recognition

Refer to Note 3 to the consolidated financial statements and the accounting policies on page 229.

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue is principally derived from sales of medical devices. The Group recognises revenue from sales of medical devices at the point in time when control of goods is transferred to the customers. Depending on the terms of the contracts, this point in time will either be when the goods are delivered to the customer's premises or a location designated by the customer for domestic sales, or in accordance with the terms and conditions of sales for export sales. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and is, therefore, subject to possible manipulation through the timing of revenue recognition to meet targets or expectations and also because the impact of any errors in the recognition of revenue could be material to the consolidated financial statements.	Our audit procedures to assess the recognition of revenue included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition; • inspecting, on a sample basis, sales contracts with key customers to identify terms and conditions relating to the transfer of control and assessing the Group's policies in respect of the recognition of revenue with reference to the requirements of the prevailing accounting standards; • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year-end date with shipping documents for export sales and goods receipt notes for domestic sales ("underlying documentation") 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; • comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales orders and underlying documentation to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies; and • inspecting journal entries relating to revenue recognition during the year which were considered to meet specific risk-based criteria, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.

Key audit matters (continued)

Assessing potential impairment of goodwill

Refer to note 12 to the consolidated financial statements and the accounting policies on page 217.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the carrying values of the Group's goodwill amounted to US$109 million. Goodwill is subject to impairment assessments annually. The impairment tests are carried out by comparing the carrying values of respective assets or asset group with their recoverable amounts being the higher of the fair value less costs of disposal and the value in use. The Group engaged an external valuer to assist in goodwill impairment assessment. In assessing the value in use, significant management judgements have to be applied, in particular in assessing annual revenue growth rates, long-term growth rates used beyond the forecast period and pre-tax discount rates. We identified the assessment potential impairment of goodwill as a key audit matter because determining the amount of impairment, if any, involves a significant degree of management judgement and estimation, which can be inherently uncertain and could be subject to management bias.	Our audit procedures to assess potential impairment of the goodwill included the following: • obtaining an understanding of and testing the design and implementation of the key internal controls related to the impairment assessment in respect of goodwill; • evaluating the appropriateness of the basis management adopted to ascertain and identify separate groups of cash generating units that contain the goodwill and the appropriateness of the valuation model used in management's impairment assessment with reference to the requirements of the prevailing accounting standards; • comparing the discounted cash flow forecasts prepared in the prior year with the current year's performance to assess the reliability of management's forecast process and whether there was any indication of management bias, and making enquiries of management as to the reasons for any significant variances identified; • evaluating the external valuer's competence and capabilities and considering their objectivity and independence; • evaluating the reasonableness of the annual revenue growth rates with those in the financial budgets which was approved by the board of directors and with available industry statistics; • involving our internal valuation specialists to assist us in comparing the long-term growth rates used over the forecast period and pre-tax discount rates applied in the discounted cash flow forecasts with those of comparable companies; • performing a sensitivity analysis of the annual revenue growth rates, long-term growth rates used beyond the forecast period and pre-tax discount rates applied in the discounted cash flow forecasts and considering the resulting impact on the impairment charge for the year and whether there were any indicators of management bias in the selection of these key assumptions; and • 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 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.

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

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

30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in United States dollars)

	Note	2025 US$'000	2024 US$'000 (Restated*)
Revenue	3	**57,044**	50,805
Cost of sales		**(19,982)**	(15,506)
Gross profit		**37,062**	35,299
Other net income	4	**8,971**	11,851
Research and development costs		**(14,463)**	(21,556)
Selling and distribution costs		**(26,378)**	(23,161)
Administrative expenses		**(11,581)**	(8,097)
Fair value changes in financial instruments	30(e)	**637**	3,043
Other operating costs	5(c)	**(7,242)**	(6,179)
Loss from operations		**(12,994)**	(8,800)
Finance costs	5(a)	**(1,602)**	(562)
Gain on deemed disposal of interests in an associate	15	**3,771**	—
Share of losses of associates		**(7,210)**	(8,665)
Reversal of impairment loss on investment in an associate		**—**	11,526
Loss before taxation	5	**(18,035)**	(6,501)
Income tax	6(a)	**(789)**	(984)
Loss for the year		**(18,824)**	(7,485)
Attributable to:			
Equity shareholders of the Company		**(18,819)**	(6,948)
Non-controlling interests ("NCI")		**(5)**	(537)
Loss per share	9		
Basic and diluted (US$)		**(0.04)**	(0.01)

* See note 1(c)(i)

The notes on pages 214 to 296 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in United States dollars)

	2025 US$'000	2024 US$'000 (Restated*)
Loss for the year	**(18,824)**	(7,485)
Other comprehensive income for the year, net of nil tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**2,179**	(643)
Other comprehensive income for the year	**2,179**	(643)
Total comprehensive income for the year	**(16,645)**	(8,128)
Attributable to:		
Equity shareholders of the Company	**(16,660)**	(7,533)
Non-controlling interests	**15**	(595)
Total comprehensive income for the year	**(16,645)**	(8,128)

* See note 1(c)(i)

The notes on pages 214 to 296 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in United States dollars)

	Note	31 December 2025 US$'000	31 December 2024 US$'000 (Restated*)	1 January 2024 US$'000 (Restated*)
Non-current assets				
Property, plant and equipment	10	**102,104**	70,385	27,811
Intangible assets	11	**32,679**	26,749	20,315
Goodwill	12	**109,371**	—	—
Interests in associates	15	**31,734**	23,060	20,203
Deferred tax assets	24	**10,095**	—	—
Other financial assets	14	**—**	12,884	3,428
Other non-current assets	16	**10,491**	6,212	3,889
		296,474	139,290	75,646
Current assets				
Other financial assets	14	**1,490**	—	—
Inventories	17	**87,170**	18,833	17,348
Trade and other receivables	18	**106,903**	25,036	20,442
Time deposits	19	**108,000**	174,000	100,000
Pledged deposits		**64**	45	46
Cash and cash equivalents	19	**69,568**	15,028	150,378
		373,195	232,942	288,214
Current liabilities				
Trade and other payables	20	**112,728**	49,880	21,585
Contract liabilities	21	**8,577**	739	697
Interest-bearing borrowings	22	**18,768**	5,217	—
Lease liabilities	23	**4,676**	3,558	4,033
Income tax payable	24	**3,031**	965	1,018
		147,780	60,359	27,333
Net current assets		**225,415**	172,583	260,881

Consolidated Statement of Financial Position (Continued)

(Expressed in United States dollars)

	Note	31 December 2025 US$'000	31 December 2024 US$'000 (Restated*)	1 January 2024 US$'000 (Restated*)
Total assets less current liabilities		**521,889**	311,873	336,527
Non-current liabilities				
Trade and other payables	20	**17,146**	—	—
Interest-bearing borrowings	22	**187,576**	556	—
Lease liabilities	23	**21,215**	1,361	5,917
Deferred income	26	**2,414**	890	953
Defined benefit retirement plans	25	**7,793**	—	—
Contract liabilities	21	**29,513**	—	—
		265,657	2,807	6,870
NET ASSETS		**256,232**	309,066	329,657
CAPITAL AND RESERVES				
Share capital	28	**32**	12	12
Reserves		**256,200**	304,258	329,645
Total equity attributable to equity shareholders of the Company		**256,232**	304,270	329,657
Non-controlling interests		**—**	4,796	—
TOTAL EQUITY		**256,232**	309,066	329,657

* See note 1(c)(i)

Approved and authorised for issue by the board of directors on 30 March 2026.

Chen Guoming
Chairman

Zhang Ruinian
President

The notes on pages 214 to 296 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Expressed in United States dollars)

		Attributable to equity shareholders of the Company							
	Note	Ordinary share capital US$'000	Share premium US$'000	Exchange reserve US$'000	Capital reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 31 December 2023 and 1 January 2024 (Restated*)		12	640,132	2,810	(57,602)	(255,695)	329,657	—	329,657
Changes in equity for 2024:									
Loss for the year		—	—	—	—	(6,948)	(6,948)	(537)	(7,485)
Other comprehensive income		—	—	(585)	—	—	(585)	(58)	(643)
Total comprehensive income		—	—	(585)	—	(6,948)	(7,533)	(595)	(8,128)
Share issued under the share option scheme	28(c)(ii)	—	37	—	(19)	—	18	—	18
Share granted under the share award scheme	27(c)	—	—	—	373	—	373	—	373
Equity-settled share-based transactions	5(b)	—	—	—	1,090	454	1,544	4	1,548
Share repurchased under the share award scheme	28(c)(i)	—	—	—	(5,503)	—	(5,503)	—	(5,503)
Business combination under common control		—	—	—	(14,286)	—	(14,286)	5,387	(8,899)
Balance at 31 December 2024 and 1 January 2025 (Restated*)		**12**	**640,169**	**2,225**	**(75,947)**	**(262,189)**	**304,270**	**4,796**	**309,066**
Changes in equity for 2025:									
Loss for the year		**–**	**–**	**–**	**–**	**(18,819)**	**(18,819)**	**(5)**	**(18,824)**
Other comprehensive income		**–**	**–**	**2,159**	**–**	**–**	**2,159**	**20**	**2,179**
Total comprehensive income		**–**	**–**	**2,159**	**–**	**(18,819)**	**(16,660)**	**15**	**(16,645)**
Share issued under the share option scheme	28(c)(ii)	**–**	**38**	**–**	**(19)**	**–**	**19**	**–**	**19**
Share granted under the share award scheme	27(c)	**–**	**–**	**–**	**358**	**–**	**358**	**–**	**358**
Equity-settled share-based transactions	5(b)	**–**	**–**	**–**	**(314)**	**761**	**447**	**1**	**448**
Share repurchased under the share award scheme	28(c)(i)	**–**	**–**	**–**	**(124)**	**–**	**(124)**	**–**	**(124)**
Acquisition of NCI	28(d)(iv)	**–**	**–**	**–**	**(19,055)**	**–**	**(19,055)**	**(4,812)**	**(23,867)**
Issuance of shares in consideration for the acquisition of subsidiaries	29	**20**	**548,806**	**–**	**(561,849)**	**–**	**(13,023)**	**–**	**(13,023)**
Balance at 31 December 2025		**32**	**1,189,013**	**4,384**	**(656,950)**	**(280,247)**	**256,232**	**–**	**256,232**

* See note 1(c)(i)

The notes on pages 214 to 296 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

(Expressed in United States dollars)

	Note	2025 US$'000	2024 US$'000 (Restated*)
Operating activities			
Loss before taxation		**(18,035)**	(6,501)
Adjustments for:			
Amortisation and depreciation	5(d)	**14,286**	12,273
Interest expenses	5(a)	**1,406**	530
Interest income		**(6,389)**	(5,907)
Gain on financial assets at FVPL	4	**(678)**	—
Net loss on disposal of property, plant and equipment and right-of-use assets	4	**8**	96
Reversal of impairment loss on investment in an associate		**—**	(11,526)
Gain on deemed disposal of interests in equity accounted investees	15	**(3,771)**	—
Share of losses of associates		**7,210**	8,665
Fair value changes in financial instruments	30(e)	**(637)**	(3,043)
Equity-settled share-based payment expenses	5(b)	**445**	1,195
Share granted under the share award scheme	27(c)	**358**	373
Changes in working capital:			
Decrease/(increase) in inventories		**3,535**	(1,205)
Increase in trade and other receivables		**(4,672)**	(6,683)
Decrease in trade and other payables		**(1,579)**	(2,537)
Increase/(decrease) in deferred income		**427**	(133)
Decrease/(increase) in other non-current assets		**4,065**	(23)
Increase in contract liabilities		**1,418**	52
Cash used in operations		**(2,603)**	(14,374)
Tax paid		**(715)**	(1,023)
Net cash used in operating activities		**(3,318)**	(15,397)

The notes on pages 214 to 296 form part of these financial statements.

