

EDGE MEDICAL
精鋒 医疗

深圳市精鋒醫療科技股份有限公司
Shenzhen Edge Medical Co., Ltd.

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

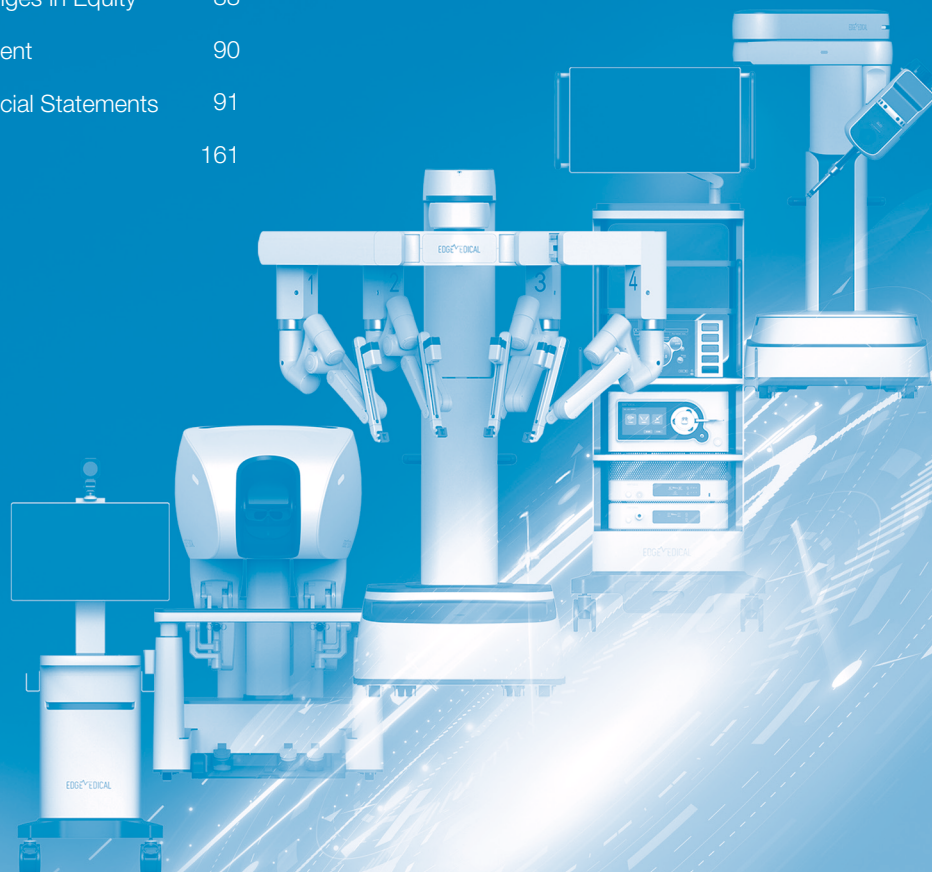
Stock Code : 2675

2025
Annual Report



Contents

Corporate Information	2
Chairman's Statement	4
Financial Highlights	8
Management Discussion and Analysis	9
Directors, Supervisors and Senior Management	29
Report of the Directors	36
Report of the Supervisory Committee	53
Corporate Governance Report	54
Independent Auditor's Report	79
Consolidated Statement of Profit or Loss	84
Consolidated Statement of Profit or Loss and Other Comprehensive Income	85
Consolidated Statement of Financial Position	86
Consolidated Statement of Changes in Equity	88
Consolidated Cash Flow Statement	90
Notes to the Consolidated Financial Statements	91
Definitions	161



Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. Wang Jianchen (*Chairman of the Board*)
Dr. Gao Yuanqian
Ms. Wu Mengyuan

NON-EXECUTIVE DIRECTOR

Mr. Sheng Li
Mr. Chen Gang
Mr. Qiu Xiang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yang Fan
Mr. Zhang Guoguang
Mr. Lau Ying Kit

AUDIT COMMITTEE

Mr. Zhang Guoguang (*Chairman*)
Mr. Sheng Li
Mr. Lau Ying Kit

REMUNERATION COMMITTEE

Mr. Yang Fan (*Chairman*)
Ms. Wu Mengyuan
Mr. Zhang Guoguang

NOMINATION COMMITTEE

Mr. Zhang Guoguang (*Chairman*)
Dr. Gao Yuanqian
Mr. Yang Fan

JOINT COMPANY SECRETARY

Ms. Wu Mengyuan
Mr. Li Kin Wai

AUTHORIZED REPRESENTATIVES

Ms. Wu Mengyuan
Mr. Li Kin Wai

H SHARE REGISTRAR

TRICOR INVESTOR SERVICES LIMITED

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Room 1901, Building 2B
Smart Park Phase II, Baolong Street
Longgang District
Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Room 1901, Building 2B
Smart Park Phase II, Baolong Street
Longgang District,
Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

COMPLIANCE ADVISOR

SOMERLEY CAPITAL LIMITED

20/F China Building
29 Queen's Road
Central, Hong Kong

AUDITOR

KPMG

Certified Public Accountants
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

HONG KONG LEGAL ADVISER

Cleary Gottlieb Steen & Hamilton (Hong Kong)

37/F, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

COMPANY WEBSITE

<https://www.edgemed.cn>

STOCK CODE

2675

PRINCIPAL BANKS

BANK OF CHINA

SHENZHEN DAYUNCHENG BRANCH

Unit A202-1, 102 Block A, Plant 3
Longgang Tian'an
Cyber Entrepreneurship Park
Huangge North Road
Longgang District, Shenzhen
PRC

CHINA MERCHANT BANK

SHENZHEN LONGGANG BRANCH

No. C2a, Zhujiang Plaza
No. 9009 Longxiang Avenue
Zhongxincheng
Longgang District, Shenzhen
PRC

Chairman's Statement

Dear shareholders, partners, colleagues, and peers in the healthcare industry,

On behalf of the Board, I would like to extend our sincerest respect and gratitude to our long-standing investors who have trusted and supported us, our partners who have fought alongside us in the healthcare industry, and every member of Edge Medical who has strived for the advancement of surgery.

BUSINESS REVIEW

In 2025, we achieved historical milestones across product approvals, technological breakthroughs, clinical applications, remote exploration and commercialization, marking a landmark year in our growth. In 2025, we recorded a total revenue of RMB455.7 million. Compared to the total revenue of RMB160.0 million in 2024, our total revenue in 2025 increased significantly by approximately 184.8%, sustaining a revenue growth rate of over 150% for three consecutive years since 2023. In 2025, we recorded a net loss of RMB88.6 million, which is a significant reduction of approximately 59.4% from RMB218.5 million in 2024. Our adjusted net loss was RMB20.5 million, representing a year-on-year reduction of 88.5%. We also maintained a gross profit margin of over 58% for three consecutive years, demonstrating the strength of our business model and our capability for sustainable growth.

Through the concerted efforts of all employees, we are progressing toward a new phase of scaled and sustainable development with greater operational resilience, reaffirming our core strategic philosophy that “industry leadership can only be achieved through continuous innovation, and that meaningful participation in the global marketplace can only be realized through a steadfast commitment to international expansion (唯有創新才能引領行業潮流，唯有堅定出海，才能融入世界脈搏)”. Our strong operating performance and adequate financial resources provide crucial supports for our subsequent R&D investment, business expansion, and execution of strategic initiatives.

ESTABLISHING A COMPREHENSIVE PRODUCT MATRIX

The Company has developed a comprehensive technology platform centered on surgical robots. Through continuous R&D and innovation, we continuously enhance product performance and clinical application capabilities. We are the only surgical robot company in China that possesses both multi-port endoscopic surgical robots and single-port endoscopic surgical robots covering clinical applications in urology, gynecology, general surgery, thoracic surgery and telesurgery. In addition, we also offer natural orifice bronchoscopic robots for taking biopsy of lung nodule and treatment.

Our strong portfolio of surgical robot products and product candidates enables us to provide comprehensive solutions across a wide spectrum of MIS procedures. It is also noteworthy that the compatibility between Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot by sharing the same surgeon's console and 3DHD vision system allows surgeons to easily switch between the two and facilitates the adoption of both by hospitals. To this end, we have launched a "three-in-one" solution, the only product in China combining multi-port, single-port and telesurgery and has been approved by NMPA for marketing. In terms of overseas market, we have launched the only "multi-port and single-port integrated" product in the world which has obtained CE marking under the Medical Device Regulation, for marketing in the EU.

CONSOLIDATING OUR LEADING POSITION IN THE DOMESTIC MARKET

Leveraging our extensive experience accumulated in seven key domains of surgical robots, robust R&D capabilities and comprehensive product pipelines, we have been constantly delivering outstanding commercialization performance, and our market share and brand influence in the domestic market have been continuously improving. We are the leading Chinese endoscopic surgical robot manufacturer in terms of market share for two consecutive years in 2024 and 2025. Our commercial installations have been continuously rolling out in top-tier hospitals in China, and our Edge Cloud Telesurgery System connects commercial installations and remote control centers, enabling "interconnection between any two points".

The Company remains committed to clinical needs-driven approach, and continuously strengthen capabilities in R&D, sales channel coverage and academic promotion. We persistently enhance our product competitiveness and comprehensive service capabilities, further consolidate our leading position in the healthcare industry, and lay a solid foundation for our long-term stable growth.

Chairman's Statement

GLOBAL LAYOUT STRATEGY

The Company has continued to advance the global expansion of its product matrix and facilitate the access to overseas market. We have successfully obtained multiple certifications in overseas jurisdictions, laying a solid foundation for overseas commercialization. We have obtained registration approvals for MP1000 in 22 overseas jurisdictions in Europe, Asia-Pacific, Middle East, Africa and South America, covering 55 countries and regions in total. We have also obtained registration approvals for SP1000 and our “multi-port and single-port integrated” product in 35 countries and regions. We are the only Chinese company that have commercialized both multi-port endoscopic surgical robots and single-port endoscopic surgical robots as our Core Products in overseas markets. In the future, we will further expand overseas market access and commercialization of our products.

The Company has been steadily expanding its global market presence, focusing on mainstream overseas markets and regions with high growth potential, establishing a global technology service and support system, and leveraging our proven technical services and clinical application experience from China to enhance our offerings in the overseas market, thereby laying a solid foundation for overseas commercialization. In 2025, revenue attributable to products sold to overseas end users accounted for over 50% of our total revenue, and our product performance and services have been highly recognized by international customers.

Looking ahead, we will continue to increase R&D investment, deepen our core technology portfolio, and unswervingly implement our overseas expansion strategy. We will drive the inclusion of more technologically leading products into our global product matrix. Driven by technological innovation, we will expand overseas markets, continuously enhance our international brand influence and global market share, and achieve sustained deepening and high-quality development of our globalization strategy.

ACHIEVING RAPID GROWTH IN OUR ROBOT-ASSISTED SURGERY BUSINESS

The Company has achieved a rapid growth in its robot-assisted surgery volume. In 2025, revenue from robot consumables accounted for 11.9% of our total revenue, becoming a key driver of our business growth. Through deepening strategic collaborations with top-tier medical institutions and healthcare industry partners both in China and overseas, we have established a diversified cooperation network. We have increased the clinical penetration of our robot-assisted surgery business and recognition among the surgeon community and promoted a steady increase in the volume of robot-assisted surgeries through various initiatives such as organizing joint clinical training programs, co-developing model surgical centers and advancing telesurgery initiatives. As of December 31, 2025, over 14,000 cases of high-quality robot-assisted clinical surgeries in China were completed using our Edge Endoscopic Surgical Robots.

In addition, the Company has actively expanded clinical application scenarios, continuously developed new surgical instruments, extended the reach of surgical applications, optimized product portfolios based on market demands, and further increased the penetration rate of our surgical robots. By strengthening academic promotion to empower market expansion, we organized regional academic seminars and practical surgeon training program, delivered advantages and clinical value of our products and continuously enhanced brand influence, driving a substantial increase in robot-assisted surgical procedures, and achieving a leapfrog growth in robot-assisted surgery volume.

LONG-TERM VALUE AND BUSINESS OUTLOOK

We have been adhering to the philosophy of “original research and innovation” in our technology and “sustained improvement” in our products, with the corporate mission of “empowering surgeons and benefiting patients”. We have continued to lead and demonstrate the innovative development and clinical application of high-end surgical robots under “Intelligent Manufacturing in China (中國智造)”.

Looking ahead, the surgical robot industry is evolving rapidly towards intelligent, digital, and platform-based development. Leveraging our advanced surgical robot platform, we help surgeons overcome the barriers of traditional surgery in terms of precision, stability and visibility. Through precise control, high-definition visualization, intelligent assistance and minimally invasive operations, we help improve surgical efficiency and the competence of handling complicated cases. We also reduce surgeons' fatigue, expand the boundaries of minimally invasive surgery, making highly challenging procedures safer and more feasible. Through robot-assisted technology, we will enhance the safety and effectiveness of diagnosis and treatment, improve patient experience and long-term prognosis, enable more patients to benefit from more precise, minimally invasive and safer procedures with faster-recovery clinical treatment, and eventually materialize the ultimate value of innovation in medical technology for human wellbeing. Our Company is committed to driving technological progress in surgical robots, giving back to the society by providing higher-quality, more accessible medical solutions, and building the infrastructure for global surgical procedures.

April 28, 2026
Chairman of the Board
Dr. Wang Jianchen

Financial Highlights

A summary of the consolidated results and the consolidated assets, liabilities and equity of the Group for the last three financial years, as extracted from or calculated based on the audited financial statements is set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended December 31,		
	2025	2024	2023
	<i>(RMB'000, except percentages and loss per share)</i>		
Revenue	455,715	159,994	48,042
Gross profit	300,652	98,077	28,466
Gross profit margin	66%	61%	59%
Loss before taxation	(88,607)	(218,509)	(212,869)
Loss attributable to equity shareholders of the Company for the year	(88,607)	(218,509)	(212,869)
Loss per share-basic and diluted (RMB)	(0.25)	(0.61)	(0.59)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,		
	2025	2024	2023
	<i>(RMB'000)</i>		
Assets			
Non-current assets	51,389	95,951	205,300
Current assets	1,334,351	1,264,779	1,350,346
Total assets	1,385,740	1,360,730	1,555,646
Liabilities			
Non-Current liabilities	22,585	13,939	39,755
Current liabilities	164,445	86,835	77,545
Total liabilities	187,030	100,774	117,300
Total equity	1,198,710	1,259,956	1,438,346

Management Discussion and Analysis

INDUSTRY OVERVIEW

2025 marks the final year of China's 14th Five-Year Plan, the period of which represented an important transitional stage for China's economy from high-speed growth to high-quality development, as well as a critical period for the healthcare industry to accelerate technological innovation and industrial upgrading. Driven by continuous national policy support and industrial structural upgrading, China's healthcare industry as a whole has maintained steady development, while the high-end medical device sector has embraced significant development opportunities.

As one of the strategic emerging industries designated as a national priority for development, the medical device industry has been attached great importance at the policy level in recent years. The Action Plan for the High-Quality Development of the Medical Device Industry (2023-2025) 《醫療裝備產業高質量發展行動計劃(2023-2025年)》 explicitly promoted the self-innovation and industrialization of high-end medical devices, focused on support for breakthroughs in core key technologies for high-end medical devices including surgical robots, and accelerated the domestic substitution process. With the steady implementation of the 14th Five-Year Plan, China's medical device industry has achieved remarkable improvements in technological innovation competence, industrial scale and international competitiveness. In the 2026 Government Work Report, the biopharmaceutical industry was listed as a national "emerging pillar industry" for the first time, marking its elevation from a strategic emerging industry to a core sector of the national economy, alongside integrated circuits, aerospace and other industries.

As an important component of high-end medical devices, surgical robots have become one of the most technologically innovative segments within the global medical device industry in recent years. Through the synergistic operation of robotic arm systems, 3DHD vision systems and intelligent control systems, surgical robots provide surgeons with more stable, precise and flexible manipulation capabilities during minimally invasive surgery (MIS), thereby effectively enhancing surgical precision, reducing intraoperative trauma and accelerating postoperative recovery. Meanwhile, robot-assisted surgery helps reduce tremors inherent in surgeons' hands during operation and improves the clarity of the surgeon's visual field, which to a certain extent shortens the surgeons' learning curve.

In recent years, the global surgical robot industry has sustained rapid growth, with the medical robots markets in non-U.S. regions and China also entering a phase of rapid growth. Compared with the relatively matured U.S. market, the penetration of robot-assisted surgeries in regions outside the U.S., especially China, remains relatively low. However, driven by an aging population, continuously growing demand for medical services and the increasing adoption of minimally invasive surgical approaches, the global surgical robot market continues to present vast opportunities for further development. Due to the ongoing increase in installation of surgical robots and the ongoing increase in volume of robot-assisted surgery, the demand for related instruments and consumables is expected to increase correspondingly, thereby further driving the growth within the industry as a whole.

Management Discussion and Analysis

From a policy perspective, the continuous improvement of healthcare payment systems also facilitates the clinical application of robot-assisted surgery. In January 2026, the National Healthcare Security Administration issued the Guidelines on Projects of Pricing for Surgical and Therapy Supporting Items (Trial) (《手術和治療輔助操作類醫療服務價格項目立項指南(試行)》), which sets uniform pricing for therapy supporting items, including medical services such as “surgical robots” and “telesurgery”, to standardize medical service charges and promote the clinical application of new technologies.

Regarding the competitive landscape, the global surgical robot market has been dominated by a few international players for a considerable period. As Chinese domestic innovative companies have continued to achieve breakthroughs in core technology research and development, system integration capabilities, and clinical application validation, domestically-produced surgical robots have seen continuous improvements in performance, reliability, and clinical application, and have progressively gained recognition from domestic medical institutions and surgeons. Driven by the dual momentum of supportive government policies and growing market demand, domestic surgical robot companies are well-positioned to continue expanding their market share in the domestic market, and the process of domestic substitution is also expected to accelerate further.

Meanwhile, with advancements in manufacturing capabilities and technological innovation, Chinese medical device manufacturers are increasingly expanding internationally and competing in the global medical device industry. With the continued deepening of international cooperation initiatives such as the Belt and Road Initiative, Chinese high-end medical device providers are expected to deliver high-quality medical devices and medical solutions to more overseas markets, thereby enhancing the global influence of “Intelligent Manufacturing in China (中國智造)” in the healthcare industry.

BUSINESS PROGRESS

Since our establishment in 2017, we have consistently adhered to a full-stack self-developed technological approach, dedicating ourselves to overcoming the core technical barriers of surgical robots. We have developed a product matrix characterized by the synergistic development of multi-port, single-port, and telesurgery systems, and extended our business reach into specialized fields such as bronchoscopic robot.

In 2025, we achieved historical milestones across product approvals, technological breakthroughs, clinical applications, remote exploration and commercialisation, marking a landmark year in our growth. Since the commercialization of our Edge Multi-Port Endoscopic Surgical Robot in December 2022 and Edge Single-Port Endoscopic Surgical Robot in December 2024, in terms of contractual sales volume, we had entered into agreements for sales of 119 units of our Core Products globally as of December 31, 2025, of which 92 units were contracted for sale during the Reporting Period, consolidating our leading position among the domestic endoscopic surgical robot manufacturers. In 2025, we recorded total revenue of RMB455.7 million, with revenue attributable to products sold to overseas end users reaching RMB272.1 million, representing over 50% of our total revenue. Compared to the total revenue of RMB160.0 million in 2024, our total revenue in 2025 increased significantly by approximately 184.8%, sustaining a revenue growth rate of over 150% for three consecutive years since 2023. In 2025, we recorded a net loss of RMB88.6 million, which is a significant reduction of approximately 59.4% from RMB218.5 million in 2024. We also maintained a gross profit margin of over 58% for three consecutive years, demonstrating the strength of our business model and our established capacity for sustainable growth.

Management Discussion and Analysis

Through the concerted efforts of all employees, we are progressing toward a new phase of scaled and sustainable development with greater operational resilience, reaffirming our core strategic philosophy that “industry leadership can only be achieved through continuous innovation, and that meaningful participation in the global marketplace can only be realized through a steadfast commitment to international expansion (唯有創新才能引領行業潮流, 唯有堅定出海, 才能融入世界脈搏)”.

THE FULL PRODUCT MATRIX HAS RECEIVED REGULATORY APPROVALS, ESTABLISHING A GLOBALLY LEADING COMPETITIVE BARRIER.

During the Reporting Period, we achieved a series of strategically significant milestones. In January 2025, we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and the first domestically-developed dual-arm bronchoscope robot. In March 2025, our Edge Multi-Port Endoscopic Surgical Robot obtained CE Marking of MP1000 in the EU. In October 2025, we obtained the CE Marking of SP1000 and the world’s leading “single-port and multi-port integrated” surgical robot super system in the EU, representing a significant milestone in our internationalization process. Through these efforts, we became the first in China and the second in the world that had received registration approvals for multi-port endoscopic surgical robots, single-port endoscopic surgical robots, and natural orifice surgical robots, according to Frost & Sullivan. As at the date of this report, we are the only manufacturer in China whose single-port and multi-port endoscopic surgical robots have been approved in both China and the EU, and the only manufacturer in the world with a “single-port and multi-port integrated” platform that has obtained both the CE Marking in the EU and the approval from NMPA in China.

LARGE-SCALE APPLICATION IN TOP-TIER HOSPITALS WITH CLINICAL PROCEDURES SURPASSING 14,000 CASES.

During the Reporting Period, the deployment of our surgical robots covered a number of China’s top 100 hospitals, including The First Affiliated Hospital of Zhejiang University School of Medicine, Peking University Third Hospital, and The First Affiliated Hospital of Anhui Medical University. In overseas countries, our coverage included top-tier hospitals such as Unimed Joao pessoa in Brazil. In particular, as of December 31, 2025, over 1,200 cases of robot-assisted clinical surgeries at Southern Medical University Zhujiang Hospital were completed using our surgical robots, cementing its status as a benchmark for the high-quality and large-scale clinical deployment of domestically manufactured surgical robots. As of December 31, 2025, over 12,000 and 2,000 cases of robot assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, respectively. The exceptional clinical value, ultra-stable performance and reliability of our surgical robots have been well received from customers both domestically and internationally.

Management Discussion and Analysis

TELESURGERY HAS EVOLVED FROM A TECHNOLOGICAL SHOWCASE TO A SYSTEMATIC LEADERSHIP.

During the Reporting Period, our Edge Multi-Port Endoscopic Surgical Robot received approval from NMPA for its telesurgery-related procedures rollout, marking a significant milestone as the transition of telesurgery from clinical trial to clinical rollout. Leveraging this telesurgery system, we have achieved a number of milestones in the history of surgery. In overseas countries, we completed Europe's first cross-border telesurgery in September 2025, the first telesurgery in an animal within Latin America in August 2025, and the first cross-state telesurgery in an animal in Brazil (a straight-line distance of 3,200 km), based on publicly available information. We also hold the Guinness World Record for the world's longest-distance robotic telesurgery (a straight-line distance of 12,035 km from Kuwait to Brazil), as at the date of this report. In China, through our "Thousands of Medical-Academia Alliance (千家醫學聯盟)" initiative, we have established telesurgical robots training centers, telesurgery centers and remote control centers in numerous prestigious medical institutions, including The First Affiliated Hospital of Anhui Medical University, Ruijin Hospital of Shanghai Jiaotong University School of Medicine and The First Affiliated Hospital of Zhejiang University School of Medicine, to perform telesurgeries by "one-click interaction (一鍵互聯)" between Class III Grade A hospitals and primary-level hospitals. Furthermore, various telesurgeries were performed at multiple medical institutions, including, among others, Sir Run Run Shaw Hospital affiliated with Zhejiang University School of Medicine, Nanfang Hospital of Southern Medical University, and Guangdong Provincial People's Hospital, effectively facilitating the accessibility to premium medical resources at grassroots levels. As of December 31, 2025, over 500 cases of robotic telesurgeries were completed using our Edge Cloud Telesurgery System, with a 100% procedural success rate. These achievements have further demonstrated our strong capabilities in the field of telesurgery on a global scale.

OUR PRODUCTS AND PRODUCT PIPELINE

Our Company has developed a comprehensive technology platform centered on surgical robots. Through continuous R&D and innovation, we continuously enhance product performance and clinical application capabilities. We have a pipeline of three products and product candidates covering various models at different development stages to capture the market potential in surgical robots, including Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot for MIS, as well as Edge Bronchoscope Robot for non-invasive surgery.

Management Discussion and Analysis

The following chart provides a summary of our major products and product candidates as at the date of this report. For further details, please refer to “Business” section of the Prospectus.

Product Name	Model/Version	Region	Surgical Application	Classification	Design and Development	Type Testing	Clinical Trial/Clinical Evaluation	Registration	Upcoming Key Milestone (Expected)		
★ Edge Multi-Port Endoscopic Surgical Robot	MP1000 (base product)	China	Urologic surgery	Class III	Registration approved by NMPA in December 2022				-		
			Gynecologic, general and thoracic surgery		Registration modification approved by NMPA in August 2023				-		
		Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in March 2025				-		
	MP1000 Plus	China	Urologic, gynecologic, general and thoracic telesurgery	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3		
			Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in October 2023				-		
		MP2000 series	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in July 2024				-	
				Urologic, gynecologic, general and thoracic telesurgery	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3	
		Upgraded model	China	Pediatric and cardiac surgery	Class III	To apply for registration modification with NMPA				To complete type testing in 2026Q3	
				Urologic, gynecologic, general and thoracic surgery	Class III	To apply for registration modification with NMPA				To complete type testing in 2026Q3	
			Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	To obtain CE Marking from EMA				To initiate type testing in 2026Q3	
★ Edge Single-Port Endoscopic Surgical Robot	SP1000 (base product)	China	Gynecologic surgery	Class III	Approved by NMPA in November 2023				-		
			Urologic, general surgery	Class III	Approved by NMPA in October 2024				-		
		China	Otorhinolaryngology (ENT), head and neck surgery	Class III	Submitted the NMPA application in August 2025				To be approved in 2026Q2		
	Upgraded model	China	Thoracic surgery	Class III	Approved by NMPA in March 2026				-		
			Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in October 2025				-		
		China	Pediatric surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q4		
			Urologic, gynecologic and general surgery	Class III	Submitted NMPA application in 2026Q1				To apply for registration modification with NMPA	To be approved in 2026Q4	
		Europe	Urologic, gynecologic, general, thoracic and pediatric surgery	Class II(b)	To obtain CE Marking from EMA				To initiate design and development in 2026Q3		
		Edge Bronchoscope Robot	CP1000 (base product)	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	Approved by NMPA in January 2025				-
					Upgraded model	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	To apply for registration modification with NMPA			

★ Core Product ➡ Clinical Trials Required ▨ Clinical Trials Exempted

Our strong portfolio of surgical robot products and product candidates enables us to provide comprehensive solutions across a wide spectrum of MIS procedures. It is also noteworthy that the compatibility between Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot by sharing the same surgeon’s console and 3DHD vision system allows surgeons to easily switch between the two and facilitates the adoption of both by hospitals.

As a fast-growing surgical robot company, we focus on surgical robots and instruments for MIS, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots. Beyond MIS, we also expand our product offering into non-invasive surgery by developing natural orifice surgical robots. Leveraging our proprietary core technology modules, we have built a comprehensive suite of surgical robot systems addressing a wide range of surgeons’ and patients’ clinical needs.

Management Discussion and Analysis

EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT – OUR CORE PRODUCT

Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the surgical instruments that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high resolution 3D image of the surgical field. The motions of Edge Multi-Port Endoscopic Surgical Robot in the surgical field are analogous to the motions of a human wrist with tremor inherent in a surgeon's hand filtered out. It enables surgeons to perform complicated procedures with precision in narrow workspaces.

In August 2023, we received the registration approval from the NMPA for expansion of MP1000's clinical application in gynecology, general surgery and thoracic surgery, which made MP1000 the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, according to Frost & Sullivan. In October 2023 and July 2024, the NMPA approved our registration modification for an updated version of MP1000, also known as MP1000 Plus, and MP2000 series, the second generation of our MP1000, respectively. In March 2025, we obtained the CE Marking of MP1000 in the EU. As of the date of this report, we have obtained registration approvals for MP1000 in 22 overseas jurisdictions in Europe, Asia-Pacific, Middle East, Africa and South America, covering 55 countries and regions in total. During the Reporting Period, we had entered into agreements for sales of 91 units of Edge Multi-Port Endoscopic Surgical Robot.

We currently focus on the development and expansion of clinical applications of Edge Multi-Port Endoscopic Surgical Robot for use in urologic, gynecologic, general and thoracic telesurgeries. With telesurgery capabilities, we expect our next generation of surgical robots to contribute to improved surgical expertise for complex cases by fostering surgical collaboration among specialists surgeons from various medical specialties and geographical locations. We also plan to expand the application of Edge Multi-Port Endoscopic Surgical Robot for use in pediatric and cardiac surgeries.

EDGE SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT – OUR CORE PRODUCT

Edge Single-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, and is complementary to our Edge Multi-Port Endoscopic Surgical Robot. All instruments are incorporated in a single robotic arm that operates through a cannula. It is complementary to Edge Multi-Port Endoscopic Surgical Robot with all instruments and the camera emerging through a single cannula and triangulated around the target anatomy, enabling surgeons to access narrow workspaces. Procedures conducted with our single-port endoscopic surgical robot involve fewer incisions, thereby minimising surgical wounds on patients and rendering procedures less invasive. And patients are expected to experience less blood loss, less pain during procedures, faster recovery and shortened hospitalisation time.

Management Discussion and Analysis

In November 2023, we received the registration approval from the NMPA for SP1000, the first model of Edge Single-Port Endoscopic Surgical Robot, for application in gynecologic surgery. In October 2024, we received the registration approval from the NMPA for expansion of SP1000's clinical application in urologic surgery and general surgery. SP1000 is the first (but currently not the only) domestically-developed single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties, according to Frost & Sullivan. We started to commercialize Edge Single-Port Endoscopic Surgical Robot in China in 2024 and obtained the CE Marking of SP1000 in the EU in October 2025.

As a key representative of cutting-edge minimally invasive surgical technology, single-port robots offer clinical advantages such as “minimally invasive, higher precision, better cosmetic outcomes, and faster recovery,” making them an important technological direction driving innovation in complex minimally invasive surgeries. During the Reporting Period, our Edge Single-Port Endoscopic Surgical Robot achieved several landmark clinical breakthroughs, further solidifying its leading position in the domestic market for single-port endoscopic surgical robot. Leveraging the Edge Single-Port Endoscopic Surgical Robot and in collaboration with clinical experts, we successfully completed multiple innovative surgical procedures, which not only demonstrate the technical adaptability of the Edge Single-Port Endoscopic Surgical Robot in confined anatomical spaces, multi-organ coordinated operations, and complex reconstruction scenarios, but also further validate the safety, feasibility, and clinical application potential of domestically manufactured single-port endoscopic surgical robots in complex surgical procedures. As clinical applications continued to expand, over 2,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Single-Port Endoscopic Surgical Robot as of December 31, 2025. We facilitated the publication of the first Chinese Expert Consensus on Domestic Single-Port Robot-Assisted Radical Prostatectomy (《國產單孔機器人輔助根治性前列腺切除術專家共識》), laying a solid foundation for the standardized development of the discipline and leading the technological advancement in urology, colorectal surgery, thoracic surgery, and other fields.