	Note	2025 US$'000	2024 US$'000 (Restated*)
Investing activities			
Payments for the purchase of property, plant and equipment		**(34,894)**	(22,021)
Payments for the purchase of intangible assets		**(44)**	(23)
Placement of time deposits		**(618,000)**	(367,000)
Redemption of time deposits		**684,000**	293,000
Proceeds from sale of property, plant and equipment		**3**	31
Interest received		**7,605**	7,906
Acquisitions of subsidiaries, net of cash acquired	29	**12,577**	(17,488)
Loans to a related party		**—**	(1,405)
Payments for acquisitions of other financial assets	30(e)	**—**	(5,000)
Payment for purchase of financial assets measured at FVPL		**(70,000)**	—
Proceed from disposal of financial assets measured at FVPL		**70,678**	—
Net cash generated from/(used in) investing activities		**51,925**	(112,000)
Financing activities			
Capital element of lease rentals paid	19(b)	**(3,943)**	(4,044)
Interest element of lease rentals paid	19(b)	**(245)**	(408)
Lease deposits received		**—**	314
Consideration paid for acquisition of NCI	28(d)(iv)	**(21,376)**	—
Proceeds from shares issued under share option scheme	28(c)(ii)	**19**	18
Payment for shares repurchased under share award scheme	28(c)(i)	**(124)**	(5,503)
Proceeds from interest-bearing borrowings	19(b)	**48,845**	2,248
Repayments of interest-bearing borrowings	19(b)	**(16,511)**	(422)
Interest-bearing borrowings cost paid	19(b)	**(969)**	(122)
Net cash generated from/(used in) financing activities		**5,696**	(7,919)
Net increase/(decrease) in cash and cash equivalents		**54,303**	(135,316)
Cash and cash equivalents at the beginning of the year		**15,028**	150,378
Effect of foreign exchange rate changes		**237**	(34)
Cash and cash equivalents at the end of the year		**69,568**	15,028

* See note 1(c)(i)

The notes on pages 214 to 296 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 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 the Group are disclosed below.

The HKICPA has issued certain new or amended 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 MicroPort CardioFlow Medtech Corporation (the "Company") and its subsidiaries (together referred to as the "Group") 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 other investments in debt and equity securities are stated at their fair value as explained in the accounting policies set out in 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) Change in presentation currency

The consolidated financial statements previously issued by the Company were presented in Renminbi ("RMB"), the functional currency of the subsidiaries in the People's Republic of China ("PRC") where majority of the Group's operation and business were conducted. Following the completion of the acquisition of MicroPort Cardiac Rhythm Management Limited (微創心律管理有限公司) ("MicroPort CRM") in December 2025 (see note 29), MicroPort CRM will account for a larger proportion of the Group's business and its presentation currency is US dollar ("US$"). The Board believes the change of presentation currency aligns with the Company's globalization strategy and will enable the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. As a result, the directors determined to change the Group's presentation currency for the preparation of its consolidated financial statements from RMB to US$ starting from the financial year ended 31 December 2025. Accordingly, these financial statements are stated in US$, rounded to the nearest thousand, unless otherwise stated.

For the purpose of presenting the Group's consolidated financial statements in US$, all assets and liabilities for the consolidated statement of financial position have been translated from functional currency into US$ at the relevant closing rate of exchange at the end of the reporting period. Items in the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and the consolidated cash flow statement are translated at the average exchange rates for the financial period. The share capital and reserves are translated at historical rate prevailing at the dates of transactions.

The change in the presentation currency have been applied retrospectively with comparative figures restated. The Group presents an additional consolidated balance sheet as at 1 January 2024 due to the change of presentation currency in accordance with HKAS 1 "Presentation of Financial Statements".

(ii) Application of new and revised HKFRSs

The Group has applied the 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.

1 Material accounting policies (continued)

(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 note 1(q) depending on the nature of the liability.

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)).

Book value accounting for business combinations under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities acquired are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination is adjusted to equity. Any costs directly attributable to the combination are recognized in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities. No comparative figures for periods prior to the common control combination were restated.

1 Material accounting policies (continued)

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 1(l)(ii)).

(f) 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.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 1(l)(ii)).

(g) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in debt and equity 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 30(e). These investments are subsequently accounted for as follows, depending on their classification.

1 Material accounting policies (continued)

(g) Other investments in debt and equity securities (continued)

(i) Non-equity investments

Non-equity investments held by the Group 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 calculated using the effective interest method (see note 1(v)(ii)(b)), 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. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit 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 other comprehensive income is recycled from equity to profit or loss.

— fair value through 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.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment 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 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(v)(ii)(a)).

(h) Derivative financial instruments

Derivative financial instruments are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

1 Material accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases over properties where the Group is not the registered owner of the property interest (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 on the date of retirement or disposal.

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 situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion;

— Leasehold improvements are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being 3 to 5 years from the date of completion;

— Equipment and machinery 3 to 11 years

— Office equipment, furniture, fixtures and motor vehicles 3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date 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 (see note 1(l)(ii)).

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any impairment losses (see note 1(l)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

1 Material accounting policies (continued)

(j) Intangible assets (continued)

The estimated useful lives for the current and comparative periods are as follows:

—	Software	3 to 8 years
—	Technologies	9 to 16 years
—	Capitalised development costs	10 years
—	Customer relationships	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date 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.

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 items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, 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 hence are charged to profit or loss as incurred.

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, discounted to their present value, 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)(ii)).

1 Material accounting policies (continued)

(k) Leased assets (continued)

As a lessee (continued)

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 note 1(g)). 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.

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortised cost (including cash and cash equivalents, pledged deposits, time deposits and trade and other receivables).

Other financial assets measured at fair value, including equity and debt securities measured at FVPL, are not subject to the ECL assessment.

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.

1 Material accounting policies (continued)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

The expected cash shortfalls are discounted using the following discount rates if the effect is material:

— fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

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 (including loan commitments issued) 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 and other receivables 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 (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument 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.

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).

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 borrower will enter into bankruptcy or other financial reorganisation;

— 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 is written off (either partially or in full) 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, investment property, inventories and other contract costs, 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.

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).

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.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(l)(i) and 1(l)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

1 Material accounting policies (continued)

(m) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realisable value.

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.

(n) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(v)(i)) before being unconditionally entitled to the consideration under the payment terms set out 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 has 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(v)(i)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also be 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(v)(ii)(b)).

Insurance reimbursement is recognised and measured in accordance with note 1(u).

(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, using the effective interest method and including allowance for credit losses (see note1(l)(i)).

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, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and 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 ECL (see note 1(l)(i)).

(q) 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 invoice amounts.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(x).

(s) 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.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using certain valuation techniques. 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).

1 Material accounting policies (continued)

(s) Employee benefits (continued)

(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 Company recognizes cost for a restructuring.

(iv) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed by using the projected unit credit method.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(t) 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)

(t) 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)

(u) Provisions, contingent liabilities and onerous contracts

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.

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.

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

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.

(a) Sale of medical devices

Sales of the Group's medical devices are recognised as follows:

Revenue is recognised when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contract. The payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

1 Material accounting policies (continued)

(v) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

(b) Revenue from post-sales services

The Group also renders certain post-sales services to patients in accordance with industry practice, to ensure the safe and effective use of the sold devices implanted into the patient until the implanted device needs to be replaced. The total transaction price is allocated to each performance obligation in an amount based on the estimated relative standalone selling prices of the goods or services underlying each performance obligation. If the observable stand-alone selling prices are not available, The Group uses an expected costs plus a margin approach to estimate the stand-alone selling price. Upon the sales of those implanted devices, which requires post-sales service, The Group defers revenue allocated to those unfulfilled performance obligations and recognises these services over the service period when they are rendered, which is estimated as 8 to 12 years based on the expected product lives of different implanted devices.

Provisions for estimated discounts and rebates to customers, returns/exchanges and other adjustments are accounted for as variable consideration and recorded as a reduction in sales.

(ii) Revenue from other sources and other income

(a) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(b) 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. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

(c) 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.

1 Material accounting policies (continued)

(w) 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.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into US$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US$ at the exchange rates at the dates of the transactions.

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.

(x) 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.

(y) 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)

(y) 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 the 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.

(z) 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.

(aa) Repurchase and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is deducted from equity attributable to the Company's equity holders, except for shares repurchased that are qualified as plan assets, which should be measured at fair value and not presented as a deduction from equity. Repurchased shares held at the end of reporting period are classified as treasury shares and are presented as a decrease in the capital reserve. When treasury shares are sold or reissued subsequently, the consideration received, net of any directly attributable transaction costs, is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in capital reserve.

2 Accounting judgement and estimates

(a) Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Determining the lease term

As explained in policy note 1(k), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(b) Sources of estimation uncertainty

Notes 12, 25, 27 and 30(e) contain information about the assumptions and their risk factors relating to goodwill impairment, defined benefit retirement plans, valuation of fair value of equity-settled share-based payment awards granted and financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realisable value.

(ii) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences and cumulative tax losses.

2 Accounting judgement and estimates (continued)

(b) Sources of estimation uncertainty (continued)

(ii) Income tax (continued)

As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iii) Impairment of non-current assets

Internal and external sources of information are reviewed by the Group at the end of each reporting period to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash-generating unit to which it belongs is estimated to determine impairment losses on the asset. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amount, which would affect profit or loss in future years. Goodwill and intangible assets not yet available for use are tested for impairment at least annually even if there is no indication of impairment.

(iv) Revenue recognition

As explained in policy Note 1(v), the Group also renders certain post-sales services to patients in accordance with industry practice, to ensure the safe and effective use of the sold devices implanted into the patient until the implanted device needs to be replaced. The total transaction price is allocated to each performance obligation in an amount based on the estimated relative stand-alone selling prices of the goods or services underlying each performance obligation.

3 Revenue and segment reporting

(a) Revenue

The Group derives revenue principally from the sales of medical devices through appointed distributors and direct sales force, as well as rendering of post-sales services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and the timing of revenue recognition is as follows:

	2025 US$'000	2024 US$'000 (Restated)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of medical devices — point in time	**56,939**	50,805
Revenue from post-sales service — over time	**105**	—
	57,044	50,805

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

	2025 US$'000	2024 US$'000 (Restated)
Customer A	**8,420**	13,351
Customer B	**8,030**	10,455
Customer C	**7,846**	8,028
Customer D	**7,530**	5,579
Customer E	**6,339**	N/A*
Customer F	**N/A***	6,399

* Less than 10% of the Group's revenue in the respective year

3 Revenue and segment reporting (continued)

(a) Revenue (continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts was US$35,933,000 as at 31 December 2025 (2024: nil). This amount represents revenue expected to be recognised in the future from rendering post-sales services. The Group will recognise the expected revenue in future when or as the service is rendered, which is expected to occur over the estimated product lives of different implanted devices.