We currently focus on the development and expansion of clinical applications of Edge Single-Port Endoscopic Surgical Robot for use in thoracic, pediatric, otorhinolaryngology, head and neck surgeries. We continue improving the performance of Edge Single-Port Endoscopic Surgical Robot based on feedback collected from prior clinical trials and ongoing clinical studies. We seek to develop high-precision endoscopic tracking technology that delivers superior image guidance. In addition, we will continue pursuing a compact design of robotic system, reducing bulky external components that lead to instrument crowding and collisions.

Leveraging the synergistic development of Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, both of which have obtained approvals in application to the same indications in urology, gynecology, general surgery, and thoracic surgery, we have successfully built a synergistic product portfolio covering the Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, which further reduces customers' procurement and maintenance costs by sharing the same surgeon's console and vision system and enables surgeons to tailor the medical solutions based on the patients' clinical needs to select the types of surgery and optimal surgical planning through an Edge Multi-Port Endoscopic Surgical Robot or Edge Single-Port Endoscopic Surgical Robot.

Management Discussion and Analysis

RELATIONSHIPS BETWEEN EDGE MULTI-PORT AND SINGLE-PORT ENDOSCOPIC SURGICAL ROBOTS

Complementary Functions

Our self-developed multi-port and single-port endoscopic surgical robots complement each other by providing surgeons with a wide range of options based on their clinical needs in different surgical procedures. They share the same surgeon's console and 3DHD imaging system (except for the 3D electronic endoscope), but feature different structures of patient-side cart. According to Frost & Sullivan, there is no substitution relationship between multi-port endoscopic surgical robots and single-port endoscopic surgical robots, as they are providing available options for surgeons when performing surgeries in different clinical departments according to their respective advantages.

With multiple robotic arms, the Edge Multi-Port Endoscopic Surgical Robot enables surgeons to perform complex surgical procedures in a wide range of specialties, including but not limited to urologic, general, gynecologic and thoracic surgery. It provides the various instrument selection, flexible port placement and large range of motion.

One of the major issues for robot-assisted surgery performed in very narrow surgical workspaces is instrument collisions. The single-arm structure of the patient-side cart of Single-Port Endoscopic Surgical Robot enables surgeons to perform surgeries in narrower workspaces. It effectively avoids such collision because its instruments and endoscope all emerge through a single cannula and are properly positioned around the target anatomy. It is more suitable for surgeries in which concentrated lesions typically need to be removed in a highly focused and narrow space, such as ovariectomy and ureterectomy. In addition, Single-Port Endoscopic Surgical Robot causes only a single small incision, which is suitable for surgical procedures where patients seek less trauma and little scarring, such as female patients who need to undergo gynecologic surgery.

In practice, whether to use multi-port endoscopic surgical robots or single-port endoscopic surgical robots in surgeries also depends on other factors, such as the location of lesion, surgeons' techniques and skills in performing robot-assisted surgery and patients' postoperative recovery requirements.

Selling Opportunities

With respect to single-port endoscopic surgical robots, certain current limitations on applicable surgical procedures and technological constraints have resulted in a significantly smaller market size of single-port endoscopic surgical robots than multi-port endoscopic surgical robots. In addition, the market of single-port endoscopic surgical robots, being a newer type of surgical robots, is still at an early stage of development, especially in the domestic market. Additional marketing and promotion is needed to educate the hospitals of single-port robots' unique ability to conduct certain types of surgeries and its superior performance over multi-port surgical robots in other types of surgeries. We have overcome the current challenges in the following aspects:

- *Integrated functionality.* By combining medical science with engineering, we systematically studied single-port applications across surgical specialties. Our analysis of the visual-to-operational workspace relationship, including the 7-DOF arm, 3D vision system, and lesion location, enabled data-driven control of the arm's distal end and instruments. These patented technologies resolve the core challenge of consolidating multi-arm functionality into a single arm.
- *Dexterous multi-DOF robotic arm design.* The difficulty of designing the dexterous multi-DOF robotic arm is how to design steel wire drive mechanism. We overcame the complexity by innovating instruments with 24 stainless steel wires, optimizing flexibility, resistance, and strength. Our advanced patent-protected wire transmission mechanism in the SP1000 ensures precise, stable movement within the patient's body.
- *Advanced modeling and control.* We have formulated mathematical models and algorithms that fully consider the complex features of 7-DOF arm, the power transmission of the 24 stainless steel wires, the master-slave structure, and the locational relations between visual workspace and operational space.

More importantly, we market our multi-port and single-port endoscopic surgical robots, together, as a package. We believe equipping them both provides hospitals and medical institutions with versatile capabilities to address diverse clinical needs, empowering surgical teams to select the optimal approach for each patient while expanding access to minimally invasive treatment options.

In practice, hospitals purchasing Edge Multi-Port Endoscopic Surgical Robots often prefer our Edge Single-Port system over competitors'. Since both our multi-port and single-port systems share the same surgeon console and 3DHD vision system (excluding the 3D electronic endoscope), hospitals only need to acquire the Edge Single-Port patient-side cart and any additional required components.

Management Discussion and Analysis

WE MAY NOT BE ABLE TO SUCCESSFULLY MARKET OUR CORE PRODUCTS IN OVERSEAS MARKETS AS PLANNED, OR SUCCESSFULLY DEVELOP OR MARKET THE EXPANSION OF SURGICAL APPLICATIONS OF OUR CORE PRODUCTS AND OTHER PRODUCT CANDIDATES IN CHINA OR IN OVERSEAS MARKETS. SHAREHOLDERS AND OTHER POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN OUR SHARES.

EDGE BRONCHOSCOPE ROBOT

Besides our Core Products, Edge Bronchoscope Robot, a natural orifice surgical robot for natural orifice transluminal endoscopic surgery, or NOTES, also plays an important role in our product portfolio. It is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. As our robotic technology overcomes limitations of the reach of conventional bronchoscopy and allows the localization and diagnosis of the most difficult-to-reach lesions, it provides an effective method of taking biopsy of lung lesions and diagnosing smaller lung lesions at an earlier stage in lung disease, in particular peripheral lung cancer.

Edge Bronchoscope Robot is regulated as a Class III medical device in China. In January 2025, we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and the first domestically-developed dual-arm bronchoscope robot. It was approved by the NMPA for application in preoperative planning of natural orifice bronchoscopy procedures and treatments. CP1000 provides bronchoscopic visualization of the patient's airways and access routes to assist physicians in navigating and positioning the bronchoscope.

Edge Bronchoscope Robot is primarily comprised of the following four components: controller, two-arm robot cart, image navigation cart and patient-side system and catheter. The controller allows the physician to easily control the bronchoscope robot. The image navigation provides direct vision and navigation features. The patient-side system contains a magnetic navigation system, which provides the precise location with real-time observation of the position and orientation of the catheter end in the lung. The bronchoscope sheath, which has a relatively larger diameter, creates a stable base to support the bronchoscope's inner tube to advance beyond the bronchoscope sheath to enter deeper into the lung under the control by one of the robotic arms.

During the Reporting Period, we started to commercialize our Edge Bronchoscope Robot in China in September 2025 and successfully completed a commercial installation, which marks our official entry into the respiratory intervention sector.

We continue improving the clinical performance of our Edge Bronchoscope Robot, which will incorporate technologies that further enhance the safety and accuracy of the bronchoscopy operation, reach deeper regions within the lungs, as well as enhance operational precision, expand instrument compatibility, and improve user-friendliness. The improvements will include: (i) ultra-thin endoscope technology to reach more distal lung lesions and expand the range of surgical tasks; (ii) multimodal fusion positioning technology that is capable of more comprehensive and accurate intraoperative spatial information of the lung lesions; and (iii) an integrated diagnostic and therapeutic robotic surgery system that maximizes success rates of lung lesion ablation with lower occurrence of complications.

CUTTING-EDGE TECHNOLOGY

We continue to drive cutting-edge technological innovation in the field of surgical robotics, achieving multiple breakthroughs in areas including telesurgery, AI-assisted operations, and next-generation minimally invasive surgical platforms. Leveraging our self-developed Edge Endoscopic Surgical Robot and Edge Cloud Telesurgery System, we have achieved the cross-regional application of robotic telesurgery and carried out telesurgeries in multiple hospitals. Empowered by low-latency, high-fidelity, and cloud connectivity technology, we enable expert remote guidance and remote surgical operations, thereby facilitating the cross-regional sharing of premium medical resources. We have been developing our Edge Cloud Telesurgery System since 2021 and have reached major milestones. During the Reporting Period, we performed the world's first ultra-remote livestreamed human surgery across two continents. As of December 31, 2025, we had established remote control centers in eight provinces in China and performed telesurgeries in most provinces in China. These achievements demonstrate the capability of our Edge Cloud Telesurgery System to overcome significant geographic barriers while ensuring safe and effective surgery, addressing a core technical challenge in the telesurgery field.

In the field of integration of artificial intelligence with robotics, we collaborate with domestic research institutions to tackle key technologies in autonomous suturing. We have developed a proprietary prototype autonomous suturing system based on our surgical robot platform. Through visual perception, hand-eye coordinated navigation, and multi-source data-driven algorithms, our Company has enabled its surgical robots to autonomously perform complex dual-arm suturing operations, the successful validation of which in ex vivo organ experiments represents a significant milestone in the advancement of intelligent surgical robotics' capabilities in China.

Further, we continue to advance the research, development, and iteration of our next-generation minimally invasive surgical robot platform, establishing a product portfolio that includes multi-port endoscopic surgical robot, single-port endoscopic surgical robot, and natural orifice surgical robot. In particular, the single-port endoscopic surgical robot operates through a single incision or a natural orifice, which can reduce tissue trauma, minimize intraoperative bleeding, and accelerate post-operative recovery, which demonstrates promising clinical application prospects across multiple specialties, including urology, gynecology, and general surgery.

Through the continuous advancement of research and development in key technologies such as telesurgery, intelligent operation, and minimally invasive surgical platforms, our Company consistently enhances the intelligence and precision of its surgical robots, laying a technological foundation for the future development of telesurgery and intelligent surgery.

Management Discussion and Analysis

RESEARCH AND DEVELOPMENT

We focus on developing innovative technologies for MIS. We believe that the success of our operations depends to a large extent on our ability to design and develop advanced surgical robots. We are engaged in ongoing research and development activities to deliver clinically advanced new products, to enhance our surgical robots' effectiveness, ease of use, safety, reliability, and to expand the applications of our surgical robots.

Since our inception in 2017, we have been establishing a synergistic R&D platform covering internal scientific research, clinical development, quality control and regulatory administration for complex high-performance medical devices with strong barriers to entry. This platform organically integrates talents from diversified professional backgrounds, covering mechanics, medicine, medical engineering, computer graphics, computer science, electronics, material science and artificial intelligence. With this platform, we are able to accelerate development processes, achieve cost-efficiency and promote product innovation.

CAPABILITY ON COMMERCIALIZATION

We continue to build a commercialization system covering clinical application and marketing, and establish our commercialization capabilities centered upon our sales team, clinical support team and surgeon training system. Leveraging our professional sales and clinical application teams, we continue to advance the deployment and use of surgical robots in medical institutions in China and abroad, promoting clinical applications across multiple high-volume surgical specialties, including urology, gynecology, general surgery and thoracic surgery. Since commercialization in 2022, our products have been progressively adopted by a growing number of Class III Grade A hospitals across China, achieving cross-regional market expansion. As of December 31, 2025, we had entered into agreements for sales of 120 units of our surgical robots globally (including 119 units of our Core Products), with market recognition continuing to rise.

As of December 31, 2025, in terms of market coverage, our surgical robots had achieved commercial deployment in 18 provinces and municipalities in China and had gradually expanded into overseas markets, forming an international presence across regions including Europe, Asia-Pacific, Middle East, Africa and South America. We had installed or delivered 100 units of our surgical robots globally as of December 31, 2025, among which, 46 units and 54 units were installed or delivered in China and for overseas end users, respectively. During the Reporting Period, 72 units of our surgical robots were installed or delivered globally, among which, 22 units and 50 units were installed or delivered in China and for overseas end users, respectively. To facilitate clinical application following the installation of our surgical robots, we have established a comprehensive and systematic surgeon training program, designed to enhance surgeons' proficiency in operating its robotic surgical systems through clinical training, surgical demonstrations, and remote guidance. In addition, our Company has established a training center in Europe to provide systematic trainings to local surgeons, thereby accelerating the promotion and adoption of our surgical robotic products across hospital institutions.

Management Discussion and Analysis

Furthermore, by continuously expanding clinical application scenarios and strengthening its hospital collaboration network, our Company has steadily increased the penetration of its surgical robots in medical institutions. As the number of clinical surgery cases continues to grow, our Company's recognition among the surgeon community has also increased. As of December 31, 2025, over 12,000 and 2,000 cases of robot assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, respectively. This remarkable achievement further consolidates our foundation for commercialization in the surgical robots industry.

MANUFACTURING AND SUPPLY CHAIN

In 2025, our manufacturing facilities in Shenzhen achieved a substantial increase in capacity, with annual production capacity exceeding 100 units. We have established a comprehensive production system encompassing precision machining, core component assembly, system integration, and functional testing, incorporating a modular design approach that provides the flexibility to meet the production requirements of multiple product models and generations. In view of the increasingly complex international environment, our Company continues to place strong emphasis on supply chain security as part of our strategic management. Through independent R&D and strategic partnerships, we have established independent control over core components including robotic arms, optical systems, and control systems. We have also developed extensive collaborative relationships with over 100 domestic and international precision manufacturers, and built a secure and stable supply chain ecosystem that ensures product safety and reliability in clinical applications worldwide.

HUMAN RESOURCES AND PERSONNEL TRAINING

We consistently regard talent as the fundamental resource for driving technological innovation and business development. We continuously improve our human resources system to build a high-caliber and professional team. As at December 31, 2025, our Company had a total of 602 employees. We have continued to attract and recruit high-caliber professionals across key functional domains, including R&D, clinical support, market expansion, and production and manufacturing, and have continuously enhanced the professional competencies and collaborative efficiency of our employees through a structured combination of internal training and practical on-the-job experience. We have established a systematic and comprehensive employee development mechanism. Under this framework, regular technical, product, and clinical application trainings have been conducted, which continuously enhance employees' professional skills and industry expertise. These efforts are further supported by activities such as intraoperative support, clinical feedback collection, and the development of a structured internal curriculum system. In addition, by implementing long-term incentive mechanisms, including the Employee Incentive Plan, we have further strengthened the stability and innovative drive of our core team. These measures provide a robust and sustainable talent foundation, supporting our ongoing technological breakthroughs and commercialization efforts in the high-end medical device sector, including the field of surgical robot.

Meanwhile, we continue to strengthen our clinical support and training teams, with plans to expand our headcount in order to provide clinical training and intraoperative support to surgeons, hospitals, and partners. In addition, we deliver internal training programs to enhance professional service capabilities and accelerate the clinical adoption and promotion of its products.

Management Discussion and Analysis

INTELLECTUAL PROPERTY

We continuously strengthened our intellectual property protection system and improved our global patent portfolio. As at December 31, 2025, we held in aggregate 736 granted patents and patent applications globally. As at December 31, 2025, we had 30 trademarks registered in China and 18 trademarks registered overseas. As at the same date, we had two trademark applications pending in China and one trademark application pending overseas. Through ongoing maintenance of patent portfolio, trademark protection and trade secret management, we have established a relatively comprehensive intellectual property protection system, providing crucial support for innovation of core technology and the commercialization of our products.

OUTLOOK

Looking ahead, we will steadfastly execute the following strategic directions:

Product portfolio expansion. We will further advance the technological evolution of our multi-port endoscopic surgical robots, single-port endoscopic surgical robots, telesurgery system and bronchoscopy robots. Leveraging our existing platforms, we will develop more innovative devices and functionalities to address broader clinical needs.

Market penetration and globalization. We will continue to deepen domestic market coverage and facilitate the distribution of premium medical resources to grassroots levels. In overseas markets, we will strategically expand into key regions including Europe, the Middle East, Asia-Pacific, Africa and Latin America, leveraging our products that have obtained CE Marking, as well as registration approvals in various countries and regions. Through localised teams and services, we aim to establish our surgical robots labeled “Intelligent Manufacturing in China (中國智造)” as the default choice for surgeons and patients worldwide.

Building a telesurgery ecosystem. We will actively develop a global telesurgery network centered on our Edge Cloud Telesurgery System. Our aim is to facilitate the transition of telesurgery from technological validation to routine clinical application, thereby overcoming geographical and resource barriers and expanding access to advanced surgical care.

We fully recognize the challenges ahead, including competition with global leaders such as Intuitive Surgical (the da Vinci system) in the high-end market, pricing pressure from intense domestic competition, and the impact of global economic and trade policy uncertainties on our overseas expansion.

As of the date of this report, we have obtained registration approvals for MP1000 in 22 overseas jurisdictions in Europe, Asia-Pacific, Middle East, Africa and South America, including the CE Marking of MP1000 in the EU and covering 55 countries and regions in total. In addition, we have obtained the CE Marking of SP1000 in the EU in October 2025 and commercialized CP1000 in China in September 2025. Building on this regulatory foundation, we plan to carry out commercialization in the abovementioned regions, further develop our telesurgery network, and establish more overseas training centers to support the professional development of surgeons globally. We will continue to increase our investments in R&D to drive the iterative upgrade of our next-generation intelligent robotic surgery platform, with the aim of delivering increasingly precise and MIS solutions to patients worldwide.

Our management is confident that, supported by our solid technological expertise, comprehensive product portfolio, robust commercialization system and experienced team, we will continue to drive domestic substitution, further enhance the international presence of China's surgical robots industry, and unlock new growth potential in the field of MIS.

FINANCIAL REVIEW

OVERVIEW

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

REVENUE

We generate revenue primarily from sales of surgical robot systems, instruments and accessories compatible with our surgical robots, and provision of maintenance and support services. Our revenue increased by 184.8% from RMB160.0 million for the year ended December 31, 2024 to RMB455.7 million for the year ended December 31, 2025, primarily due to a significant increase in the sales volume of the Edge Multi-Port Endoscopic Surgical Robot in both domestic and overseas markets. The increase in sales volume in China was primarily driven by our surgical robots' enhanced performance, proven clinical stability, as well as our successful marketing efforts that have increased awareness and adoption. We started to commercialize our Edge Multi-Port Endoscopic Surgical Robot in overseas markets during the Reporting Period, as we had established an overseas sales team, finalized distributor agreements, and secured overseas regulatory approvals.

COST OF SALES

Our cost of sales increased by 150.4% from RMB61.9 million for the year ended December 31, 2024 to RMB155.1 million for the year ended December 31, 2025. The increase in our cost of sales was primarily due to the increase in the sales volume of our Edge Multi-Port Endoscopic Surgical Robot in both domestic and overseas markets.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by 206.5% from RMB98.1 million for the year ended December 31, 2024 to RMB300.7 million for the year ended December 31, 2025, primarily due to the significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot. Our gross profit margin increased from 61.3% for the year ended December 31, 2024 to 66.0% for the year ended December 31, 2025, primarily attributable to the economies of scale and improved production efficiency.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses decreased by 18.1% from RMB226.2 million for the year ended December 31, 2024 to RMB185.2 million for the year ended December 31, 2025. This decrease was primarily due to the decrease in R&D personnel costs and R&D material expenses, which was partly offset by the increase in clinical trial expenses.

Management Discussion and Analysis

The following table sets out the breakdown of the research and development expenses of the Group for the year ended December 31, 2024 and 2025, respectively.

	For the year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Salaries, wages and other benefits	82,670	44.6	98,282	43.4
Materials and consumables used	57,085	30.8	73,979	32.7
Third-party service fees	7,807	4.2	8,078	3.6
Depreciation and amortization	7,089	3.8	7,239	3.2
Clinical trial expenses	5,781	3.1	4,436	2.0
Equity-settled share-based payment expense	21,362	11.5	28,005	12.4
Others	3,409	1.8	6,226	2.7
Total	185,203	100.0	226,245	100.0

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by 72.0% from RMB52.6 million for the year ended December 31, 2024 to RMB90.5 million for the year ended December 31, 2025, which was primarily due to our listing expenses.

SELLING AND MARKETING EXPENSES

Our selling and marketing expenses increased by 33.2% from RMB101.2 million for the year ended December 31, 2024 to RMB134.8 million for the year ended December 31, 2025. This was primarily due to (i) the increased expense for our overseas promotional activities, and (ii) the increased headcount of our sales staff in connection with our increased marketing activities.

FAIR VALUE CHANGES OF FINANCIAL ASSETS MEASURED AT FVPL

We recorded a net gain of RMB13.4 million on financial assets measured at FVPL for the year ended December 31, 2025, as compared to a net gain of RMB21.2 million for the year ended December 31, 2024. This was primarily due to a decrease in the total balance of the certificates of deposit and low-risk wealth management products as a result of the redemption of certain financial assets.

NET LOSS

For the year ended December 31, 2025, our net loss had been substantially reduced by 59.4% to RMB88.6 million, as compared to a net loss of RMB218.5 million for the year ended December 31, 2024. The substantial reduction in our net loss was primarily due to the significant increase in revenue, particularly driven by the increase in sales volume of our Edge Multi-Port Endoscopic Surgical Robot.

NON-IFRS MEASURE

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS measure facilitates comparisons of operating performance from year to year and between companies by eliminating potential impacts of non-cash expense of equity-settled share-based payment expenses. Listing expenses are expenses related to our Global Offering. Therefore, we exclude equity-settled share-based payment expenses and listing expenses in reviewing our financial results. Such non-IFRS measure allows investors to consider metrics used by our management in evaluating our performance. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

Adjusted net loss (non-IFRS measure) is defined as net loss for the year adjusted by adding back equity-settled share-based payment expenses and listing expenses. The following table shows reconciliation of net loss for the years to our adjusted net loss (non-IFRS measure) for the years indicated:

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB'000)</i>	
Loss attributable to equity shareholders of the Company for the year	(88,607)	(218,509)
<i>Add:</i>		
Equity-settled share-based payment expenses ⁽¹⁾	28,144	40,031
Listing expenses ⁽²⁾	39,948	–
Adjusted net loss (non-IFRS measure)	(20,515)	(178,478)

Notes:

- (1) Equity-settled share-based payment expenses are non-cash expenses arising from granting share options and restricted shares to selected executives and employees.
- (2) Listing expenses related to this Global Offering of the Company.

Management Discussion and Analysis

CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents decreased by RMB33.8 million from RMB119.8 million as at December 31, 2024 to RMB86.0 million as at December 31, 2025, which was mainly due to the net cash outflow used in operating activities. Our cash and cash equivalents are denominated in Renminbi.

INVENTORIES

Inventories of the Group consist of raw materials, work-in-progress and finished goods. Our inventories for the year increased by 84.7% from RMB73.7 million as at December 31, 2024 to RMB136.1 million as at December 31, 2025. The increase in our inventories was primarily due to the expected increase in sales volume of our surgical robots.

TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

Our trade and other receivables and contract assets increased significantly from RMB60.3 million as at December 31, 2024 to RMB230.5 million as at December 31, 2025. The increase was driven by our revenue growth. For details of trade and other receivables and contract assets, please refer to notes 14 and 19 to "Notes to the Consolidated Financial Statements".

FINANCIAL ASSETS MEASURED AT FVPL

Our financial assets measured at FVPL primarily consist of our certificates of deposit and investment in short-term low-risk wealth management products. Our financial assets measured at FVPL decreased by 17.0% from RMB876.5 million as at December 31, 2024 to RMB727.8 million as at December 31, 2025. The decrease was primarily due to a decrease in the certificates of deposit and low-risk wealth management products as a result of redemption of such financial assets.

TRADE AND OTHER PAYABLES

Our trade and other payables consist of our trade payables to third-party suppliers, accrued payroll, and other payables and accrued charges. Our trade and other payables increased by 104.8% from RMB66.2 million as at December 31, 2024 to RMB135.5 million as at December 31, 2025. The increase was primarily due to the accrual of listing expenses.

CAPITAL MANAGEMENT

Our objectives in the aspect of managing capital are to safeguard our 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 actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, our current assets were RMB1,334.4 million (as at December 31, 2024: RMB1,264.8 million), of which cash and cash equivalents amounted to RMB86.0 million, inventories amounted to RMB136.1 million, contract assets amounted to RMB13.1 million, trade and other receivables amounted to RMB213.5 million, prepayments amounted to RMB26.4 million, financial assets measured at FVPL amounted to RMB727.8 million and other current assets amounted to RMB131.5 million. As at December 31, 2025, our current liabilities were RMB164.4 million (as at December 31, 2024: RMB86.8 million), including trade and other payables of RMB135.5 million, contract liabilities of RMB7.7 million, lease liabilities of RMB4.2 million, and provisions of RMB17.0 million.

We primarily relied on capital contribution by our shareholders as our major sources of liquidity. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

We adopt a prudent financial management approach for our treasury policy to ensure that our liquidity structure comprising assets, liabilities and other commitments is able to always meet our capital requirements. Taking into account the financial resources available to us, including cash and cash equivalents, available equity financing and the net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital for our operations.

CAPITAL EXPENDITURE

For the year ended December 31, 2025, our total capital expenditure was approximately RMB3.6 million, as compared to RMB27.0 million for the year ended December 31, 2024. We regularly make capital expenditure to expand our operations by upgrading our facilities for production and research and development in order to increase our manufacturing capacities and operating efficiency. We expect to fund our future capital expenditures through a combination of existing cash and cash equivalents, net proceeds from the Global Offering and bank and other borrowings.

CAPITAL COMMITMENTS

As at December 31, 2025, we had capital commitments of RMB0.2 million (as at December 31, 2024: RMB0.3 million), which was primarily in connection with the renovation of our office space, our capital expenditure in respect of property, plant and equipment.

CONTINGENT LIABILITIES

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

Management Discussion and Analysis

GEARING RATIO

As at December 31, 2025, the Group's gearing ratio, which is calculated as total liabilities divided by total assets, was 13.5%, as compared with 7.4% as at December 31, 2024. The increase was primarily attributable to the decrease in financial assets measured at FVPL and the increase in trade and other payables, contract liabilities and provisions.

CURRENT RATIO

Our current ratio decreased from 14.6 as of December 31, 2024 to 8.1 as of December 31, 2025, which was primarily attributable to a decrease in financial assets measured at FVPL, a decrease in cash and cash equivalents and an increase in trade and other payables.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group neither had any significant investments, nor material acquisitions and disposals of subsidiaries, associates and joint ventures.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at December 31, 2025, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further explained in section headed "Use of Proceeds from the Global Offering" below, the Group had no future plan for material investments or capital assets.

PLEDGE OF ASSETS

As of December 31, 2025, none of the Group's assets was subject to any encumbrance, mortgage, lien, charge or pledge.

FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. It is exposed to currency risk primarily from (i) purchases which give rise to payables that are denominated in a foreign currency; (ii) sales which give rise to receivables that are denominated in a foreign currency, and (iii) investing activities that are in US dollars. We currently maintain a foreign currency hedging policy. In addition, our management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Directors, Supervisors and Senior Management

DIRECTORS

EXECUTIVE DIRECTORS

Dr. Wang Jianchen (王建辰) (“Dr. Wang”), aged 37, is the chairman of our Board, an executive Director, CEO and General Manager of our Company and co-founded our Company with Dr. Gao in May 2017. He was re-designated as our executive Director in January 2022. Dr. Wang has also been the executive director of Jingfeng Zhizao, Shanghai Jingfeng, Beijing Jingfeng and Edge Medical (Hong Kong) Limited, our wholly-owned subsidiaries since their incorporations. He is primarily responsible for the overall strategic planning, business direction and operational management of our Group.

Dr. Wang has over 12 years of experience in aggregate in product research, development and team management in surgical robots industry. Dr. Wang is recognized as Shenzhen High-level Talent (深圳市高層次人才). He was also awarded the first prize of “Guangdong Province Science and Technology Progress Award” in 2021 and the second prize of “National Science and Technology Progress Award” in 2023.

Dr. Wang received a master’s degree in mechanical engineering from Tianjin University (天津大學) in the PRC in July 2013. During the period from January 2016 to June 2017, he completed a joint PhD program in Tianjin University and the School of Mechanical Engineering at Massachusetts Institute of Technology in the U.S., and received a doctorate degree in mechanical engineering from Tianjin University.

Dr. Gao Yuanqian (高元倩) (“Dr. Gao”), aged 39, is an executive Director, Chief Operating Officer, Chief Technology Officer, Associate General Manager and Finance Director of our Company and co-founded our Company with Dr. Wang in May 2017. Dr. Gao was appointed as our Director in November 2018 and was re-designated as our executive Director in January 2022. Dr. Gao has been the executive director of Jingfeng Zhizao and Jingfeng Kechuang, our wholly-owned subsidiaries since their incorporations. She is primarily responsible for the overall operational management and R&D management and overseeing corporate finance, accounting matters and financial reporting of our Group.

Dr. Gao has approximately 13 years of experience in aggregate in product research, development and team management in surgical robots industry.

Dr. Gao received a master’s degree in mechanical engineering from Tianjin University (天津大學) in the PRC in January 2013. During the period from February 2016 to June 2016, she was a visiting researcher in Robotics Laboratory of Department of Informatics at King’s College London in the United Kingdom. Dr. Gao completed a joint PhD program in Tianjin University and Surgical Navigation and Robotics Laboratory at Harvard Medical School in the U.S., and received a doctorate degree in mechanical engineering from Tianjin University in June 2017.

Directors, Supervisors and Senior Management

Dr. Wang and Dr. Gao have remarkable academic achievements and pioneering experience in the development of surgical robots. According to Frost & Sullivan, the decade from 2010 to 2021 is a breakthrough period for surgical robot development in China. Dr. Wang and Dr. Gao embarked their research of surgical robots at Tianjin University, one of the most prestigious robotics research institutes in China, in 2011 and 2010, respectively.

Ms. Wu Mengyuan (吳夢媛), alias Wu Yuan (吳媛), aged 34, is an executive Director, the secretary to the Board and our joint company secretary. Ms. Wu was appointed as our Director in March 2020 and was re-designated as our executive Director on January 5, 2022. Ms. Wu has also been the executive director of Jingfeng Zhizao, our wholly-owned subsidiary, since its incorporation. She is primarily responsible for the overall reporting and disclosure issues and compliance management of our Group.

Ms. Wu joined our Group as the assistant to the general manager of our Company in February 2019. She has been serving as the director of Jingfeng Zhizao since January 2021. Prior to joining our Group, Ms. Wu served in COMAC Shanghai Aircraft Design and Research Institute (上海飛機設計研究院) from August 2016 to May 2018 and served in Shenzhen ROBO Medical Technology Co., Ltd (深圳市羅伯醫療科技有限公司) from August 2018 to January 2019.