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts for medical devices such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both lines of business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified following two reportable segments after its completion of the acquisition of the cardiac rhythm management business (the "CRM business") (note 29) on 19 December 2025 (2024: one operating segment — structural heart disease business):

- Structural heart disease business: this segment focuses on sales, manufacturing and R&D of heart valve devices
- CRM business: this segment focuses on sales, manufacturing and R&D of cardiac rhythm management devices

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of corporate assets. Segment liabilities include liabilities directly attributable to the activities of each individual segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit/(loss) includes the Group's share of profit/(loss) arising from the activities of the Group's equity-accounted investees that directly held by the respective reportable segment.

The measure used for reporting segment profit/(loss) is "reportable segment net profit/(loss)". Items that are not specifically attributed to individual segments, such as unallocated exchange gain/(loss), unallocated corporate income and expenses are excluded from segment net profit/(loss).

In addition to receiving segment information concerning reportable segment net profit/(loss), management is provided with segment information concerning revenue from external customers, interest income from bank deposits, interest expenses, depreciation and amortisation, and additions to non-current segment assets used by the segments in their operations.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2025 is set out below.

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities

	2025		
	Structural heart disease business US$'000	CRM business US$'000	Total US$'000
Disaggregated by timing of revenue recognition			
Point in time	51,310	5,629	56,939
Over time	—	105	105
Revenue from external customers	51,310	5,734	57,044
Inter-segment revenue	—	—	—
Reportable segment revenue	51,310	5,734	57,044
Reportable segment net loss	(13,077)	(1,956)	(15,033)
Interest income from bank deposits	6,940	—	6,940
Interest expense on financial liabilities not at fair value through profit or loss	1,137	269	1,406
Depreciation and amortisation for the year	13,702	584	14,286
Reportable segment assets	339,774	331,656	671,430
Additions to non-current segment assets during the year	3,557	270	3,827
Reportable segment liabilities	68,619	346,448	415,067

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(ii) Reconciliation of reportable segment profit or loss, assets and liabilities

	2025 US$'000
Profit or loss	
Reportable segment net loss	**(15,033)**
Elimination of inter-segment transactions	**41**
Unallocated expenses, net	**(3,832)**
Consolidated loss for the year	**(18,824)**
Assets	
Reportable segment assets	**671,430**
Elimination of inter-segment transactions	**(1,761)**
Consolidated total assets	**669,669**
Liabilities	
Reportable segment liabilities	**415,067**
Elimination of inter-segment transactions	**(1,630)**
Consolidated total liabilities	**413,437**

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and interest in associates ("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, the location of the operations to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interest in associates.

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(iii) Geographical information (continued)

Revenue from external customers

	2025 US$'000	2024 US$'000 (Restated)
The People's Republic of China (the "PRC")	**40,153**	47,490
Europe, Middle East, and Africa	**12,388**	1,620
Asia (excluding the PRC)	**2,165**	152
North America	**21**	—
Others	**2,317**	1,543
	57,044	50,805

Specified non-current assets

	2025 US$'000	2024 US$'000 (Restated)
The PRC	**93,975**	97,381
Europe, Middle East, and Africa	**146,905**	—
Asia (excluding the PRC)	**488**	—
North America	**34,296**	22,813
Others	**224**	—
	275,888	120,194

4 Other net income

	2025 US$'000	2024 US$'000 (Restated)
Government grants (Note)	**1,153**	1,257
Interest income on bank deposits	**6,940**	10,456
Interest income on other financial assets measured at amortised cost	**157**	210
Net loss on disposal of property, plant and equipment	**(8)**	(96)
Net foreign exchange (loss)/gain	**(93)**	3
Net realised and unrealised gains on financial assets measured at FVPL	**678**	—
Others	**144**	21
	8,971	11,851

Note: Majority of the government grants are subsidies from government for encouragement of research and development projects.

5 Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2025 US$'000	2024 US$'000 (Restated)
Interest on lease liabilities (note 19(b))	**245**	408
Interest on interest-bearing borrowings (note 19(b))	**1,161**	122
Total interest expense on financial liabilities not at fair value through profit or loss	**1,406**	530
Interest accrued on advance payments from customers (Note 21)	**131**	—
Others	**65**	32
	1,602	562

5 Loss before taxation (continued)

(b) Staff costs#

	2025 US$'000	2024 US$'000 (Restated)
Total equity-settled share-based payment cost	**448**	1,207
Less: capitalised into cost of inventories	**(3)**	(12)
Equity-settled share-based payment expenses recognised in consolidated statement of profit or loss (note 27)	**445**	1,195
Defined contribution retirement plans	**1,900**	2,031
Salaries, wages and other benefits	**21,168**	19,224
	23,513	22,450

(i) Defined contribution retirement plans

As stipulated by the labour regulations of the PRC, the Group also participates in various defined contribution retirement plans organised by local governments for its employees. The Group is required to make contributions to the retirement plans at the specified proportion of the eligible employees' salaries. The Group's contributions made to the plans are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the plans.

(ii) Defined benefit retirement plans

In Italy and France, the Group maintains a severance defined benefit plan that obligates the employers to pay a severance payment in case of resignation, dismissal or retirement. In other jurisdictions, non-contributory defined benefit plans are designated to provide a guaranteed minimum retirement benefit to eligible employees. This does not apply to the PRC, where post-employment benefits are primarily structured as defined contribution plans under statutory pension system, and thus do not form part of the defined benefit retirement plans mentioned herein. Refer to note 25 for further details.

5 Loss before taxation (continued)

(c) Other operating costs

	2025 US$'000	2024 US$'000 (Restated)
Donation (Note)	**4,765**	5,340
Restructuring cost	**981**	—
Legal and professional fees and others	**1,496**	839
	7,242	6,179

Note: During the year ended 31 December 2025, the Group made charitable and other donations to the third-party charitable organisation amounted to US$4,765,000 (2024: US$5,340,000).

(d) Other items

	2025 US$'000	2024 US$'000 (Restated)
Amortisation of intangible assets (note 11)	**4,264**	4,123
Depreciation charge# (note 10)		
— owned property, plant and equipment	**5,267**	4,092
— right-of-use assets	**4,755**	4,058
	10,022	8,150
	14,286	12,273
Research and development expenditure	**14,463**	21,556
Less: Amortisation of capitalised development costs	**(3,970)**	(3,886)
	10,493	17,670
Cost of inventories# (note 17(b))	**23,855**	20,544
Auditors' remuneration		
— audit services	**459**	276
— other service fee	**941**	84

Cost of inventories includes US$7,443,000 (2024: US$7,098,000) relating to staff costs and depreciation charges, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses for the year ended 31 December 2025.

6 Income tax in the consolidated statement of profit or loss and other comprehensive income

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 US$'000	2024 US$'000 (Restated)
Current tax — PRC Corporate Income Tax ("CIT")		
Provision for the year	**666**	984
Current tax — other jurisdictions	**123**	—
Total current tax	**789**	984
Deferred tax		
Origination and reversal of temporary differences	**—**	—
	789	984

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(i) Cayman Islands tax

Pursuant to the current rules and regulations of Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

(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 as there are no assessable profits during the year.

(iii) The PRC Corporate Income Tax ("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 Shanghai MicroPort CardioFlow Medtech Co., Ltd. ("MP CardioFlow"), Shanghai MicroPort CardioAdvent Co., Ltd. ("CardioAdvent") and MicroPort Soaring CRM (Shanghai) Co., Ltd. ("MicroPort CRM Shanghai"), which are entitled to a preferential income tax rate of 15% as they are certified as "High and New Technology Enterprise" ("HNTE"). According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate during the certified period.

6 Income tax in the consolidated statement of profit or loss and other comprehensive income (continued)

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents: (continued)

(iv) France Tax

For the years ended 31 December 2025, income was taxed at 25% and a corporate income tax surcharge of 3.3% applies to companies with a corporate income tax liability in excess of €763,000.

(v) Italy Tax

MicroPort CRM S.r.l ("MicroPort CRM Italy") is liable to the Italy corporate income tax ("IRES") at a rate of 24%. In addition to IRES, MicroPort CRM Italy is also subject to a regional tax on productive activities ("IRAP"). The taxable base for IRAP is the net value of the production derived in each Italian region. The standard rate is 3.9%, which may be increased or decreased by regional authorities, to a certain extent.

(vi) Spain Tax

MicroPort CRM Medical S.L. ("MicroPort CRM Spain") is liable to income tax at a rate of 25%.

(vii) Taxation for other entities of the Group is charged at the appropriate current rates of taxation ruling in the relevant countries.

6 Income tax in the consolidated statement of profit or loss and other comprehensive income (continued)

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	2025 US$'000	2024 US$'000 (Restated)
Loss before taxation	**(18,035)**	(6,501)
Notional tax on loss before taxation, calculated at the rates applicable to profit in the countries and districts concerned	**(1,556)**	(1,500)
Effect of non-deductible expenses	**1,373**	1,775
Effect of deductible temporary differences not recognised, net of utilization of deductible temporary differences not recognised in prior years	**178**	1,393
Effect of additional deduction on research and development expenses	**(1,302)**	(1,687)
Effect of tax losses not recognised	**2,559**	1,743
Effect of non-taxable revenue	**(1,129)**	(1,724)
PRC withholding tax (Note)	**666**	984
Actual tax expenses	**789**	984

Note: The PRC Withholding Tax ("WHT")

The PRC Corporate Income Tax during the year ended 31 December 2025 arose from the interest income on cash deposits in non-resident accounts of the subsidiaries of the Group that were domiciled outside the PRC, which is subject to a PRC withholding tax at a rate of 10%.

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:

	2025					
	Directors' fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Retirement scheme contributions US$'000	Equity-settled share-based payment (Note) US$'000	Total US$'000
Chairman and non-executive directors						
Guoming Chen	—	—	—	—	55	55
Brian Chang (a)	—	—	—	—	—	—
Executive directors						
Jeffrey R Lindstrom (d)	—	76	75	—	33	184
Ruinian Zhang (b)	—	159	70	—	28	257
Philippe Wanstok (c)	—	19	—	1	—	20
Luying Yan (f)	—	95	75	—	49	219
Liang Zhao (e)	—	95	75	—	141	311
Non-executive directors						
Junjie Zhang (h)	—	—	—	—	—	—
Xia Wu	—	—	—	—	—	—
Aoyi Deng (g)	—	—	—	—	—	—
Independent non-executive directors						
Jonathan H. Chou	28	—	—	—	9	37
Zhixiang Sun	28	—	—	—	9	37
Jiandong Ding (j)	14	—	—	—	6	20
Bingshan Hu (i)	14	—	—	—	—	14
	84	444	295	1	330	1,154

7 Directors' emoluments (continued)

	2024					
	Directors' fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Retirement scheme contributions US$'000	Equity-settled share-based payment (Note) US$'000	Total US$'000
Chairman and non-executive director						
Guoming Chen	—	—	—	—	135	135
Executive directors						
Jeffrey R Lindstrom (d)	—	356	102	—	175	633
Luying Yan (f)	—	125	100	—	83	308
Liang Zhao (e)	—	129	107	—	244	480
Non-executive directors						
Junjie Zhang (h)	—	—	—	—	—	—
Xia Wu	—	—	—	—	—	—
Independent non-executive directors						
Jonathan H. Chou	25	—	—	—	18	43
Zhixiang Sun	25	—	—	—	18	43
Jiandong Ding (j)	25	—	—	—	18	43
	75	610	309	—	691	1,685

Notes:

(a) Mr. Brian Chang was appointed as co-chairman and non-executive of the Company on 15 December 2025.