Ms. Wu received a double bachelor's degree in archival science and economics and a master's degree in library and information science from Wuhan University (武漢大學) in the PRC in June 2014 and June 2016, respectively.

NON-EXECUTIVE DIRECTORS

Mr. Sheng Li (盛利), aged 47, joined as a Director of our Company in September 2020 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Sheng has over 19 years of extensive experience in healthcare investment in the China market. Since July 2016, Mr. Sheng has been the founding managing partner of 3H Health Investment (三正健康投資), a professional life science investment firm, specializing in life sciences and healthcare related equity investments. Prior to that, Mr. Sheng worked at Hony Capital (弘毅投資) from May 2006 to March 2016, where he first joined as an analyst and was promoted several times to the position of investment director of the health industry department.

Mr. Sheng received his bachelor's degree in biopharmaceutical from China Pharmaceutical University (中國藥科大學) in the PRC in July 2001 and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in July 2006.

Directors, Supervisors and Senior Management

Mr. Chen Gang (陳剛), aged 42, joined as a Director of our Company in January 2021 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Chen joined LYFE Capital Equity Investment Management (Shanghai) Co., Ltd. (洲嶺私募基金管理(上海)有限公司) as a director in March 2017, and he has been its partner since March 2019. Mr. Chen is concurrently serving as the non-executive director in a number of other companies, including Shanghai Zhenge Biotechnology Co., Ltd (上海臻格生物技術有限公司) since 2020, Shenzhen Reetoo Biotechnology Co., Ltd (深圳市瑞圖生物技術有限公司) since 2020, Shanghai Shenqi Medical Technology Co., Ltd. (上海申淇醫療科技技術有限公司) since 2021, Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技技術股份有限公司) since November 2023.

Prior to his current positions, Mr. Chen served as a supervisor of Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (HKEX: 2179) from November 2020 to September 2022. Mr. Chen served as a director since June 2020 and was appointed as a non-executive director of Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技技術股份有限公司) from November 2020 to August 2022 (HKEX: 6609). From March 2020 to April 2022, Mr. Chen served as a non-executive director of Kangji Medical Holdings Limited (康基醫療控股有限公司) (“**Kangji Medical Holdings**”). From June 2018 to August 2020, Mr. Chen served as a director in Hangzhou Kangji Medical Instrument Co., Ltd. (杭州康基醫療器械有限公司), a subsidiary of Kangji Medical Holdings. From June 2018 to December 2020, Mr. Chen served as a supervisor at Sino Medical Sciences Technology Inc. (賽諾醫療科學技術股份有限公司) (SHSE: 688108). From 2013 to 2015, Mr. Chen worked at Vivo Capital Equity Investment Management (Shanghai) Co., Ltd. (維梧股權投資管理(上海)有限公司). From 2007 to 2011, Mr. Chen served as a project leader at L.E.K. Consulting (Shanghai) Co., Ltd. (艾意凱諮詢(上海)有限公司).

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

Mr. Qiu Xiang (邱翔), aged 36, joined as a Director of our Company in October 2021 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Qiu joined Boyu Capital in July 2012, where he currently serves as managing director. Mr. Qiu was appointed as a director of Frontera Therapeutics in November 2025 and was re-designated as a non-executive director in December 2025. Mr. Qiu has also been also served as a non-executive director of Wecare Probiotics (Suzhou) Co., Ltd. (微康益生菌(蘇州)股份有限公司) since January 2026.

Mr. Qiu received a bachelor’s degree in economics from Peking University in the PRC in July 2012.

Directors, Supervisors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yang Fan (楊帆), aged 45, is an independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Mr. Yang has over 20 years of management consulting experience, helping companies formulate development strategies and establishing agile strategic management systems. Mr. Yang is the managing partner and has been working at StratOp (Beijing) Management Consulting Co., Ltd. (銳思銳拓(北京)管理諮詢有限公司) since March 2010, during which he helps clients' company to manage the implementation of key measures through a PMO mechanism, continuously optimizes operational efficiency through research services and business analysis, promotes efficient commercial innovation through the establishment of agile innovation mechanisms, and assists companies clients' company in entering global markets through overseas market research and resource connections. Before that, Mr. Yang served at McKinsey & Company from July 2005 to July 2009, providing management consultation services for leading enterprises both domestically and internationally.

Mr. Yang received his bachelor's degree in Mechanical Engineering and Automation and master's degree in Management Science and Engineering from Tsinghua University (清華大學) in the PRC in July 2002 and July 2005, respectively. He also obtained a master's degree in production engineering from RWTH Aachen University in Germany in July 2005.

Mr. Zhang Guoguang (張國光), aged 46, is the lead independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance and regulatory compliance for our Directors, Supervisors and senior management.

Mr. Zhang has over 20 years of expertise in the capital markets. He has been serving as an independent non-executive director of Immunotech Biopharm Ltd (HKEX: 6978) since June 2025. He has been a senior partner of Hylands Law Firm (北京浩天律師事務所) since August 2021 and is also the leading partner of the capital markets committee and a member of the management committee. Mr. Zhang is well-versed in both domestic and international regulatory frameworks and excels in managing complex transactional projects. He has assisted numerous Chinese companies in entering domestic and international capital markets. Prior to his current positions, Mr. Zhang served at Commerce & Finance Law Office in Beijing (北京市通商律師事務所) as a partner until 2021.

Mr. Zhang graduated from the Law School of Peking University (北京大學) with a Bachelor of Laws degree in July 2002.

Directors, Supervisors and Senior Management

Mr. Lau Ying Kit (劉英傑), aged 52, is an independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Mr. Lau has extensive experience in financial and accounting in China and Hong Kong. He is currently the finance and investor relations director and company secretary of Dalipal Holdings Limited (HKEX: 1921), an independent non-executive director of Kingdom Holdings Limited (HKEX: 528), United Strength Power Holdings Limited (HKEX: 2337), Kangli International Holdings Limited (HKEX: 6890), and Sinco Pharmaceuticals Holdings Limited (HKEX: 6833), and a director of KP3993 Resources Inc. (TSXV: KPEN.P). Mr. Lau served as the chief financial officer and company secretary of Great Harvest Maeta Holdings Limited (HKEX: 3683) from August 2010 to November 2017. Prior to that, Mr. Lau served as the chief financial officer and company secretary of C Y Foundation Group Limited (HKEX: 1182) from December 2008 to July 2010, the chief financial officer and company secretary of China Glass Holdings Limited (HKEX: 3300) from December 2004 to November 2008, and the finance director and company secretary at Sing Lee Software (Group) Limited (HKEX: 8076) from December 2003 to December 2004.

Mr. Lau graduated from the City University of Hong Kong with a master's degree in finance in November 2008. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants.

SUPERVISORS

Mr. Ye Guoqiang (葉國強), aged 39, is the chairman of our Supervisory Committee and a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Ye joined our Group in July 2018 as the manager of system control department and has been the system engineer of the R&D department of our Company since July 2021. He was appointed as the Supervisor of our Company in December 2021. Prior to joining our Company, Mr. Ye worked at the system control department of Shenzhen Zhaoke Zhikong Technology Co., Ltd. (深圳招科智控科技有限公司) from December 2017 to March 2018.

Mr. Ye received a bachelor's degree in mechanical design manufacture and automation from South China Agricultural University (華南農業大學) in the PRC in July 2009. He received a doctorate degree in mechanical manufacture and automation from South China University of Technology (華南理工大學) in the PRC in October 2017.

Directors, Supervisors and Senior Management

Mr. Zhang Xiangping (張相平), aged 39, is a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Zhang joined our Group in May 2019 and was appointed as the deputy director of research and development of our Company in April 2022. He was appointed as a Supervisor of our Company in May 2023. Prior to joining our Group, Mr. Zhang worked in the research and development department in BYD Company Limited (比亞迪股份有限公司) (HKEX: 1211, SZSE: 002594) from July 2010 to February 2012. Mr. Zhang worked in the research and development department in Fiberhome Telecommunication Technologies Co Ltd (烽火通信科技股份有限公司) (SHSE: 600498) from January 2014 to August 2016. Mr. Zhang then worked in the research and development department in ZTE Corporation (中興通訊股份有限公司) (HKEX: 0763, SZSE: 000063), from May 2018 to May 2019.

Mr. Zhang received a bachelor's degree in communication engineering from Taiyuan University of Technology (太原理工大學) in the PRC in July 2010.

Mr. Lin Mincai (林民才), aged 35, is a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Lin joined our Group in December 2018 and was appointed as the R&D manager of our Company in September 2022. He was appointed as a Supervisor and a R&D director of our Company in May 2023 and January 2025, respectively. Prior to joining our Group, Mr. Lin worked in Foxconn Technology Group Co., Ltd. (富士康科技集團有限公司) from July 2013 to December 2017, where he was primarily responsible for engineering technology. Mr. Lin then worked in Shenzhen Yuzhan Precision Technology Co., Ltd. (富聯裕展科技(深圳)有限公司) in 2018, where he was primarily responsible for engineering technology.

Mr. Lin received a bachelor's degree in mechatronic engineering from South China University of Technology (華南理工大學) in the PRC in June 2013.

Directors, Supervisors and Senior Management

SENIOR MANAGEMENT

For the biographies of Dr. Wang, and Dr. Gao, please refer to “—Executive Directors” of this section.

Mr. Chen Zongxi (陳宗希), aged 54, joined our Company in January 2022 and served as our Chief Commercial Officer till January 2026, and has been serving as the President of Domestic Marketing of our Company since then. He is primarily responsible for the product marketing, sales and distribution management of our Group.

Prior to joining our Company, Mr. Chen served as the senior sales manager of Emerson Process Management Co., Ltd. (艾默生過程控制有限公司), a subsidiary of Emerson Electric Co. (NYSE: EMR), in China from January 1999 to March 2007. He served in GE Medical Systems Trade and Development (Shanghai) Co., Ltd. (通用電氣醫療系統貿易發展(上海)有限公司), a subsidiary of General Electric Company (NYSE: GE) (together with its subsidiaries and affiliates “GE Group”), in China from April 2008 to December 2021. During his employment with GE Group, he successively served as a national sales director of GE Energy Optimization and Control from April 2008 to August 2010, a general manager of government project department from September 2010 to December 2013, a regional general manager from January 2014 to July 2020 and a general manager of Greater China of CT business department from August 2020 to December 2021.

Mr. Chen received a bachelor’s degree in computer and automation engineering from Sichuan University (四川大學) in the PRC in July 1993 and studied for an executive master’s degree in business administration at Peking University (北京大學) from 2007 to 2009.

Mr. Han Wenbin (韓文彬), aged 48, joined as the manager of engineering department of our Company in March 2020 and was serving as the director of supply chain since October 2021. He has been serving as the Vice President of Supply Chain since September 2022. He is primarily responsible for overall supply chain management and production management of our Group.

Prior to joining our Company, Mr. Han once worked in Olympus (Shenzhen) Industrial Ltd. (奧林巴斯(深圳)工業有限公司) under the group of Olympus Corporation (TYO: 7733) as a R&D manager, during which he optimized production first-pass yield at Shenzhen/Vietnam factories and strengthened quality control for outsourced components. He led end-to-end new product introduction processes to achieve QCD targets, leveraged expertise in ISO 9000 and TS 16949 quality management systems. Prior to that, Mr. Han served as the R&D director of South Reed Technology Co., Limited (深圳葭南科技有限公司) from March 2018 to March 2020.

Mr. Han received a bachelor’s degree in optoelectronic engineering from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2000.

Report of the Directors

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the designing, research and development, manufacturing and sale of surgical robots and the activities of its subsidiaries are set out in note 11 to the consolidated financial statements. There were no significant changes in the nature of Company's activities during the Reporting Period. Details of the product portfolio of the Company as at the date of this report is set out in the section headed "Management Discussion and Analysis" of this report.

PRINCIPAL SUBSIDIARIES

Details of the names, places and dates of incorporation and particulars of registered and paid-in capital, proportion of ownership interest and principal activities of the Company's principal subsidiaries are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 25 to the consolidated financial statements.

BUSINESS REVIEW AND RESULTS

The business review of the Group for the year ended December 31, 2025, including a fair review of the Group's business and an indication of likely future developments in the Group's business, is set out in the sections headed "Chairman's Statement", "Financial Highlights" and "Management Discussion and Analysis" of this report.

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

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

RISK RELATING TO THE DEVELOPMENT, COMMERCIALIZATION AND DISTRIBUTION OF PIPELINE PRODUCTS

The Company's ability to generate future revenue and achieve profitability mainly depends on the successful commercialization of the Company's Core Products and the development of other surgical robot systems, including those still undergoing clinical development or in the design stage. Clinical trials are often lengthy, costly, and can fail at any stage. Setbacks may occur even after initial positive results. Outcomes between trials may vary due to differences in protocols, patient populations, or participant dropout rates. Failure to demonstrate safety or efficacy could delay or prevent regulatory approval and commercialization. The Company's commercial prospects may be adversely affected if competitors launch products that are safer, more effective, or less expensive than those of the Company. As a result, the Company may fail to compete effectively, and its products may not achieve the expected market share even after commercialization. Additionally, the Company has relatively limited experience in launching, commercializing, sales and marketing of its products or product candidates in overseas countries. The Company's ability to successfully commercialize its products and product candidates in overseas countries may involve more inherent risks, take longer, and cost more than it would if the Company were an entity with more experience in launching and marketing.

RISKS RELATING TO FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

The Company is a medical device company at an early commercialization stage. Investments in the development of innovative medical devices such as the Company's surgical robots are highly speculative. Such investment entails substantial upfront capital expenditure and will continue to incur significant research and development and other expenses related to the Company's ongoing operations. Even if the Company successfully completes clinical trials and obtains regulatory approval to market its products, its future revenue will depend upon other factors such as the market size for the proposed applications of its products, and its ability to achieve sufficient market acceptance.

RISKS RELATING TO THE MANUFACTURE

The Company has limited experience in large-scale manufacturing of its products for commercial use, and has limited experience in managing the manufacturing process. The manufacture of the Company's products and product candidates is highly complex and subject to strict quality controls. For a sophisticated surgical device, quality is extremely important due to the serious and costly consequences of a product defect or failure. As the Company has commercialized its two Core Products, Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, as well as the Edge Bronchoscope Robot, the Company may face unanticipated surges in demand for its surgical robot systems, which could strain production capacity. If these problems arise, or if the Company fails to meet its internal quality standards or regulatory requirements, its reputation could suffer, it could face safety alerts or recalls, incur product liability and other costs, experience delays in product approvals, and its business could be adversely affected.

Report of the Directors

RISKS RELATING TO INTELLECTUAL PROPERTY RIGHTS

The success of the Company's business is supported by its ability to protect its proprietary technology and products from competition by obtaining, maintaining, and enforcing its intellectual property rights, including patent rights, and to maintain adequate legal protection for its technology and products in the PRC and worldwide. The Company seeks to protect the proprietary technologies that it considers commercially important by filing patent applications in various jurisdictions. This process is expensive and time-consuming, and the Company may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. The Company cannot be certain that patents will be issued or granted with respect to its patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, or be interpreted in a manner that does not adequately protect its products, or otherwise provide any competitive advantage. Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. The Company may also fail to identify patentable aspects of its R&D output in time to obtain patent protection. Moreover, the patent position of surgical robotics companies is generally uncertain because it involves complex legal and factual considerations. The Company's patent applications may not be granted in the end. As such, the Company does not know the degree of future protection that it will have on its proprietary technologies, if any, and a failure to obtain adequate intellectual property protection with respect to its products and product candidates could have a material adverse impact on its business.