(b) Mr. Ruinian Zhang was appointed as an executive director of the Company on 27 March 2025.

(c) Mr. Philippe Wanstok was appointed as an executive director of the Company on 15 December 2025.

(d) Mr. Jeffrey R Lindstrom was appointed as an executive director of the Company on 29 August 2023 and resigned as the executive director of the Company on 27 March 2025.

(e) Mr. Liang Zhao was appointed as an executive director of the Company on 26 May 2022 and resigned as the executive director of the Company on 15 December 2025.

(f) Ms. Luying Yan was appointed as an executive director of the Company on 29 September 2020 and resigned as the executive director of the Company on 15 December 2025.

(g) Mr. Aoyi Deng was appointed as an non-executive director of the Company on 15 December 2025.

7 Directors' emoluments (continued)

(h) Mr. Junjie Zhang was appointed as an non-executive director of the Company on 5 August 2019 and resigned as the non-executive director of the Company on 15 December 2025.

(i) Mr. Bingshan Hu was appointed as an independent non-executive director of the Company on 27 June 2025.

(j) Mr. Jiandong Ding was appointed as an independent non-executive director of the Company on 27 August 2021 and resigned as the independent non-executive director of the Company on 27 June 2025.

The amounts of equity-settled share-based payment represent the estimated value of equity instruments granted to the directors under the Company's share option scheme and other share-based arrangements. The value of these equity instruments is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(s)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued previously where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 27.

During the year ended 31 December 2025, there was no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the reporting period.

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2024: three) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other one (2024: two) individuals are as follows:

	2025 US$'000	2024 US$'000 (Restated)
Salaries and other benefits	**79**	200
Discretionary bonuses	**55**	75
Equity-settled share-based payment	**22**	87
	156	362

8 Individuals with highest emoluments (continued)

The emoluments of the one (2024: two) individuals with the highest emoluments are within the following bands:

	2025 Number of Individuals	2024 Number of Individuals
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**—**	1

9 Loss per share

(a) Basic loss per share

The calculation of the basic loss per share during the year ended 31 December 2025 is based on the loss attributable to equity shareholders of the Company of US$18,819,000 (2024: US$6,948,000) and the weighted average number of ordinary shares in issue during the year. In addition, the weighted average number of ordinary shares in issue throughout the reporting periods presented has been adjusted retrospectively for the impact of the share consolidation that became effective on 24 February 2025 (details are disclosed in note 35).

The basic loss per share is calculated as follows:

(i) Loss for the year attributable to equity shareholders of the Company

	2025 US$'000	2024 US$'000 (Restated)
Loss for the year attributable to equity shareholders of the Company	**(18,819)**	(6,948)

9 Loss per share (continued)

(a) Basic loss per share (continued)

(ii) Weighted average number of shares after adjusting for the Share Consolidation

	2025 '000	2024 '000 (Restated)
Issued shares at the beginning of the year for the purposes of basic loss per share:		
Number of ordinary shares for the purposes of basic loss per share	**482,519**	482,496
Effect of shares issued upon acquisition of subsidiaries	**25,998**	—
Effect of share options exercised	**9**	19
Effect of treasury shares held	**(16,419)**	(14,734)
Weighted average number of shares at the end of the year for the purposes of basic loss per share	**492,107**	467,781

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The calculation of diluted loss per share amount for the year ended 31 December 2025 and 2024 has not included the potential effects of share options granted by the Company (see note 27(a)), as they had anti-dilutive effects on the basic loss per share amount for the respective year. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share of the respective year.

10 Property, plant and equipment

(a) Reconciliation of carrying amount

	Buildings held for own use US$'000	Leasehold improvements US$'000	Equipment and machinery US$'000	Office equipment, furniture, fixtures and motor vehicles US$'000	Right-of-use assets US$'000	Construction in progress US$'000	Total US$'000
Cost:							
At 1 January 2024 (Restated)	—	11,242	11,867	1,740	21,389	477	46,715
Acquisitions of subsidiaries	—	928	1,162	5	708	21	2,824
Transfer from construction in progress	—	208	387	28	—	(623)	—
Additions	25,969	24	38	—	24,616	358	51,005
Disposals	—	—	(62)	(25)	(158)	(157)	(402)
Modification of lease terms	—	—	—	—	(1,613)	—	(1,613)
Exchange adjustments	(259)	(177)	(190)	(26)	(551)	(3)	(1,206)
At 31 December 2024 and 1 January 2025 (Restated)	25,710	12,225	13,202	1,722	44,391	73	97,323
Acquisitions of subsidiaries (note 29)	—	6,914	53,012	5,220	55,176	2,211	122,533
Transfer from construction in progress	—	1,768	339	184	—	(2,291)	—
Additions	—	—	339	—	649	2,795	3,783
Disposals	—	—	(68)	(18)	—	(403)	(489)
Exchange adjustments	584	310	348	46	1,063	3	2,354
At 31 December 2025	26,294	21,217	67,172	7,154	101,279	2,388	225,504
Accumulated depreciation and amortisation:							
At 1 January 2024 (Restated)	—	3,437	3,410	530	11,527	—	18,904
Acquisitions of subsidiaries	—	72	378	4	—	—	454
Charge for the year	—	2,513	1,247	332	4,058	—	8,150
Written back on disposals	—	—	(27)	(23)	(158)	—	(208)
Exchange adjustments	—	(76)	(66)	(12)	(208)	—	(362)
At 31 December 2024 and 1 January 2025 (Restated)	—	5,946	4,942	831	15,219	—	26,938
Acquisitions of subsidiaries (note 29)	—	4,900	39,034	3,848	37,883	—	85,665
Charge for the year	962	2,423	1,536	346	4,755	—	10,022
Written back on disposals	—	—	(39)	(17)	—	—	(56)
Exchange adjustments	14	174	160	27	456	—	831
At 31 December 2025	976	13,443	45,633	5,035	58,313	—	123,400
Net book value:							
At 31 December 2025	25,318	7,774	21,539	2,119	42,966	2,388	102,104
At 31 December 2024 (Restated)	25,710	6,279	8,260	891	29,172	73	70,385
At 1 January 2024 (Restated)	—	7,805	8,457	1,210	9,862	477	27,811

10 Property, plant and equipment (continued)

(a) Reconciliation of carrying amount (continued)

Building and the land use right owned by the Group have been pledged as collateral under the Group's borrowing arrangements with the carrying amount of US$25,318,000 and US$23,998,000, respectively as at 31 December 2025 (2024: nil). Please refer to note 22 for further details.

(b) 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 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Properties leased for own use, carried at depreciated cost	**18,968**	4,803	9,862
Land use rights, carried at depreciated cost	**23,998**	24,369	—
	42,966	29,172	9,862

10 Property, plant and equipment (continued)

(b) Right-of-use assets (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 US$'000	2024 US$'000 (Restated)
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	**3,843**	4,058
Land use rights	**912**	—
	4,755	4,058
Interest on lease liabilities (note 5(a))	**245**	408
Expense relating to short-term leases	**355**	—

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(c) and 23, respectively.

(i) Land use rights

The Group has obtained land use rights in the PRC where certain manufacturing facilities are located through an assets acquisition in 2024. Land use rights are originally granted for 50 years, on the expiry of which the land reverts to the government, and the remaining useful life is 25 years after the acquisition.

(ii) Properties leased for own use

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.

11 Intangible assets

	Capitalised development costs US$'000	Technologies US$'000	Customer relationships US$'000	Software US$'000	Total US$'000
Cost					
At 1 January 2024 (Restated)	39,815	—	—	824	40,639
Acquisitions of subsidiaries	10,992	—	—	—	10,992
Additions	—	—	—	23	23
Exchange adjustments	(695)	—	—	(13)	(708)
At 31 December 2024 and 1 January 2025 (Restated)	**50,112**	**—**	**—**	**834**	**50,946**
Acquisitions of subsidiaries (note 29)	**—**	**9,462**	**13,841**	**8,160**	**31,463**
Additions	**—**	**—**	**—**	**44**	**44**
Exchange adjustments	**1,138**	**—**	**—**	**20**	**1,158**
At 31 December 2025	**51,250**	**9,462**	**13,841**	**9,058**	**83,611**
Accumulated amortisation and impairment:					
At 1 January 2024 (Restated)	19,984	—	—	340	20,324
Acquisitions of subsidiaries	92	—	—	—	92
Amortisation charge for the year	3,886	—	—	237	4,123
Exchange adjustments	(334)	—	—	(8)	(342)
At 31 December 2024 and 1 January 2025 (Restated)	**23,628**	**—**	**—**	**569**	**24,197**
Acquisitions of subsidiaries (note 29)	**—**	**6,913**	**8,969**	**5,977**	**21,859**
Amortisation charge for the year	**3,970**	**39**	**40**	**215**	**4,264**
Exchange adjustments	**597**	**—**	**—**	**15**	**612**
At 31 December 2025	**28,195**	**6,952**	**9,009**	**6,776**	**50,932**
Net book value:					
At 31 December 2025	**23,055**	**2,510**	**4,832**	**2,282**	**32,679**
At 31 December 2024 (Restated)	26,484	—	—	265	26,749
At 1 January 2024 (Restated)	19,831	—	—	484	20,315

Capitalised development costs as of 31 December 2025 were all related to the products that have obtained the registration certificate from the National Medical Products Administration. Majority of amortisation of intangible assets is recognised in research and development costs.

12 Goodwill

	Goodwill US$'000
Cost and carrying amount:	
At 31 December 2024 and 1 January 2025	—
Acquisitions of subsidiaries (note 29)	109,371
At 31 December 2025	109,371

Goodwill is allocated to the Group's cash-generation units ("CGU") as follow:

	2025 US$'000
CRM business — international	**101,505**
CRM business — PRC	**7,866**
	109,371

The recoverable amounts of the CGUs are higher of the fair value less costs of disposals and the value in use. These calculations use cash flow projections based on financial budgets approved by management covering a 9-year period.

The key assumptions for the value-in-use ("VIU") calculation are as follows, which are based on either the past experience or external sources of information:

	Year ended 31 December 2025	
	CRM business — international	**CRM business — PRC**
Annual revenue growth rate	**3.2%–8.7%**	**12.0%–20.0%**
Long-term growth rates used beyond the forecast period	**2%**	**2%**
Pre-tax discount rate	**15%**	**16%**

The recoverable amount of the CGU of CRM business — international is estimated to exceed the carrying amount of the CGU by US$459,655,000 at 31 December 2025.

The recoverable amount of the CGU of CRM business — PRC is estimated to exceed the carrying amount of the CGU by US$102,544,000 at 31 December 2025.

(Expressed in United States dollars)

12 Goodwill (continued)

Management has identified that a reasonably possible change in one key assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	Year ended 31 December 2025	
	CRM business — international	CRM business — PRC
Annual revenue growth rate	0%–1.7%	8.3%–16.3%
Long-term growth rates used beyond the forecast period	0%	0%
Pre-tax discount rate	35%	45%

13 Investments in subsidiaries

As of 31 December 2025, the Company has direct and indirect interests in the following principal subsidiaries, all of which are private companies. The class of shares held is ordinary unless otherwise indicated.

			Proportion of ownership interest			
Name of company	Place of incorporation and principal business	Particulars of registered/ paid-up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Shanghai MicroPort CardioFlow Medtech Co., Ltd. ("MP CardioFlow") (上海微創心通醫療科技有限公司) (i)	The PRC	RMB2,270 million/ RMB1,780 million	100%	—	100%	Research and development, manufacture and sale of medical devices treating valvular heart diseases
MicroPort CardioFlow International Corp. Limited	Hong Kong	US$447 million/ US$369 million	100%	—	100%	Investment holding
MicroPort CardioFlow Limited	British Virgin Islands	US$447 million/ US$369 million	100%	100%	—	Investment holding
Derryhill Global Limited	British Virgin Islands	US$7 million/ US$7 million	100%	—	100%	Investment holding
Witney International Limited	British Virgin Islands	US$14 million/ US$14 million	100%	100%	—	Investment holding
Chengdu Xintuo Biotechnology Co., Ltd.* (成都心拓生物科技有限公司) (ii)	The PRC	RMB25 million/ RMB25 million	100%	—	100%	Manufacture of raw materials for medical devices treating valvular heart diseases

(Expressed in United States dollars)

13 Investments in subsidiaries (continued)

Name of company	Place of incorporation and principal business	Particulars of registered/ paid-up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shanghai MicroPort CardioAdvent Co., Ltd.* (上海佐心醫療科技有限公司) (ii)	The PRC	RMB71 million/ RMB71 million	100%	—	100%	Research and development manufacture and sale of medical devices in the field of left atrial appendage
Shanghai Xinyong Medical Technology Co., Ltd.* (上海心永醫療科技有限公司) (ii)	The PRC	RMB378 million/ RMB378 million	100%	—	100%	Properties management
MicroPort Cardiac Rhythm Management Limited ("MicroPort CRM")	Cayman	US$1	100%	—	100%	Investment holding
MicroPort Cardiac Rhythm B.V. ("MicroPort CR Netherlands")	The Netherlands	Euro133	100%	—	100%	Investment holding
Sorin CRM S.A.S	France	Euro12,327,766	100%	—	100%	Designing, developing, manufacturing and commercializing cardiac rhythm management ("CRM") devices
MicroPort CRM France SAS.	France	Euro82,200,000	100%	—	100%	Commercializing CRM devices
MicroPort CRM S.r.l ("MicroPort CRM Italy")	Italy	Euro3,932,700	100%	—	100%	Manufacturing and commercializing CRM devices
MicroPort CRM Medical S.L. ("MicroPort CRM Spain")	Spain	Euro3,500	100%	—	100%	Commercializing CRM devices
MicroPort Soaring CRM (Shanghai) Co., Ltd. * ("MicroPort CRM Shanghai") (創領心律管理醫療器械(上海)有限公司)	The PRC	RMB727 million	100%	—	100%	Designing, developing, manufacturing and commercializing CRM devices

* English translation is for identification purpose only.

Notes:

(i) These subsidiaries are wholly foreign-owned enterprises in the PRC.

(ii) These subsidiaries are domestic enterprises in the PRC.

14 Other financial assets

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Financial assets measured at FVPL			
— Unlisted debt securities issued by 4C Medical Technologies, Inc. ("4C Medical") (note 15)	—	11,471	3,428
Financial assets measured at amortised cost			
— Loans to a related party	**1,490**	1,413	—
Total	**1,490**	12,884	3,428

Financial assets measured at amortised cost

On 19 July 2024, the Group and Dongguan Kewei Medical Instrument Co., Ltd. ("Kewei Medical"), the subsidiary of MicroPort Scientific Corporation ("MPSC", the ultimate controlling party of the Group), entered into a loan agreement, pursuant to which, the Group agreed to grant Kewei Medical a loan facility in the principal amount of RMB10,000,000 (equivalent to US$1,402,000), at an interest rate equivalent of 3.35%. The loan facility was secured by certain equipment and facilities of Kewei Medical and will be mature in July 2026.

15 Interests in associates

The following list contains only the particulars of a material associate, which is unlisted corporate entity whose quoted market price is not available:

				Proportion of ownership interest			
Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
4C Medical	Incorporated	United States	5,126,122 ordinary shares and 92,277,906 preferred shares	24.3%	20.4%	3.9%	Research and development of medical devices treating mitral valve diseases

15 Interests in associates (continued)

4C Medical

During 2018 to 2022, the Group entered into subscription and shareholders agreements with 4C Medical, purchasing series A preferred shares, series B preferred shares and series C preferred shares of 4C Medical. As at 31 December 2025, these investments in 4C Medical were recognised as the investment in associates and were accounted for under using the equity method.

On 5 March 2025, 4C Medical completed the initial closing of its series round D of financing and it triggered the automatic conversion of all outstanding convertible instruments into 4C Medical's preferred shares at the designated conversion price. Except for the conversion of convertible instruments, the Group did not contribute any new capitals in the series D round of financing while other investors have contributed US$40,000,000 to obtain additional preferred shares issued by 4C Medical. The Group's effective interest in 4C Medical was then decreased from 29.6% to 24.3%. This dilution of the interests in 4C Medical was accounted for as a deemed disposal of partial interest in 4C Medical and a dilution gain of US$3,771,000 was recognised as "gain on deemed disposal of interests in an associate" in the consolidated statement of profit or loss of the Group for the year ended 31 December 2025.

The associates of the Group are accounted for using the equity method in the consolidated financial statements.

15 Interests in associates (continued)

Summarised financial information of the material associate, adjusted by any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Gross amounts of 4C Medical			
Non-current assets	**1,700**	631	1,181
Current assets	**22,800**	3,913	4,125
Non-current liabilities	**(3,720)**	—	(279)
Current liabilities	**(11,015)**	(43,829)	(15,459)
Equity	**(9,765)**	39,285	10,431
Loss and total comprehensive income for the year	**(28,574)**	(28,957)	(22,461)
Reconciled to the Group's interests in 4C Medical			
Gross amounts of 4C Medical's net assets	**9,765**	(39,285)	(10,431)
Group's effective interest	**24.3%**	29.6%	29.6%
Group's share of 4C Medical's net assets	**2,375**	(11,617)	(3,084)
Goodwill (less cumulative impairment)	**29,354**	34,799	23,273
Dilution effect of share-based payments arrangement of an equity-accounted investee	**(219)**	(369)	(253)
Carrying amount of the Group's interest in 4C Medical	**31,510**	22,813	19,936

Information of an associate that is not individually material:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Carrying amount of an immaterial associate in the consolidated financial statements	**224**	247	267
Amounts of the Group's share of the immaterial associate			
Loss and total comprehensive income for the year	**(23)**	(17)	(378)
Other changes	**—**	—	(147)

16 Other non-current assets

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Lease deposits	**1,496**	3,708	3,889
Value-added tax recoverable	**2,329**	2,504	—
France CIR (note 24(a))	**6,344**	—	—
Others	**322**	—	—
	10,491	6,212	3,889

17 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Raw materials	**25,317**	8,282	10,322
Work in progress	**22,909**	4,401	3,862
Finished goods	**38,944**	6,150	3,164
	87,170	18,833	17,348

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 US$'000	2024 US$'000 (Restated)
Cost of inventories sold	**20,091**	14,639
(Reversal of)/write down of the inventories	**(109)**	867
Cost of inventories directly recognised as research and development costs and distribution costs	**3,873**	5,038
	23,855	20,544

18 Trade and other receivables

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Trade receivables	**68,763**	19,002	14,260
Bills receivable	**5,396**	2,667	—
Trade and bill receivables	**74,159**	21,669	14,260
Value-added tax recoverable	**12,354**	92	8
France CIR (note 24(a))	**3,440**	—	—
Interest receivables	**667**	2,026	4,444
Prepayments	**4,533**	1,076	1,400
Deposits and other debtors	**11,750**	173	330
	106,903	25,036	20,442

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year.

Aging analysis

As of the end of the reporting period, the aging analysis of trade debtors based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Within 3 months	**56,724**	20,006	14,260
Over 3 months but within 1 year	**17,429**	1,514	—
Over 1 year	**6**	149	—
	74,159	21,669	14,260

Trade receivables are generally due within 60 to 180 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 30(a).

19 Time deposits, cash and cash equivalents and other cash flow information

(a) Time deposits and cash and cash equivalents

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Time deposits	**108,000**	174,000	100,000
Cash and cash equivalents			
Deposits with banks	**69,568**	15,028	150,378

(b) 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 US$'000 (note 23)	Interest-bearing borrowings US$'000 (note 22)	Total US$'000
At 1 January 2025	**4,919**	**5,773**	**10,692**
Changes from financing cash flows:			
Proceed from interest-bearing borrowings	**—**	**48,845**	**48,845**
Repayments of interest-bearing borrowings	**—**	**(16,511)**	**(16,511)**
Interest-bearing borrowings cost paid	**—**	**(969)**	**(969)**
Capital element of lease payments	**(3,943)**	**—**	**(3,943)**
Interest element of lease payments	**(245)**	**—**	**(245)**
Total changes from financing cash flows	**(4,188)**	**31,365**	**27,177**
Exchange adjustments	**155**	**627**	**782**
Other changes:			
Acquisitions of subsidiaries (note 29)	**24,111**	**167,418**	**191,529**
Increase in lease liabilities from entering into new leases during the year	**649**	**—**	**649**
Interest charge (note 5(a))	**245**	**1,161**	**1,406**
	25,005	**168,579**	**193,584**
At 31 December 2025	**25,891**	**206,344**	**232,235**

19 Time deposits, cash and cash equivalents and other cash flow information (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	Lease liabilities US$'000 (note 23)	Interest-bearing borrowings US$'000 (note 22)	Total US$'000
At 1 January 2024 (Restated)	9,950	—	9,950
Changes from financing cash flows:			
Proceed from interest-bearing borrowings	—	2,248	2,248
Repayments of interest-bearing borrowings	—	(422)	(422)
Interest-bearing borrowings cost paid	—	(122)	(122)
Capital element of lease payments	(4,044)	—	(4,044)
Interest element of lease payments	(408)	—	(408)
Total changes from financing cash flows	(4,452)	1,704	(2,748)
Exchange adjustments	(95)	(58)	(153)
Other changes:			
Acquisitions of subsidiaries	789	4,005	4,794
Modification of lease terms	(1,681)	—	(1,681)
Interest charge (note 5(a))	408	122	530
	(484)	4,127	3,643
At 31 December 2024 (Restated)	4,919	5,773	10,692

(c) Total cash outflow for leases

	2025 US$'000	2024 US$'000 (Restated)
Within operating cash flows	**355**	—
Within financing cash flows	**4,188**	4,452
	4,543	4,452

All these amounts relate to the lease rentals paid.