FINANCIAL SUMMARY

A summary of the consolidated results and the consolidated assets, liabilities and equity of the Group for the last three financial years is set out in the section headed "Financial Highlights" of this report. This summary does not form part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, revenue from the Group's five largest customers accounted for approximately 41.1% of the Group's total revenue. The Group's largest customer for the year ended December 31, 2025 accounted for approximately 13.8% of the Group's total revenue for the same year.

For the year ended December 31, 2025, purchases from the Group's five largest suppliers accounted for approximately 17.5% of the Group's total purchase amount. The Group's largest supplier for the year ended December 31, 2025 accounted for approximately 3.9% of the Group's total purchase amount for the same year.

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 shares (excluding treasury shares), has any interest in any of the Group's five largest customers or five largest suppliers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company and Employees. The Company is committed to safeguarding the lawful rights and interests of employees and to fostering a well-regulated, fair and harmonious employment relationship. The Company strictly complies with the Labour Law of the PRC, the Labour Contract Law of the PRC and other applicable laws and regulations, firmly opposes any form of child labour and forced labour, and upholds the workplace principles of anti-discrimination and anti-harassment. In terms of remuneration and benefits, the Company has established a fair and transparent remuneration system, makes contributions to statutory social insurance and the housing provident fund for employees in accordance with the law, and provides annual medical examinations and holiday allowances. At the same time, the Company attaches great importance to employee development and supports employee growth through induction training for new hires, job-specific skills training and thematic training, while regularly conducting safety training and assessments.

The Company and Customers. The Company adheres to a customer-centric service philosophy and regularly conducts satisfaction surveys to extensively collect opinions and suggestions for improvement from medical institutions and end-users, with a view to continuously enhancing product safety and user experience.

The Company and Suppliers. The Company has clearly defined management requirements for supplier development, admission, evaluation and elimination, so as to ensure the continuous fulfilment of quality, delivery and cost requirements. During the course of cooperation, the Company classifies and archives relevant materials generated in the supplier certification process and during ongoing cooperation, establishes supplier files, and incorporates environmental and social performance into the supplier evaluation system, thereby promoting the sustainable development of the supply chain.

For further details of the Company's relationships with employees, customers and suppliers, please refer to the 2025 ESG Report.

Report of the Directors

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 10 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

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

BANK AND OTHER BORROWINGS

As at December 31, 2025, the Company did not have any bank or other borrowings.

EQUITY-LINKED AGREEMENTS

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

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the year ended December 31, 2025, (i) no contract of significance was entered into by, and/or subsisted between the Company or any of its subsidiaries with the Controlling Shareholders; and (ii) there is no contract of significance in relation to provision of services by the Controlling Shareholders to the Group.

CONNECTED TRANSACTION AND RELATED PARTY TRANSACTION

During the Reporting Period, the Company had not entered into any connected transactions or continuing connected transactions which were required to be disclosed under Chapter 14A of the Listing Rules.

Details of related party transactions for the year ended December 31, 2025 are set out in note 28 to the consolidated financial statements. None of such related party transactions constitutes connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with the Chapter 14A of the Listing Rules, and the Company has complied with the requirements in the Chapter 14A of the Listing Rules during the Reporting Period.

MANAGEMENT CONTRACTS

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

RETIREMENT AND PENSION SCHEME

Particulars of retirement and pension schemes of the Group are set out in note 5 to the consolidated financial statements.

DIRECTORS AND SUPERVISORS

The following is the list of our Directors and Supervisors during the Reporting Period and up to the date of this report:

EXECUTIVE DIRECTORS

Dr. Wang Jianchen (*Chairman of the Board*)

Dr. Gao Yuanqian

Ms. Wu Mengyuan

NON-EXECUTIVE DIRECTORS

Mr. Sheng Li

Mr. Chen Gang

Mr. Qiu Xiang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yang Fan (*effective on December 30, 2025*)

Mr. Zhang Guoguang (*effective on December 30, 2025*)

Mr. Lau Ying Kit (*effective on December 30, 2025*)

SUPERVISORS

Mr. Ye Guoqiang (*Chairman of the Supervisory Committee*)

Mr. Zhang Xiangping

Mr. Lin Mincai

Biographical details of our Directors and Supervisors are set out in the section headed “Directors, Supervisors and Senior Management” of this report.

CHANGES IN DIRECTORS’ AND SUPERVISORS’ INFORMATION

Since the Listing Date and up to the Latest Practicable Date, there had not been any changes to the Directors’ or Supervisors’ information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of the Directors

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Our Directors and Supervisors have entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) the term of service; and (b) termination provisions in accordance with their respective terms. Our Directors and Supervisors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Since the Listing Date and up to the date of this report, none of the Directors had any interest in a business, which competes or is likely to compete, directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules. From time to time, our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement and contract of significance to which the Company or any of its subsidiaries was a party and in which a Director, Supervisor or their connected entity has or had a material interest, whether directly or indirectly, were subsisting during or at the end of the year ended December 31, 2025, except the Directors' and Supervisors' service contracts, and those as disclosed in the section headed "Connected Transaction and Related Party Transaction" of this report.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, we had 602 full-time employees (as of December 31, 2024: 574 employees). The staff costs, including salaries, wages and other benefits, contributions to defined contribution retirement plans as well as equity-settled share-based payment expenses, were approximately RMB216.2 million for the year ended December 31, 2025.

We hire employees based on their merits and we strive to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, confidentiality obligations, non-competition and grounds for termination. We emphasize career growth, mentorship and professional development for our employees. We strive to provide a safe working environment to our employees by implementing work safety guidelines, which set out safety practices, accident prevention and accident reporting.

Our employees' remuneration consists of salaries, bonuses, employees' provident fund and social security contributions and other welfare payments. We have made contributions to social security insurance funds (including pension plan, unemployment insurance, work-related injury insurance, medical insurance and maternity insurance), supplemental medical insurance and housing funds for our employees. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our core employees.

The Employee Incentive Scheme was adopted on January 20, 2019, which was amended by the Board resolutions dated January 4, 2022. The purpose of the plan is to build an incentive mechanism for the management members and core employees of our Company to achieve the Company's sustainable and healthy development. The principal terms of the Employee Incentive Scheme are summarized in the section headed "Employee Incentive Scheme" below.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Our executive Directors, independent non-executive Directors and Supervisors receive remuneration, including salaries, discretionary bonuses, retirement scheme contributions, equity-settled share-based payment, allowances and other benefits. We determine the compensation of our Directors and Supervisors based on each Director's responsibilities, qualification, position, seniority, individual performance, the Group's operating performance and comparable market practices.

Details of the emoluments of the Directors, Supervisors and five highest paid individuals (including Directors and Supervisors) are set out in notes 7 and 8 to the consolidated financial statements.

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

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

As the Company had not been listed on the Main Board of the Stock Exchange as at December 31, 2025, Divisions 7 and 8 of Part XV and section 352 of SFO were not applicable to the Directors, Supervisors and chief executive of our Company as at December 31, 2025.

Report of the Directors

As at the Latest Practicable Date, the interests or short positions of our Directors, Supervisors and chief executives in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest ⁽¹⁾	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate percentage of shareholding in the Company ⁽³⁾
Dr. Wang ⁽⁴⁾	Beneficial interest/ Interest in controlled corporation/Interest of spouse	Unlisted Shares	46,868,863	73.10%	11.96%
		H Shares	120,068,806	36.63%	30.64%
Dr. Gao ⁽⁵⁾	Beneficial interest/ Interest of spouse	Unlisted Shares	46,868,863	73.10%	11.96%
		H Shares	120,068,806	36.63%	30.64%
Mr. Sheng Li ⁽⁶⁾	Interest in controlled corporation/Other	H Shares	31,181,895	9.51%	7.96%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on 64,119,252 Unlisted Shares or 327,761,248 H Shares issued by the Company at the Latest Practicable Date.
- (3) The calculation is based on the total number of issued shares of the Company as at the Latest Practicable Date, being 391,880,500 Shares.
- (4) Dr. Wang is the sole general partner of Xieli Chuangfeng which held 10,708,126 H Shares as at the Latest Practicable Date. By virtue of the SFO, Dr. Wang was deemed to be interested in the H Shares held by Xieli Chuangfeng as at the Latest Practicable Date.
- (5) Dr. Gao is the spouse of Dr. Wang. By virtue of the SFO, Dr. Gao is deemed to be interested in the Shares in which Dr. Wang is interested in.
- (6) Each of Nanjing Jianye Sanzheng Zhengyun Equity Investment Partnership (Limited Partnership) (南京建邺叁正正昀股權投資合夥企業(有限合夥)) ("**Sanzheng Zhengyun**"), Robust Edge Investments Limited (健稜投資有限公司) ("**Robust Edge Investments**") and Centroid Investments Limited (心健投資有限公司) ("**Centroid Investments**") (collectively "**3H Health Entities**") is an investment vehicle operated under the brand of 3H Health Investment. Sanzheng Zhengyun is ultimately controlled by Mr. Sheng Li, and therefore Mr. Sheng Li is deemed to be interested in 11,691,424 H Shares held by Sanzheng Zhengyun under the SFO as at the Latest Practicable Date. In addition, due to the common management of the 3H Health Entities, Mr. Sheng Li is also deemed to be interested in an aggregate of 19,490,471 H Shares held by 3H Health Investment Fund II, L.P., Robust Edge Investments and Centroid Investments as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors, Supervisors and the chief executive of the Company are aware, none of the Directors, Supervisors or the chief executive of the Company had or were deemed to have any interest or short position in any Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required (i) to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO; (ii) to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at the Latest Practicable Date, the interests of relevant persons (other than a Director, Supervisor or the chief executive of the Company) who had interests or short positions in the Shares or the underlying Shares, which were required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest ⁽¹⁾	Number and class of Shares held	Approximate percentage of shareholding in the H Shares/ Unlisted Shares ⁽²⁾	Approximate percentage of shareholding in total share capital of our Company ⁽³⁾
Guadalupe Peak Limited ⁽⁴⁾	Beneficial Owner	4,741,110 Unlisted Shares	7.39%	1.21%
Chengdu Mingsheng Investment Co., Ltd. (成都明晟投資有限公司) ("Chengdu Mingsheng") ⁽⁵⁾	Beneficial Owner	17,504,640 H Shares	5.34%	4.47%
GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) ("GF Xinde") ⁽⁶⁾	Interest in controlled corporation/Other	17,527,680 H Shares	5.35%	4.47%
GF Securities Co., Ltd. (廣發證券股份有限公司) ("GF Securities") ⁽⁶⁾	Interest in controlled corporation/Other	17,536,580 H Shares	5.35%	4.47%

Report of the Directors

Name of Shareholder	Nature of interest ⁽¹⁾	Number and class of Shares held	Approximate percentage of shareholding in the H Shares/ Unlisted Shares ⁽²⁾	Approximate percentage of shareholding in total share capital of our Company ⁽³⁾
Dragon Warrior Investments Limited ("Dragon Warrior") ⁽⁷⁾	Beneficial interest/ Interest in controlled corporation	19,580,471 H Shares	5.97%	5.00%
Mr. Wang Shunlong (王順龍) ⁽⁷⁾	Interest in controlled corporation/Other	31,271,895 H Shares	9.54%	7.98%
Intelligent Spark Investment Pte. Ltd. ("Intelligent Spark") ⁽⁸⁾	Beneficial Owner	4,300,128 Unlisted Shares	6.71%	1.10%
Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)) ("Suzhou Junlian") ⁽⁹⁾	Beneficial Owner	701,778 Unlisted Shares 11,787,990 H Shares	1.09% 3.60%	0.18% 3.01%
Social Security Fund Zhongguancun Independent Innovation Investment Fund (Beijing) Partnership Enterprise (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)) ("Social Security Fund") ⁽⁹⁾	Beneficial Owner	272,913 Unlisted Shares 4,584,216 H Shares	0.43% 1.40%	0.07% 1.17%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on 64,119,252 Unlisted Shares or 327,761,248 H Shares issued by the Company as at the Latest Practicable Date.
- (3) The calculation is based on the total number of issued shares of the Company as at the Latest Practicable Date, being 391,880,500 Shares.
- (4) Guadalupe Peak Limited is controlled by LYFE Capital Fund III (Dragon), L.P., which in turn is controlled by its general partner LYFE Capital Management Limited, a company controlled by Mr. Zhao Jin (趙晉). Therefore, LYFE Capital Fund III (Dragon), L.P., LYFE Capital Management Limited and Mr. Zhao Jin (趙晉) are deemed to be interested in the Shares held by Guadalupe Peak Limited under the SFO as at the Latest Practicable Date.
- (5) Chengdu Mingsheng is controlled by Mr. Zhao Kai (趙凱). Therefore, Mr. Zhao Kai (趙凱) is deemed to be interested in the Shares held by Chengdu Mingsheng under the SFO as at the Latest Practicable Date.
- (6) Guangfa Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership (Limited Partnership) (廣發信德中恒匯金(龍岩)股權投資合夥企業(有限合夥)) (“**Zhongheng Huijin**”) is managed by GF Xinde, which is a wholly-controlled subsidiary of GF Securities, a PRC incorporated joint stock company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000776) and the Stock Exchange (stock code: 01776). Therefore, GF Xinde and GF Securities are deemed to be interested in the Shares held by Zhongheng Huijin under the SFO as at the Latest Practicable Date. In addition, as Guangyuan Zhonghe (Zhuhai) Investment Partnership (Limited Partnership) (廣遠眾合(珠海)投資企業(有限合夥)) (“**Guangyuan Zhonghe**”) has a de facto acting-in-concert relationship with GF Xinde, each of GF Xinde and GF Securities is deemed to be interested in the Shares beneficially owned by Guangyuan Zhonghe under the SFO as at the Latest Practicable Date. Furthermore, GF Global Capital Limited (廣發全球資本有限公司) (“**GF Global**”) is a wholly-owned subsidiary of GF Holdings (Hong Kong) Corporation Limited, which is a wholly-owned subsidiary of GF Securities. Therefore, GF Securities is deemed to be interested in the 8,900 H Shares beneficially owned by GF Global under the SFO as at the Latest Practicable Date.
- (7) Each of Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments (collectively “**3H Health Entities**”) is an investment vehicle operated under the brand of 3H Health Investment. Robust Edge Investments is wholly-owned by 3H Health Investment Fund II, L.P., with 3H Health Investment GP II Ltd. acting as its general partner. Centroid Investments is wholly-owned by 3H Health Investment Fund I, L.P. with 3H Health Investment GP I Ltd. acting as its general partner. Both 3H Health Investment GP I Ltd. and 3H Health Investment GP II Ltd. are wholly-owned by Dragon Warrior, which in turn is wholly-owned by Mr. Wang Shunlong (王順龍). Therefore, Dragon Warrior is deemed to be interested in an aggregate of 19,490,471 H Shares held by 3H Health Investment Fund II, L.P. (as to 540,000 H Shares), Robust Edge Investments (as to 10,563,551 H Shares) and Centroid Investments (as to 8,386,920 H Shares), and Mr. Wang Shunlong (王順龍) is deemed to be interested in an aggregate of 19,580,471 H Shares held by 3H Health Investment Fund II, L.P., Robust Edge Investments, Centroid Investments and Dragon Warrior (as to 90,000 H Shares) under the SFO as at the Latest Practicable Date. Sanzheng Zhengyun is managed by its general partner, Hainan Sanzheng. Sanzheng Zhengyun has one limited partner, Nanjing Jianye Sanzheng Shunxin Equity Investment Partnership (Limited Partnership) (南京建邺叁正順心股權投資合夥企業(有限合夥)) (“**Nanjing Sanzheng**”). Nanjing Sanzheng is ultimately controlled by Mr. Sheng Li, our non-executive Director, and therefore Mr. Sheng Li is deemed to be interested in 11,691,424 H Shares held by Sanzheng Zhengyun under the SFO as at the Latest Practicable Date. In addition, due to the common management of the 3H Health Entities, Mr. Wang Shunlong (王順龍) is also deemed to be interested in the 11,691,424 H Shares held by Sanzheng Zhengyun as at the Latest Practicable Date. Likewise, Mr. Sheng Li is also deemed to be interested in an aggregate of 19,490,471 H Shares held by 3H Health Investment Fund II, L.P., Robust Edge Investments and Centroid Investments as at the Latest Practicable Date.
- (8) Intelligent Spark is wholly-owned by Boyu Capital Growth Fund I, Pte. Ltd., which is wholly-owned by Boyu Capital Growth Fund I, L.P.. Boyu Capital Growth Fund I, L.P. is wholly owned by Boyu Capital Growth GP I, Ltd., which is wholly owned by Boyu Group, LLC. Boyu Group, LLC is controlled by XYXY Holdings Ltd., which is wholly owned by Mr. Xiaomeng Tong. Therefore, each of Mr. Xiaomeng Tong, XYXY Holdings Ltd., Boyu Group, LLC, Boyu Capital Growth GP I, Ltd., Boyu Capital Growth Fund I, L.P. and Boyu Capital Growth Fund I, Pte. Ltd. is deemed to be interested in the Shares held by Intelligent Spark under the SFO as at the Latest Practicable Date.