20 Trade and other payables

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Current			
Trade payables	**37,373**	5,536	7,518
Accrued payroll	**31,673**	4,023	5,318
Consideration payables in connection with the acquisition of a subsidiary	**—**	31,517	—
Payables for acquisition of NCI	**845**	—	—
Other payables and accrued charges	**42,837**	8,804	8,749
	112,728	49,880	21,585
Non-current			
Payables for acquisition of NCI	**1,693**	—	—
Other payables and accrued charges	**15,453**	—	—
	17,146	—	—

All of the above balances classified as current liabilities are expected to be settled within one year.

As of the end of the reporting period, the aging analysis of the trade payables based on the invoice date is as follows:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Within 1 month	**21,353**	4,295	5,344
Over 1 month but within 3 months	**9,035**	1,001	1,668
Over 3 months but within 6 months	**2,916**	34	352
Over 6 months but within 1 year	**1,242**	31	107
Over 1 year	**2,827**	175	47
	37,373	5,536	7,518

21 Contract liabilities

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Current			
Unfulfilled performance obligations	**6,420**	—	—
Others	**2,157**	739	697
	8,577	739	697
Non-current			
Unfulfilled performance obligations	**29,513**	—	—

The Group provided non-contractual post-implant services for its medical devices sold, which represents a future performance obligation. The Group recognised contract liabilities in respect of the unfulfilled performance obligation when the Group has an obligation to provide the post-implant services and payments from customers are received in advance of the services being rendered.

Movements in contract liabilities

	2025 US$'000	2024 US$'000 (Restated)
At 1 January	**739**	697
Acquisitions of subsidiaries (note 29)	**35,895**	173
Decrease in contract liabilities as a result of recognising revenue during the year	**(105)**	—
Increase in contract liabilities as a result of accruing interest expense on advances	**131**	—
Net movement in sales discounts	**1,381**	(121)
Exchange adjustments	**49**	(10)
At 31 December	**38,090**	739

22 Interest-bearing borrowings

(a) The analysis of the repayment schedule of Interest-bearing borrowings is as follows:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Within 1 year or on demand	**18,768**	5,217	—
After 1 year but within 2 years	**50,920**	556	—
After 2 year but within 3 years	**136,656**	—	—
	206,344	5,773	—

(b) The analysis of the carrying amount of Interest-bearing borrowings is as follows:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Secured bank loans	**200,472**	—	—
Unsecured bank loans	**5,872**	5,773	—
	206,344	5,773	—

As at 31 December 2025, secured bank loan with principal amount of US$23,369,000 was secured by a pledge of 100% equity interest of a subsidiary of the Group and was also secured by all lands and buildings owned by this subsidiary (note 10) with effective interest rate at 3.03% per annum.

As at 31 December 2025, secured bank loan with principal amounts of US$10,884,000 was secured by a pledge of 100% equity interest of a subsidiary of the Group and was guaranteed by this subsidiary with effective interest at 2.90% per annum.

As at 31 December 2025, secured bank loans with principal amount of US$166,010,000 was secured by a pledge of the equity interest in a fellow subsidiary of the Group and was guaranteed by the ultimate holding company, MPSC with effective interest rate at 2.80% per annum.

As at 31 December 2025, unsecured bank loans with principal amount of US$5,866,000 were also unguaranteed, with effective interest ranging from 0.83% to 2.95% per annum.

23 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period.

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Within 1 year	**4,676**	3,558	4,033
After 1 year but within 2 years	**1,866**	1,361	3,759
After 2 years but within 5 years	**5,447**	—	2,158
After 5 years	**13,902**	—	—
	21,215	1,361	5,917
	25,891	4,919	9,950

24 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Current income tax recoverable (note 18)	**3,440**	—	—
Non-current income tax recoverable (note 16)	**6,344**	—	—
Income tax payable	**3,031**	965	1,018

Income tax recoverable primarily represents a tax credit from French government, which is an incentive tax programme to support the research and development projects of a subsidiary in France (France CIR). The French CIR is deductible from the following 3 years income tax or is receivable from the France government after 3 years if there is no sufficient profits available to deduct such research and development costs. As at 31 December 2025, the France CIR are classified as current and non-current receivables amounting to US$3,440,000 and US$6,344,000, respectively.

24 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses and other temporary differences attributable to certain subsidiaries of US$804,961,000 at 31 December 2025 (2024: US$202,008,000) due to the unpredictability of future taxable profits in the relevant tax jurisdiction and entity.

As at 31 December 2025, the tax losses incurred by PRC subsidiaries of US$326,148,000 will expire in the period from 2027 to 2035.

(c) Deferred tax assets recognized

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year ended 31 December 2025 are as follows:

	Allowance for doubtful debts US$'000	Provision for inventory US$'000	Tax losses can be carried forwards US$'000	Accrued expenses and others US$'000	Total US$'000
At 31 December 2024 and 1 January 2025	—	—	—	—	—
Acquisitions of subsidiaries (note 29)	732	1,525	390	7,448	10,095
At 31 December 2025	732	1,525	390	7,448	10,095

25 Defined benefit retirement plans

The defined benefit plans expose the Group to various demographic and economic risks such as longevity risks, currency and interest risks and inflation risks. When calculating the defined benefit liabilities, the Group estimated the key assumptions by reference to actuarial valuations.

(i) The amounts recognised in the consolidated statement of financial position are as follows:

	2025 US$'000
Present value of wholly or partly funded obligations	**7,793**

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Movements in the present value of the defined benefit obligation

	Year ended 31 December 2025 US$'000
At 1 January	**—**
Acquisitions of subsidiaries (note 29)	**7,793**
At 31 December	**7,793**

(iii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income of the Group was nil during the year ended 31 December 2025.

(iv) Significant actuarial assumption (expressed as weighted averages) and sensitivity analysis are as follows:

	Year ended 31 December 2025 US$'000
Discount rate	**3.18%**

25 Defined benefit retirement plans (continued)

The below analysis shows how the defined benefit obligation would have (decreased)/increased as a result of 0.5% change in the significant actuarial assumptions:

	31 December 2025	
	Increase by 0.5% US$'000	Decrease by 0.5% US$'000
Discount rate	**(446)**	**409**

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

26 Deferred income

	Government subsidies for research and development projects US$'000
At 1 January 2024 (Restated)	953
Additions	37
Acquisitions of subsidiaries	84
Government grant recognised as other income	(170)
Exchange adjustments	(14)
At 31 December 2024 and 1 January 2025 (Restated)	**890**
Additions	**653**
Acquisitions of subsidiaries (note 29)	**1,070**
Government grant recognised as other income	**(230)**
Exchange adjustments	**31**
At 31 December 2025	**2,414**

27 Equity-settled share-based transaction

(a) Share options granted by the Company (equity-settled)

In March 2020, the Company adopted a share option scheme (the "Share Option Scheme"), pursuant to which, the board of the directors may authorise, at their discretion, the issuance of share options to (i) the executives and employees of the Group and (ii) the directors and employees of MicroPort Scientific Corporation and its subsidiaries other than the Group who have contributed or will contribute to the development of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

(i) The terms, conditions and fair values at the grant date of the grants are as follows:

	Number of options	Fair value US$'000	Weighted average fair value per share option US$	Exercise price HK$
Options granted to executives and employees of the Group				
31 March 2020	66,575,000	11,318	0.17	1.24
31 March 2021	8,000,000	4,480	0.56	13.72
4 October 2021	3,100,000	930	0.30	6.41
19 January 2022	15,576,616	2,336	0.15	3.75
30 March 2022	997,237	150	0.15	2.63
22 June 2022	3,445,000	413	0.12	2.80
30 March 2023	10,079,716	907	0.09	2.53
11 July 2023	8,883,977	711	0.08	2.05
30 August 2023	4,000,000	360	0.09	1.91
8 April 2024	14,323,000	859	0.06	1.00
28 March 2025	8,138,312	407	0.05	1.11
	143,118,858			
Options granted to directors and employees of MPSC and its subsidiaries				
31 March 2020	16,140,000	2,744	0.17	1.24
22 June 2022	300,000	42	0.14	2.80
	159,558,858			

27 Equity-settled share-based transaction (continued)

(a) Share options granted by the Company (equity-settled) (continued)

(i) The terms, conditions and fair values at the grant date of the grants are as follows: (continued)

The above share options granted to the executives and employees of the Group are expected to vest in installments over an explicit vesting period of one to five years. Each installment is accounted for as a separate share-based compensation arrangement.

The above share options granted to the directors and employees of MPSC and its subsidiaries have no vesting conditions and the grant-date fair value of these share options were immediately recognised as share-based payment costs at the grant date.

The contractual life of above options is ten years.

(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	**2.33**	**84,511**	2.68	80,294
Granted during the year	**1.11**	**8,138**	1.00	14,324
Exercised during the year	**1.24**	**(114)**	1.24	(115)
Cancelled during the year	**2.21**	**(7,240)**	2.62	(7,690)
Forfeited during the year	**2.85**	**(5,103)**	5.14	(2,302)
Outstanding at the end of the year	**2.19**	**80,192**	2.33	84,511
Exercisable at the end of the year	**2.37**	**52,740**	2.35	38,356

All the share options granted are exercisable by the grantees upon vesting and will expire in a period from March 2030 through March 2035. As at 31 December 2025, the weighted average remaining contractual life for the share options granted under Share Option Scheme was 6.14 years (2024: 6.95 years).

(Expressed in United States dollars)

27 Equity-settled share-based transaction (continued)

(a) Share options granted by the Company (equity-settled) (continued)

(ii) The number and weighted average exercise prices of share options are as follows: (continued)

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The share price was determined by the closing price of the shares at the grant date for the year ended 31 December 2025 and 2024. The estimated fair value of the share options granted is measured based on a binomial tree 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 tree model.

Fair value of share options and assumptions

	2025	2024
Fair value at measurement dates	**US$0.05**	US$0.06
Share price	**HK$1.00**	HK$0.90
Exercise price	**HK$1.11**	HK$1.00
Expected volatility	**38.54%**	60.00%
Option life	**10 years**	10 years
Expected dividend yield	**0.00%**	0.00%
Risk-free interest rate	**3.52%**	3.87%

(b) Share option plans granted by the ultimate controlling party (equity-settled)

MicroPort Scientific Corporation ("MPSC"), the ultimate controlling party 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.

During the year ended 31 December 2025, MPSC did not grant any share options to the employee of the Group (year ended 31 December 2024: 111,725). 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.

During the year ended 31 December 2025, 1,051,401 share options were exercised (year ended 31 December 2024: nil).

27 Equity-settled share-based transaction (continued)

(c) Share award scheme (equity-settled)

Pursuant to a share award scheme approved by the board of directors of the Company in March 2021, the Company may purchase its own shares and grant such shares to certain directors, employees, consultants and advisors of the Group.

For the year ended 31 December 2025, the Company purchased 1,415,000 shares (2024: 37,982,000 shares) at a cash consideration of US$124,000 (2024: US$5,503,000) (note 28(c)(i)). For the year ended 31 December 2025, the Company granted 3,626,804 shares (2024: 3,254,407 shares) with a fair value of US$358,000 (2024: US$373,000) to the Group's executives and employees.

The consideration paid for the purchase of the Company's shares is reflected as a decrease in capital reserve of the Company. The fair value of the employee services received in exchange for the grant of shares is recognised as staff costs in profit or loss with a corresponding increase in capital reserve, which is measured based on the grant date share price of the Company.

(d) Equity-settled share-based payment expenses recognised in the consolidated statement of profit or loss:

	2025 US$'000	2024 US$'000 (Restated)
Cost of sales	**39**	89
Research and development costs	**221**	350
Distribution costs	**256**	257
Administrative expenses	**(71)**	499
	445	1,195

28 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	Ordinary Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 January 2024 (Restated)		12	640,132	(74,422)	(74,412)	491,310
Changes in equity for 2024:						
Loss and total comprehensive income		—	—	—	2,385	2,385
Share repurchased under the share award scheme	28(c)(i)	—	—	(5,503)	—	(5,503)
Share issued under the share option scheme	28(c)(ii)	—	37	(19)	—	18
Share granted under the share award scheme	27(c)	—	—	373	—	373
Equity-settled share-based transactions		—	—	1,066	454	1,520
Balance at 31 December 2024 and 1 January 2025 (Restated)		**12**	**640,169**	**(78,505)**	**(71,573)**	**490,103**
Changes in equity for 2025:						
Loss and total comprehensive income		**–**	**–**	**–**	**(4,654)**	**(4,654)**
Share repurchased under the share award scheme	28(c)(i)	**–**	**–**	**(124)**	**–**	**(124)**
Share issued under the share option scheme	28(c)(ii)	**–**	**38**	**(19)**	**–**	**19**
Share granted under the share award scheme	27(c)	**–**	**–**	**358**	**–**	**358**
Equity-settled share-based transactions		**–**	**–**	**(338)**	**761**	**423**
Issuance of shares in consideration for the acquisition of subsidiaries	29	**20**	**548,806**	**–**	**–**	**548,826**
Balance at 31 December 2025		**32**	**1,189,013**	**(78,628)**	**(75,466)**	**1,034,951**

28 Capital and reserves (continued)

(b) Dividends

The directors of the Company did not propose the payment of any dividend during the year ended 31 December 2025 (2024: nil).

(c) Share capital

Authorised

As of 1 January 2021, the authorised share capital of the Company was US$50,000 divided into 500,000,000 shares with par value of US$0.0001 each.

On 15 January 2021, a share subdivision was approved by the shareholders of the Company, pursuant to which, each issued and unissued share capital was subdivided to twenty shares of the corresponding class with par value of US$0.000005 each.

Issued and fully paid

	Note	Ordinary share No. of share '000	US$'000
Balance at 1 January 2024 (Restated)		2,412,478	12
Share issued under the share option scheme	28(c)(ii)	115	—
Balance at 31 December 2024 and 1 January 2025 (Restated)		**2,412,593**	**12**
Share issued under the share option scheme	28(c)(ii)	**114**	**—**
Share issued for acquisitions of subsidiaries	29	**3,953,847**	**20**
Balance at 31 December 2025		**6,366,554**	**32**

28 Capital and reserves (continued)

(c) Share capital (continued)

Issued and fully paid (continued)

(i) Purchase of own shares

During the year ended 31 December 2025, the Company purchased its own ordinary shares through the designated trustee under the share award scheme (note 27(c)) as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregated consideration paid US$'000
January 2025	**1,415,000**	**0.73**	**0.67**	**124**

(ii) Shares issued under share option scheme

During the year ended 31 December 2025, options were exercised to subscribed for 114,000 ordinary shares (2024: 115,000) in the Company for a total consideration of US$19,000 (2024: US$18,000), of which nil and US$19,000 was credited to share capital and share premium (2024: nil and US$18,000), respectively. US$19,000 (2024: US$19,000) was transferred from the capital reserve to the share premium account in accordance with policies set out in note 1(s)(ii).

(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(w).

28 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 share-based payments in note 1(s)(ii);

— the consideration paid for the purchase of the Company's shares under the share award scheme;

— the historical book value of the share capital and share premium of MP CardioFlow when the 100% equity interests of MP CardioFlow were transferred to the Group under the restructuring, less consideration the Group has paid to acquire the 100% equity interests of MP CardioFlow under the restructuring;

— the liabilities of the Group waived by related parties, and

— the difference between the consideration and the book value of net assets of CardioAdvent and MicroPort CRM on the acquisition date under the ultimate controlling party MPSC in accordance with the accounting policy adopted for business combinations under common control in note 1(d);

(iv) Acquisition of NCI

On 1 July 2025, the Group acquired additional 49% equity interest in MP CardioAdvent for a total consideration of RMB170,863,000 (equivalent to US$23,867,000) and the difference between the total consideration of US$23,867,000 and 49% of the book value of CardioAdvent's net assets of US$4,812,000 amounted to US$19,055,000 was recognised in the capital reserve. According to the equity transfer agreement, RMB153,021,000 (equivalent to US$21,376,000) of the total consideration has been paid off after the acquisition, and the remaining consideration will be paid in installments within five years.

28 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 as at the end of each of the reporting period and "debt" as including interest-bearing borrowings and lease liabilities. On this basis, the amount of capital employed at 31 December 2025 was US$256,232,000 (2024: US$309,066,000) and the debt-to-capital ratio is 90.6% (2024: 3.4%).

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.

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 in note 30.

29 Business combination under common control

On 29 September 2025, the Company, MicroPort CardioFlow CRM Limited ("the Merger Sub") and MicroPort CRM entered into a merger agreement (the "Merger Agreement"), pursuant to which, the Group will acquire MicroPort CRM by way of merger. The Merger Sub and MicroPort CRM shall merge with MicroPort CRM becoming the surviving entity and the wholly-owned subsidiary of the Group at the time on which the merger becomes effective.

The merger was completed on 19 December 2025 with all the conditions precedent under the Merger Agreement are satisfied or waived. Upon the completion of the merger, MicroPort CRM became an indirect wholly-owned subsidiary of the Group. 3,953,847,000 new shares were allotted by the Company (note 28(c)) to the shareholders of MicroPort CRM as the consideration for the merger.

As the Group and MicroPort CRM are under the common control of MPSC before and after the acquisition and the control is not transitory, the business combination has been accounted for in the consolidated financial statements of the Group as a business combination under common control based on the principles of book value accounting. The assets and liabilities acquired are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. No comparative figures for periods prior to the common control combination were restated.

29 Business combination under common control (continued)

The difference between the total consideration of US$548,826,000 and the book value of MicroPort CRM's net liabilities of US$13,023,000 under the ultimate controlling party MPSC amounted to US$561,849,000 was recognised in the capital reserve.

The following table shows the amount of net identifiable assets and liabilities of MicroPort CRM as at the date when MicroPort CRM first came under the control of the Company on 19 December 2025:

	Book value at 19 December 2025 US$'000
Property, plant and equipment	**36,868**
Intangible assets	**9,604**
Goodwill	**109,371**
Deferred tax assets	**10,095**
Other non-current assets	**8,214**
Inventories	**71,451**
Trade and other receivables	**79,115**
Cash and cash equivalents	**12,577**
Interest-bearing borrowings	**(167,418)**
Trade and other payables	**(112,060)**
Contract liabilities	**(35,895)**
Lease liabilities	**(24,111)**
Defined benefit retirement plans	**(7,793)**
Deferred income	**(1,070)**
Income tax payable	**(1,971)**
Total identifiable net liabilities at book value	**(13,023)**

Pre-acquisition carrying amounts were determined based on the book value under the ultimate controlling party, MPSC.

Capital reserves arising from the acquisition has been recognised as follows:

	US$'000
Total consideration	**548,826**
Less: Book value of identifiable net liabilities	**13,023**
Capital reserve	**561,849**

29 Business combination under common control (continued)

An analysis of the cash flows in respect of the acquisition of MicroPort CRM is as follows:

	US$'000
Total consideration	**548,826**
Less: Cash and cash equivalents acquired	**(12,577)**
Considerations paid by issuance of ordinary shares	**(548,826)**
Net cash inflow of cash and cash equivalents included in cash flows from investing activities	
Cash and cash equivalents balances acquired	**(12,577)**

For the period from the date of acquisition to 31 December 2025, MicroPort CRM contributed US$5,734,000 to the Group's revenue and US$3,009,000 to the Group's gross profit, and incurred a loss of US$1,956,000 to the consolidated loss for the period. Had the acquisition occurred on 1 January 2025, management estimated that consolidated revenue would have been US$279,088,000, consolidated gross profit would have been US$152,118,000, and consolidated loss for the year ended 31 December 2025 would have been US$136,131,000.

30 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 is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

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 and time deposits is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to represent low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low taking into account the remaining lease term and the period to be covered by the rental deposits.

30 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Management has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit period. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 60 to 180 days from the date of billing. Debtors with balances that are overdue are requested to settle all outstanding balances before any further credit is granted. The Group does not obtain collateral from customers.

The Group has significant concentrations of credit risk primarily arise from the significant exposure to individual customers. At the end of the reporting period, 33% (2024: 86%) of the total trade receivables was due from the Group's five largest customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. The management has assessed as at 31 December 2025, the default risk of trade receivable is insignificant and no loss allowance provision for trade receivables was recognised.

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 expect the occurrence of losses from non-performance by the counterparties of other receivables was remote and loss allowance provision for other receivables was immaterial.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, 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.

30 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

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 US$'000	**More than 1 year but less than 2 years US$'000**	**More than 2 years but less than 5 years US$'000**	**More than 5 years US$'000**	**Total US$'000**	**Carrying amount US$'000**
Trade and other payables	**72,290**	**703**	**15,871**	**—**	**88,864**	**87,037**
Lease liabilities	**10,698**	**7,400**	**19,858**	**22,368**	**60,324**	**25,891**
Interesting-bearing borrowings	**22,413**	**55,536**	**138,815**	**—**	**216,764**	**206,344**
	105,401	**63,639**	**174,544**	**22,368**	**365,952**	**319,272**

	As at 31 December 2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount US$'000
Trade and other payables	44,198	—	—	—	44,198	44,198
Lease liabilities	3,608	1,373	—	—	4,981	4,919
Interesting-bearing borrowings	5,327	566	—	—	5,893	5,773
	53,133	1,939	—	—	55,072	54,890

30 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, deposits with banks and lease liabilities. The Group's interest-bearing financial instruments at variable rates as at 31 December 2025 are primarily 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.

The Group's interest rate risk profile as monitored by management is set out below.

	31 December 2025		31 December 2024		1 January 2024	
	Effective interest rate	**Amount US$'000**	Effective interest rate	Amount US$'000	Effective interest rate	Amount US$'000
Net fixed rate instruments:						
Time deposits with banks	**3.95%–4.40%**	**108,000**	1.35%–5.4%	174,000	1.55%–5.35%	100,000
Cash at banks	**0.75%**	**1,423**	1.55%	1,391	1.55%	4,236
Interest-bearing borrowings	**0.82%–3.13%**	**(206,344)**	3.10%–3.30%	(5,773)	Nil	Nil
Lease liabilities	**3.00%–16.86%**	**(25,891)**	4.90%	(4,919)	4.90%	(9,950)
		(122,812)		164,699		94,286
Net variable rate instruments:						
Cash at banks	**0.01%–5.00%**	**68,145**	0.01%–5.00%	13,637	0.01%–5.00%	146,143
		(54,667)		178,336		240,429

(d) Currency risk

The Group is exposed to currency risk primarily through purchases which give rise to receivables and payables, deposits with bank 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 Hong Kong dollars ("HK$"), Euros, Japanese Yen ("JPY"), and US$.