Report of the Directors

- (9) Each of Suzhou Junlian and Social Security Fund is a limited partnership established in the PRC. The general partner of Social Security Fund is New Venture Capital Partnership (Limited Partnership) (北京君創勵新創業投資合夥企業(有限合夥)), whose general partner is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) (“**Lhasa Junqi**”). The general partner of Suzhou Junlian is Lhasa Junqi, a wholly-owned subsidiary of Legend Capital Co., Ltd. (君聯資本管理股份有限公司) (“**Legend Capital**”). Legend Capital is controlled by Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) (“**Juncheng Hezhong**”) whose general partner is Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) (“**Junqi Jiarui**”). Junqi Jiarui is controlled by Mr. Chen Hao (陳浩). Therefore, each of Mr. Chen Hao, Junqi Jiarui, Juncheng Hezhong, Legend Capital and Lhasa Junqi is deemed to be interested in the Shares held by Suzhou Junlian and Social Security Fund under the SFO as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, no other person (not being a Director, Supervisor or chief executive of the Company) had or was deemed to have any interest or short position in any Shares or underlying shares of the Company which was required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed “Interests and Short Positions of the Directors, Supervisors and the Chief Executive of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, there were no arrangements to which the Company or any of its subsidiaries is or was a party enabling the Directors, Supervisors or the chief executive of the Company to acquire benefits by means of acquisitions of shares or debentures of the Company or any other body corporate subsisted during the Reporting Period.

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

As the Company’s H Shares had not been listed on the Stock Exchange as of December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the Reporting Period. As at the date of this report, no treasury shares (as defined under the Listing Rules) were held by the Company.

EMPLOYEE INCENTIVE SCHEME

The Company adopted a share incentive scheme on January 20, 2019, which was adjusted by the Board resolutions dated January 4, 2022 (the “**Employee Incentive Scheme**”). The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of new Shares or awards by our Company after the Listing. The Employee Incentive Scheme will not cause any dilution of the shareholding of the Shareholders after the Listing given all underlying Shares of the awards granted under the Employee Incentive Scheme have been issued.

For more details of principal terms of the Employee Incentive Scheme, please refer to the paragraph headed “Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders – 5. Employee Incentive Scheme” in Appendix VI to the Prospectus.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to various environmental protection laws and regulations, including the Environmental Protection Law of the PRC, the Environmental Impact Assessment Law of the PRC, Energy Conservation Law of the PRC, the Water Law of the PRC and other laws on prevention and control of pollutions. For details of the Group’s environmental policies and performance, please refer to the 2025 ESG Report which will be published on the websites of the Company and the Stock Exchange.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on January 8, 2026. The net proceeds received from the Global Offering (taking into account the full exercise of the over-allotment option and after deduction of the underwriting fees and commissions and other estimated related expenses payable by us in connection with the Global Offering) was approximately HK\$1,289.2 million.

There has been no change in the intended use of the net proceeds as set out in the Prospectus under the section headed “Future Plans and Use of Proceeds”. As the Company was listed on January 8, 2026, details of the utilization of net proceeds from the Global Offering were not available during the Reporting Period. The net proceeds will be utilized in the same manner, proportion and expected timeframe as set out in the Prospectus.

Report of the Directors

COMPLIANCE WITH LAWS AND REGULATIONS AND LEGAL PROCEEDINGS

The Company was incorporated in the PRC, while the H Shares of the Company are listed on the Hong Kong Stock Exchange. The businesses operated by the Group are subject to the laws of relevant jurisdiction in the PRC and Hong Kong. To the best of the Directors' knowledge, information and belief, during the Reporting Period, the Group had complied with all relevant laws and regulations in PRC and Hong Kong in all material respects, and there was no litigation or claim of material importance which was pending or threatened against any member of our Group.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The details of the AGM and the closure of the register of members in respect thereof will be announced separately by the Company.

FINAL DIVIDEND

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

There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

According to the Individual Income Tax Law of the People's Republic of China 《中華人民共和國個人所得稅法》 and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual who has no domicile in the PRC and is not resident in the territory of the PRC, or who has no domicile in the PRC and has been resident in the territory of the PRC for less than 183 days cumulatively within a tax year, his/her receipt of dividends from a PRC company is normally subject to a PRC withholding tax of 20%, unless specifically exempted or reduced by an applicable tax treaty and other tax laws and regulations.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

The Company did not have any distributable profit in 2025 and did not pay any dividend. Accordingly, the shareholders of the Company (including the holders of H Shares) are not subject to income tax.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Company shall be liable for damages caused by any Director to a third party in the performance of his/her duties, provided that any Director shall be liable for any damage caused by him/her intentionally or as a result of the his/her gross negligence.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 15% of the Company's total issued H Shares had been held by the public as required by the Stock Exchange since the Listing Date and up to the date of this report.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by KPMG, certified public accountants. There has been no change in the external auditor of the Company since the Listing Date.

SHARES ISSUED

Details of the shares issued by the Company during the Reporting Period are set out in note 25 to the consolidated financial statements.

DEBENTURE ISSUED

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

DONATION

During the Reporting Period, the Group made no charitable donations.

OTHER INFORMATION

The Company does not have any other disclosure obligations pursuant to Rules 13.20, 13.21 and 13.22 of Listing Rules. All references above to other sections, reports or notes in this annual report form part of this report of the Directors.

Report of the Directors

EVENTS AFTER THE REPORTING PERIOD

On January 8, 2026, the Company's Shares were listed on the Main Board of the Stock Exchange, where 27,722,200 Shares (taking into account the full exercise of the offer size adjustment option but before any exercise of the over-allotment option) were issued and subscribed for at an offer price of HK\$43.24 per Share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from these issues amounted to approximately HK\$1,116.6 million.

On February 9, 2026, pursuant to the full exercise of the over-allotment option by the overall coordinators (on behalf of the international underwriters) of the Global Offering, the Company issued and allotted an aggregate of additional 4,158,300 Shares at the offer price of HK\$43.24 per Share. The additional net proceeds from the full exercise of over-allotment option amounted to approximately HK\$172.6 million.

Save as disclosed above, no material event affecting the Group has occurred since the end of the Reporting Period and up to the date of this report.

By Order of the Board

Shenzhen Edge Medical Co., Ltd.

(深圳市精鋒醫療科技股份有限公司)

Dr. Wang Jianchen

Chairman of the Board and Executive Director

April 28, 2026

Report of the Supervisory Committee

During the Reporting Period, the Supervisory Committee, in the spirit of being responsible to the Company and its Shareholders, conscientiously and comprehensively performed its duties, actively and effectively carried out the work, supervised the compliance of the operation of the Company and the performance of duties by the Directors and senior management of the Company, and safeguarded the legitimate rights and interests of the Company as well as its Shareholders, in accordance with the applicable laws and regulations and the Articles of Association. During the Reporting Period, the Supervisory Committee held one meeting to review the re-election and nomination of members for the second session of the Supervisory Committee, and to consider and approve amendments to the current Rules of Procedure for the Supervisory Committee, among others.

OPINION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2025

LAWFUL OPERATION

The Company has performed necessary review procedures in accordance with applicable laws and regulations when making decisions on significant matters. The Directors and senior management of the Company performed their duties diligently, implemented all resolutions passed at the general meetings and the Board meetings in a timely manner, and actively performed their duties in respect of our operation and management, and they were not found to have breached any applicable laws, regulations or the Articles of Association, or harmed the interests of the Shareholders.

FINANCIAL POSITION

The Supervisory Committee has carefully reviewed the audited financial statements of the Company during the Reporting Period, and believes that these financial statements are objective, practical and reasonable, and completely and objectively reflect the situation of the Company, without any false records, misleading statements or major omissions. The Supervisory Committee believes that the preparation of the annual report complies with the applicable laws, regulations and the Articles of Association, and the information disclosed therein completely and truly reflects the operation, management and financial status of the Company during the Reporting Period.

CONNECTED TRANSACTIONS

During the Reporting Period, the Company had not entered into any connected transactions or continuing connected transactions which were required to be disclosed under Chapter 14A of the Listing Rules.

INTERNAL CONTROL

Pursuant to the PRC Company Law and the Articles of Association, the Company has established a comprehensive internal management and internal control system to ensure full and effective implementation and supervision of the Company.

Corporate Governance Report

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

The amendments to the CG Code came into effect on 1 July 2025 and the requirements under the new CG Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after 1 July 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new CG Code and align with the latest developments.

CORPORATE GOVERNANCE CULTURE AND VALUE

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

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

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately; and
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Company's mission is to empower surgeons and benefit patients, and to make surgical robots a standard configuration in operating rooms. Its corporate value is to delve into core technologies and refine products to the utmost with a spirit of continuous improvement.

The Board ensures the established purpose, values and strategy are aligned with corporate culture, and all directors lead by example in their commitment to upholding such culture. For details of the Company's performance during the reporting period, see "Management Discussion and Analysis" in this annual report. The Board believes that the Company's existing business model satisfies its purpose and long-term strategy.

All Directors act with honesty and integrity, comply with the standards set out in applicable laws and regulations, and always act in the interests of the Company and its shareholders.

The Board believes that the corporate culture is consistent with the Group's purpose, values and strategy.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

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

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 to the Listing Rules as the basis of the Company’s corporate governance practices. On July 1, 2025, the amendments to the CG Code came into effect and the requirements under the new CG Code will apply to corporate governance reports for financial years commencing on after July 1, 2025.

As the Company’s shares were not listed on the Stock Exchange as of December 31, 2025, the CG Code set out in Appendix C1 to the Listing Rules were not applicable to the Company during the year ended December 31, 2025 but has applied to the Company since the Listing Date.

The Board is of the view that throughout period from the Listing Date and up to the date of this report, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1. Pursuant to code provision set out in Part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and CEO and Dr. Wang Jianchen currently performs these two roles. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Wang Jianchen is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO. The Board also believes that vesting the roles of both chairman and CEO in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the CEO of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

DIRECTORS' SECURITIES TRANSACTIONS/MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by the Directors and the relevant employees who would likely possess inside information of the Company.

As the Company's Shares had not been listed on the Stock Exchange as of December 31, 2025, the Model Code was not applicable to the Company during the Reporting Period. However, specific enquiry has been made of all the Directors and all of them have confirmed that they have complied with the Model Code throughout the period from the Listing Date and up to the date of this report.

BOARD OF DIRECTORS

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

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

The Directors have agreed to disclose to the Company in a timely manner for any changes of the number and nature of offices held in public companies or organizations and other significant commitments, as well as the identity of such public companies or organizations and an indication of the time involved, as required by the code provision under the CG Code.

BOARD COMPOSITION

The Board currently comprises the following Directors/The composition of the Board is as follows:

Executive Directors

Dr. Wang Jianchen (*Chairman of the Board and CEO*)

Dr. Gao Yuanqian

Ms. Wu Mengyuan

Non-executive Directors

Mr. Sheng Li

Mr. Chen Gang

Mr. Qiu Xiang

Independent Non-executive Directors

Mr. Yang Fan

Mr. Zhang Guoguang

Mr. Lau Ying Kit

Each of the Directors has confirmed he or she obtained the legal advice referred to in Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on May 28, 2025, and they have confirmed they understood his or her obligations as a director of a listed issuer under the Listing Rules.

The biographical information of the Directors is set out in the section headed “Directors, Supervisors and Senior Management” of this Annual Report. The relationships between the Directors are disclosed in the respective Director’s biography under the section “Directors, Supervisors and Senior Management” of this Annual Report. Save that Dr. Wang Jianchen and Dr. Gao Yuanqian are spouse, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members.

BOARD MEETINGS AND DIRECTORS’ ATTENDANCE RECORDS

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

The agenda and accompanying Board papers are dispatched at least three days before the intended Board meetings or Board committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of Board meetings and Board committee meetings are maintained by our company secretary and are open for inspection at any reasonable time on reasonable notice by all Directors. Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of these meeting minutes have been and will be sent to all Directors for their comments and records respectively, within a reasonable time after the Board meeting is held.

As the H Shares were listed on the Stock Exchange on January 8, 2026, the attendance record of the Directors at Board meetings and general meetings will be disclosed in accordance with the Listing Rules in subsequent annual reports of our Company. For the same reason, the Company was not required to comply with the requirements of the CG Code which stipulates that the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors during the year ended December 31, 2025.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

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

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer of the Company are held by Dr. Wang Jianchen who has extensive experience in the industry.

Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Wang is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO.

The Board also believes that vesting the roles of both chairman and CEO in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this arrangement will enable the Company to make and implement decisions promptly and effectively.

The Company will continue to review and comply with the code provision C.2.1 of the CG Code set out in Appendix C1 to the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

From the Listing Date to the date of this report, the Board has met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

BOARD INDEPENDENCE EVALUATION

The Company acknowledges that Board independence is critical to good corporate governance. To ensure independent views and input are available to the Board, the Company has put in place effective mechanisms in the Company's corporate governance framework, which include policies and procedures for the appointment of Directors, review of the Board composition and assessment of the independence of independent non-executive Directors. During the period from the Listing Date and up to the date of this report, the Board reviewed the implementation and effectiveness of these mechanisms and the results were satisfactory.

Corporate Governance Report

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Under the Articles of Association, Directors (including non-executive Directors) shall be elected at the general meeting with a term of three years. Each of the current non-executive Directors has been appointed for a term of three years commencing on the following dates.

Directors	Date
<i>Executive Directors</i>	
Dr. Wang Jianchen	June 16, 2025
Dr. Gao Yuanqian	June 16, 2025
Ms. Wu Mengyuan	June 16, 2025
<i>Non-Executive Directors</i>	
Mr. Sheng Li	June 16, 2025
Mr. Chen Gang	June 16, 2025
Mr. Qiu Xiang	June 16, 2025
<i>Independent Non-Executive Directors</i>	
Mr. Yang Fan	December 30, 2025
Mr. Zhang Guoguang	December 30, 2025
Mr. Lau Ying Kit	December 30, 2025

A Director may serve consecutive terms if re-elected upon the expiry of his/her term. A Director shall continue to perform his duties in accordance with the laws, administrative regulations and Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum. The Articles of Association also provides that each Director appointed to fill a casual vacancy or as addition to the Board shall hold office until the first general meeting after his/her appointment. The retiring Directors shall be eligible for re-election.

Each of the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors has entered into a service contract with the Company with a specific term. Such service contracts are for a term commencing from the date of appointment to the expiry of the current session of the Board.