30 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(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 US$, 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			1 January 2024			
	HK$	Euros	JPY	US$	HK$	Euros	US$	HK$	Euros	US$
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	587	–	356	1,405	688	—	34	2,528	—	34
Trade and other payables	(2)	(235)	(74)	(2,298)	—	(361)	(3,743)	—	(1,394)	(2,843)
Trade receivables	–	201	5	19,038	—	492	2,189	—	195	847
Net exposure arising from recognised assets and liabilities	585	(34)	287	18,145	688	131	(1,520)	2,528	(1,199)	(1,962)

30 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 loss after tax (and accumulative losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	31 December 2025		31 December 2024		1 January 2024	
	Increase/ (decrease) in foreign exchange rates	**Effect on loss after tax and accumulated losses US$'000**	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses US$'000	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses US$'000
HK$ (against US$)	**3%**	**(18)**	3%	(21)	3%	(76)
	(3)%	**18**	(3)%	21	(3)%	76
Euros (against US$)	**3%**	**1**	3%	(4)	3%	36
	(3)%	**(1)**	(3)%	4	(3)%	(36)
JPY (against US$)	**3%**	**(9)**	3%	Nil	3%	Nil
	(3)%	**9**	(3)%	Nil	(3)%	Nil
US$ (against US$)	**3%**	**(544)**	3%	46	3%	59
	(3)%	**544**	(3)%	(46)	(3)%	(59)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity measured in the respective functional currencies, translated into US$ 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 years ended 31 December 2025 and 2024.

30 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

At the end of the reporting date, an analysis of changes in fair value measurement is prepared by the finance department with reference to the relevant valuation reports from the external valuer and is reviewed and approved by the chief financial officer.

As at 31 December 2025, the Group held preferred shares and unsecured convertible instruments issued by Valcare Inc., both with fair value of nil (31 December 2024: nil) as determined by the adjusted net asset approach and default risk method respectively.

	Fair value at 31 December 2024 US$'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
Recurring fair value measurement				
Financial assets:				
— Convertible instruments issued by 4C Medical (note 14)	**11,471**	**—**	**—**	**11,471**

30 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)

During the year 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 each of the reporting period in which they occur.

Information about Level 3 fair value measurement

	Valuation techniques	Significant unobservable inputs	Range
Convertible instruments issued by 4C Medical	Default risk method	Event probability	Not Applicable (2024: 90%)
		Probability of default of underlying asset	Not Applicable (2024: 100%)

The movements during the year ended 31 December 2025 in the balance of these Level 3 fair value measurements are as follows:

	2025 US$'000	2024 US$'000 (Restated)
Financial assets:		
At 1 January	**11,471**	3,428
Additions	**—**	5,000
Changes in fair value recognised in profit or loss during the period	**637**	3,043
Transfer to interests in associates	**(12,108)**	—
At 31 December	**—**	11,471

(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 2025 and 2024.

31 Commitments

Commitments outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	2025 US$'000	2024 US$'000 (Restated)
Contracted for		
— Acquisition of property, machinery and equipment	**1,810**	1,719
Authorised but not contracted for		
— Acquisition of property, machinery and equipment	**—**	—
	1,810	1,719

32 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 US$'000	2024 US$'000 (Restated)
Salaries and other benefits	**497**	610
Discretionary bonuses	**310**	310
Retirement scheme contributions	**1**	—
Equity-settled share-based payment expenses	**259**	502
	1,067	1,422

32 Material related party transactions (continued)

(b) List of related parties

Particulars of the Group's related parties which the Group had transactions with during the years ended 31 December 2025 and 2024 are as follows:

Name of party	Relationship
MicroPort Scientific Corporation	Ultimate controlling party of the Group
Shanghai MicroPort Medical (Group) Co., Ltd.	Fellow subsidiary of the Group
Medical Product Innovation, Inc.	Fellow subsidiary of the Group
MicroPort Medical B.V.	Fellow subsidiary of the Group
MicroPort Colombia S.A.S.	Fellow subsidiary of the Group
Jiaxing MicroPort Medtech Co., Ltd.	Fellow subsidiary of the Group
MicroPort Sinica Co., Ltd.	Fellow subsidiary of the Group
MicroPort Scientific (Shanghai) Co., Ltd.	Fellow subsidiary of the Group
Shanghai MicroPort Rhythm MedTech Co., Ltd.	Fellow subsidiary of the Group
MicroPort Scientific Vascular Brasil Ltda.	Fellow subsidiary of the Group
Microport Medikal Ürünler Ltd. Şti.	Fellow subsidiary of the Group
MicroPort International Corp. Limited	Fellow subsidiary of the Group
Rosefinch Swallow (Shanghai) Medtech Co., Ltd.	Fellow subsidiary of the Group
Shanghai MicroPort ZuoQuan Health Technology Co., Ltd.	Fellow subsidiary of the Group
Shanghai MicroPort Cova-cloud Medtech Co., Ltd.	Fellow subsidiary of the Group
Suzhou MicroPort Orthopaedics Scientific (Group) Co., Ltd.	Fellow subsidiary of the Group
Shanghai MicroPort Xingxi Ecological Technology Co., Ltd.	Fellow subsidiary of the Group
Shanghai Chongduozhu Health Technology Co., Ltd.	Fellow subsidiary of the Group
Shanghai Huanbo Digital Technology Co., Ltd.	Fellow subsidiary of the Group
MicroPort Scientific Cooperatief U.A.	Fellow subsidiary of the Group
MicroPort Pte. Ltd.	Fellow subsidiary of the Group
MicroPort Orthopedics Inc.	Fellow subsidiary of the Group
MicroPort Orthopedics Japan K.K.	Fellow subsidiary of the Group
MicroPort NeuroScientific Corporation	Fellow subsidiary of the Group
MicroPort Scientific America Inc.	Fellow subsidiary of the Group
Shanghai Differential Digital Technology Co., Ltd.	Equity-accounted investee of MPSC
MicroPort Longmai Medical Technology (Jiaxing) Co., Ltd.	Equity-accounted investee of MPSC
Zhejiang Accupath Smart Manufacturing (Group) Co., Ltd.	Equity-accounted investee of MPSC
Shanghai SafeWay Medicare Co., Ltd.	Equity-accounted investee of MPSC
SuZhou ProSteri Medical Technology Co., Ltd.	Equity-accounted investee of MPSC
Shanghai InnovaPath Medical Co., Ltd.	Equity-accounted investee of MPSC
Shanghai Integrity Test Co., Ltd.	Equity-accounted investee of MPSC
Suzhou Integrity Test Co., Ltd.	Equity-accounted investee of MPSC
Yinchuan Conscience Care Internet Hospital Co., Ltd.	Equity-accounted investee of MPSC
Shanghai HuaRui Bank Co., Ltd.	Equity-accounted investee of MPSC
Shanghai MicroPort EP MedTech Co., Ltd.	Equity-accounted investee of MPSC
MicroPort Surgical Medical Technology (Shanghai) Co., Ltd.	Equity-accounted investee of MPSC
Dongguan Kewei Medical Instrument Co., Ltd.	Equity-accounted investee of MPSC

32 Material related party transactions (continued)

(c) Transactions with related parties

	2025 US$'000	2024 US$'000 (Restated)
Purchase of goods from subsidiaries of MPSC	**9**	38
Purchase of goods from an equity-accounted investee of MPSC	**871**	547
Purchase of equipment from subsidiaries of MPSC	**33**	39
Service fee charged by subsidiaries of MPSC	**3,203**	2,893
Service fee charged by equity-accounted investees of MPSC	**900**	875
Rental income from a subsidiary of MPSC	**507**	—
Sales of services to subsidiaries of MPSC	**47**	—
Sales of goods to subsidiaries of MPSC	**6,512**	1,975
Loans to a subsidiary of MPSC	**—**	1,405
Interest from a subsidiary of MPSC	**41**	22
The total considerations to acquire equity interests of CardioAdvent	**17,181**	17,459
The total considerations to acquire equity interests of Shanghai Xinyong Medical	**—**	53,058
The total considerations to acquire equity interests of MicroPort CRM	**279,901**	—

During the year ended 31 December 2025, the ultimate holding company of the Group, MPSC had provided the Group with guarantee and pledge to secure the bank loan with principal amount of US$166,010,000 as detailed in note 22.

(d) Related parties balances

	31 December 2025 US$'000	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000 (Restated)
Amounts due from related parties			
Trade related	**5,449**	2,016	547
Non-trade related	**1,799**	1,419	—
Amounts due to related parties			
Trade related	**3,521**	719	1,952
Non-trade related	**13,055**	31,735	754

(e) Applicability of the Listing Rules relating to connected transactions

Except for certain service fee charged by subsidiaries of MPSC and certain purchase from an equity-accounted investee of MPSC, the above related party transactions entered into by the Group 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 "Continuing Connected transactions" in the reports of the directors.

33 Company-level statement of financial position

	Note	31 December 2025 US$'000 (Restated)	31 December 2024 US$'000 (Restated)	1 January 2024 US$'000
Non-current assets				
Investment in subsidiaries		**999,324**	459,744	468,915
Interests in an associate		**27,656**	18,693	16,788
Other financial assets		**—**	11,471	3,428
		1,026,980	489,908	489,131
Current assets				
Other receivables		**—**	—	11
Cash and cash equivalents		**11,651**	3,475	5,775
		11,651	3,475	5,786
Current liability				
Other payables		**3,680**	3,280	3,607
		3,680	3,280	3,607
Net current assets		**7,971**	195	2,179
Total assets less current liabilities		**1,034,951**	490,103	491,310
NET ASSETS		**1,034,951**	490,103	491,310
CAPITAL AND RESERVES	28			
Share capital		**32**	12	12
Reserves		**1,034,919**	490,091	491,298
TOTAL EQUITY		**1,034,951**	490,103	491,310

(Expressed in United States dollars)

34 Immediate and ultimate controlling parties

As at 31 December 2025, the directors consider the immediate parent to be Shanghai MicroPort Limited, which is incorporated in British Virgin Islands and does not produce financial statements available for public use.

As at 31 December 2025, the directors consider the ultimate controlling party is MicroPort Scientific Corporation, which is incorporated in Cayman Islands. MicroPort Scientific Corporation is listed on the Main Board of The Stock Exchange of Hong Kong Limited and produces financial statements available for public use.

35 Non-adjusting events after the reporting period

On 26 January 2026, the board of directors announced its proposal to implement the share consolidation on the basis that every five (5) issued and unissued existing shares with a par value of US$0.000005 each in the share capital of the Company be consolidated into one (1) consolidated and reduced share with a par value of US$0.000025 each (the "Share Consolidation"). The resolution in relation to the Share Consolidation was passed at the extraordinary general meeting on 11 February 2026, and the Share Consolidation has become effective on 24 February 2026.

36 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 the 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

36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025 (continued)

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 Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.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