The service term of the second session of the Board of Directors will expire on June 16, 2027. The Company will recommend the candidates for directorship to shareholders in due course after they are identified and will be re-elected at the forthcoming AGM. The nominations were made in accordance with the Company's terms of reference of the Nomination Committee and the Board Diversity Policy.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

Directors should participate in appropriate continuous professional development to enable them to stay continuously abreast of the latest information on the legal and regulatory systems, as well as the business environment, thereby facilitating them in the discharge of their duties. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

Prior to the Listing and during the Reporting Period, the Company organized training sessions conducted by legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual have been provided to the Directors for their reference and studying.

Corporate Governance Report

The training records of the Directors up to date of this Annual Report are summarized as follows:

Directors	Type of Training^{Note}
Executive Directors	
Dr. Wang Jianchen	A/B
Dr. Gao Yuanqian	A/B
Ms. Wu Mengyuan	A/B
Non-Executive Directors	
Mr. Sheng Li	A/B
Mr. Chen Gang	A/B
Mr. Qiu Xiang	A/B
Independent Non-Executive Directors	
Mr. Yang Fan	A/B
Mr. Zhang Guoguang	A/B
Mr. Lau Ying Kit	A/B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Audit Committee consists of three Directors, namely Mr. Zhang Guoguang (Independent Non-executive Director), Mr. Lau Ying Kit (Independent Non-executive Director) and Mr. Sheng Li (Non-executive Director). Mr. Zhang Guoguang is the chairman of the Audit Committee.

The written terms of reference of the Audit Committee are in compliance with Rule 3.21 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include, but not limited to, reviewing the performance of the external auditor, the Company's accounting policies, financial position, financial reporting procedures and financial controls, examining the financial policies, internal audit systems, internal control systems and risk management systems of the Company and providing opinions and recommendations for improvements.

The Audit Committee oversees and manages the overall risks associated with our business operations, including: (i) reviewing policies with respect to accounting, risk assessment and risk management; (ii) discussing with management major issues regarding adequacy and effectiveness of procedures and internal control over financial reporting and internal control; (iii) monitoring our compliance with respect to the legal and regulatory policies; (iv) reporting regularly to the Board; (v) making recommendations to our Directors on the appointment and removal of external auditors; (vi) reviewing the financial statements and render advice in respect of financial reporting; and (vii) overseeing internal control procedures of our Group.

As the Company's shares were listed on the Stock Exchange on January 8, 2026, no meeting of the Audit Committee was held during the year ended December 31, 2025.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members, namely Mr. Yang Fan (Independent Non-executive Director), Mr. Zhang Guoguang (Independent Non-executive Director) and Ms. Wu Mengyuan (Executive Director). Mr. Yang Fan is the chairman of the Remuneration Committee.

The written terms of reference of the Remuneration Committee are in compliance with Rule 3.25 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee include, but not limited to, making recommendations to the Board on the overall remuneration policy and the remuneration packages of all Directors, Supervisors and senior management, and conducting performance evaluation of Directors, Supervisors and senior management.

As the Company's shares were listed on the Stock Exchange on January 8, 2026, no meetings of the Remuneration Committee were held during the year ended December 31, 2025.

The remuneration of the senior management, whose biographical details are included in section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report, during the year falls within the following bands:

Corporate Governance Report

Remuneration (Renminbi)	Number of Individuals
1,000,000 to 2,000,000	3
2,000,001 to 6,000,000	1

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

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors, Supervisors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs.

NOMINATION COMMITTEE

The Nomination Committee consists of three members, namely Mr. Zhang Guoguang (Independent Non-executive Director), Mr. Yang Fan (Independent Non-executive Director) and Dr. Gao Yuanqian (Executive Director). Mr. Zhang Guoguang is the chairman of the Nomination Committee.

The written terms of reference of the Nomination Committee are in compliance with Rule 3.27A of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules.

The primary duties of the Nomination Committee include, but not limited to, examining the structure, composition and diversity of members of the Board, evaluating the structure of the committees under the Board, and making recommendations on any proposed changes, identifying suitable candidates for Directors and senior management, and making recommendations to our Board, and assessing the independence of independent non-executive Directors.

As our Shares were listed on the Stock Exchange on January 8, 2026, no meetings of the Nomination Committee were held during the Reporting Period.

BOARD DIVERSITY POLICY

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

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

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

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience in healthcare and biotechnology. They obtained degrees in various majors including science, engineering and finance. We have three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

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

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least one of members of the Board shall be female;
- (B) at least one-third of the members of the Board shall be independent non-executive Directors;
- (C) at least one of the members of the Board shall have obtained accounting or other professional qualifications.

Corporate Governance Report

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender

Male: 7 Directors

Female: 2 Directors

Designation

Executive Directors: 3 Directors

Non-executive Directors: 3 Directors

Independent Non-executive Directors: 3 Directors

Business Experience

Accounting & Finance: 5 Directors

Legal: 1 Director

Experience relevant to the Company's business: 3 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

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

GENDER DIVERSITY

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

	Female	Male
Board	22% (2)	78% (7)
Senior Management	25% (1)	75% (3)
Other employees	30% (179)	70% (416)
Overall workforce (including non-executive Directors and independent non-executive Directors)	30% (182)	70% (426)

Taking into account our existing business model and specific needs as well as the diversity of the Board's current composition, the Board and the Nomination Committee considered that the current composition of Board is sufficiently diverse and the gender ratio in the overall workforce is satisfactory. The Board and the Nomination Committee will continue to review the implementation of the Board Diversity Policy, as appropriate, to ensure its effectiveness.

DIRECTOR NOMINATION POLICY

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

The Company has adopted a Director Nomination Policy which sets out the selection criteria, appointment, re-election of Directors and the Board succession planning considerations in relation to nomination and appointment of Directors.

The nomination process set out in the Director Nomination Policy is as follows:

Appointment of New Director

- (i) The Nomination Committee should evaluate the proposed candidate against the criteria set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then make recommendations to the Board on suitable candidates for directorship.
- (iv) For any person that is nominated by a shareholder of the Company for election as a Director at the general meeting of the Company, the Nomination Committee and the Board should evaluate such candidate based on the criteria set out above to determine whether such candidate is qualified for directorship.
- (v) The Board should make recommendations to Shareholders on proposals for the appointment of directors at general meetings, as applicable.

Corporate Governance Report

Re-election of Directors at General Meetings

- (i) The Nomination Committee should review the retiring Director's overall contribution and service to the Company, as well as his or her level of participation and performance as a member of the Board.
- (ii) The Nomination Committee should also review and ascertain whether the retiring Director continues to meet the criteria set out in Director Nomination Policy.
- (iii) The Nomination Committee should make recommendations to the Board on the Directors proposed to be re-elected at the general meeting.
- (iv) The Board should make recommendations to Shareholders on proposals for the re-election of Directors at general meetings, as applicable.

If the Board proposes to table a resolution at a general meeting for the appointment or re-election of a person as a Director, the circular to Shareholders accompanying the notice of such general meeting will contain the relevant information of the candidate as required under the Listing Rules and/or other applicable laws and rules.

In assessing the suitability of a candidate to act as a Director, the Board should consider the following criteria:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, as well as the diversity factors referred to in the Company's board diversity policy;
- The requirements for the Board to include independent non-executive directors, and the guidelines set out in the Listing Rules for determining whether a candidate is considered independent;
- The candidate's professional qualifications, skills, experience, independence and any potential contributions that the candidate can bring to the Board in terms of gender diversity;
- Willingness and ability to devote sufficient time to discharging his/her duties as a member of the Board and/or as a member of a committee under the Board; and/or
- Such other factors as may be considered relevant to the Company's business and its succession plan from time to time by the Board and/or the Nomination Committee.

The above factors are not exhaustive and should not be considered as determinative.

Throughout the period from the Listing Date to the date of this report, there was no change in the composition of the Board.

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

CORPORATE GOVERNANCE FUNCTIONS

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

The duties of the Board in respect of the corporate governance functions are summarised as follows:

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

The Company has developed and adopted various risk management procedures and guidelines which defined key business processes and financial response.

Corporate Governance Report

The following key principles outline our approach to risk management and internal control:

- Our Audit Committee oversees and manages the overall risks associated with our business operations, including: (i) reviewing policies with respect to accounting, risk assessment and risk management; (ii) discussing with management major issues regarding adequacy and effectiveness of procedures and internal control over financial reporting and internal control; (iii) monitoring our compliance with respect to the legal and regulatory policies; and (iv) reporting regularly to the Board.
- Our management is responsible for: (i) formulating and updating our compliance management policy and objectives; (ii) implementing policies with respect to risk assessment and risk management; (iii) providing guidance regarding compliance with regulations and policies; (iv) identifying and evaluating major risk management issues; (v) supervising and inspecting operating activities of subsidiaries and departments to ensure compliance; (vi) organizing and providing compliance trainings; (vii) providing guidance on our risk management approach to the relevant departments; (viii) reviewing and handling the reporting of wrongdoing; and (ix) reporting to our risk management leader on our material risks.
- The relevant departments in our Company, including the internal audit department, the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments shall: (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report annually; (iv) monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding our business operations, and we provide training about these measures and procedures to new employees. We also constantly monitor the implementation of these measures and procedures.
- We maintain strict anti-bribery and anti-corruption policies. Such policies explicitly require that all employees comply with any applicable anti-corruption laws, regulations and policies and that all employees are prohibited from making illegal or improper payments to any government official, including hospital staff, either on their own or via third parties. Additionally, our employees are not allowed to offer or give gifts, hospitality or anything of value that are not an appropriate type or beyond the value limit set forth in the policy. We will closely monitor to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report, on an anonymous basis, any noncompliance incidents and acts, including bribery and corruption. In addition, our current contract templates for procurement, sales, and distributors all include compliance clauses covering anti-bribery and anti-corruptions.
- With respect to the data and privacy protection, the original medical documents relating to patients in clinical trials are kept by the clinical trial institutions. To improve the privacy protection and data security from our end, we engaged a third-party service provider to manage clinical trial data and other important materials, which are encrypted and desensitized in a standalone system to avoid any incidental-data leakage.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our Compliance Advisor, will also periodically review our compliance status with all relevant laws and regulations after the Listing.
- We have established an Audit Committee, which is to (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting, as well as oversee internal control procedures of our Group.

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and the Company's assets and reviewing the effectiveness of such systems on an annual basis. The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

WHISTLEBLOWING POLICY

The Company has in place a whistleblowing policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

ANTI-CORRUPTION POLICY

The Company has also in place an anti-corruption policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports according to the procedures as set out in the Whistleblowing Policy.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

The Directors have overseen the preparation of the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

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 Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

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

AUDITORS' REMUNERATION

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

Service Category	Year ended December 31, 2025 RMB'000
Audit services	2,150
Non-audit services ⁽¹⁾	4,230
Total	6,380

Note:

(1) The non-audit services conducted by the auditor mainly include IPO-related services.

COMPANY SECRETARIES

Ms. Wu Mengyuan and Mr. Li Kin Wai have been appointed as the Company's joint company secretaries. Ms. Wu Mengyuan is currently the Executive Director of the Company. Mr. Li Kin Wai is a Senior Manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Wu Mengyuan has been designated as the primary contact person at the Company which would work and communicate with Mr. Li Kin Wai on the Company's corporate governance and secretarial and administrative matters.

For the year ended December 31, 2025, the Company was not listed on the Stock Exchange. Pursuant to Rule 3.29 of the Listing Rules, each of the joint company secretaries of the Company will receive not less than 15 hours of relevant professional training annually.

SHAREHOLDERS' RIGHTS

Pursuant to the Article 51 of the Articles of Association of the Company, Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary General Meeting within 10 days after receiving the proposal from the abovementioned shareholders to call such meeting. If the Board agrees to convene the extraordinary General Meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any change made to the original request in the notice shall be approved by the relevant shareholders.

If the Board does not agree to convene the extraordinary General Meeting, or fails to make a response within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting. Such request shall be made to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary General Meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any change made to the original request in the notice shall be approved by the relevant shareholders

If the Supervisory Committee fails to issue the notice calling such a meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% of the shares in the Company for 90 consecutive days or longer period may convene and preside over such meeting.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to the Article 56 of the Articles of Association of the Company, the Board, the Supervisory Committee and shareholders that hold, individually or collectively, 1% or more of the shares in the Company shall have the right to make proposals to the Company at the General Meeting.

Shareholders that hold, individually or collectively, 1% or more of the Shares in the Company may submit a temporary proposal and deliver it in writing to the Board ten days before the convening of the General Meeting. The temporary proposal shall contain a clear agenda and specific matters for resolution. The Board shall notify other shareholders within two days after receiving the proposal and submit the temporary proposal to the general meeting for consideration; provided that this shall not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or falls outside the scope of the General Meeting's authority. The Company shall not raise the shareholding ratio requirement for shareholders submitting temporary proposals. Except as provided by the preceding paragraph, the convener of the general meeting shall not amend the proposals already specified in the notice of the general meeting or add new proposals subsequent to the issuance of the notice of the general meeting.

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

Contact Details

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

Address: Room 1901, Building 2B
Smart Park Phase II
Baolong Street
Longgang District
Shenzhen, PRC
(For the attention of the Company Secretary)
Tel: 4008609000
Email: contact@edgemed.cn

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

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

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy. The policy aims at setting out the provisions with the objective of ensuring that the Shareholders, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

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

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: any document which has been or will be despatched by the Company to any holder of its securities for his reference or action, including but not limited to the Directors' report, the annual accounts together with a copy of the auditors' report, the interim report, the notice of meeting, the circular and the proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. The Corporate Communications sent by the Company to its Shareholders will be prepared in plain Chinese and English, or in a single language where permitted under the Rules Governing the Listing of Securities on the Stock Exchange, to facilitate Shareholders' understanding of the contents therein. Shareholders have the right to choose the language (English or Chinese) or the method of receipt (in printed form or by electronic means) of Corporate Communications.

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) **Corporate Website**

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (<https://www.edgemed.cn>). Such information includes financial statements, results announcements, other announcements, circulars, notices of general meetings and other documents.

(d) **Shareholders' Meetings**

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. In addition, the chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll. Appropriate arrangements for general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. The chairman of the Board and other Board members, in particular, the chairperson of Board committees or their delegates, appropriate management executives and external auditors shall attend annual general meetings to answer Shareholders' questions. Shareholders are encouraged to attend Shareholders' activities organized by the Company, where information about the Company, including its latest strategic plan and services, etc. will be communicated.

Subject to the notice period as may be required from time to time under any applicable provisions of the Company's Articles of Association, the Company shall give sufficient notice to Shareholders for the convening of general meetings.

The Company encourages Shareholders to participate in general meetings. If they are unable to attend, they may appoint a proxy to attend and vote on their behalf. In addition, the chairman of the meeting shall ensure that the detailed procedures for voting by poll are explained to Shareholders at the meeting, and shall answer any questions from Shareholders regarding voting by poll.

Appropriate arrangements shall be in place at general meetings to encourage Shareholder participation.

The Company shall monitor and regularly review its general meeting procedures, and shall make changes where necessary to ensure that they meet the needs of Shareholders.

Corporate Governance Report

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H share registrar, Tricor Investor Services Limited, via its online holding enquiry service at <https://srhk.vistra.com/>, or send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: contact@edgemed.cn or by post to Room 1901, Building 2B Smart Park Phase II, Baolong Street Longgang District, Shenzhen, PRC.

(f) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. may be available on a regular basis in order to facilitate communication between the Company, Shareholders and the investment community.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company did not make any amendments to its Articles of Association since the Listing Date. The latest version of the Articles of Association of our Company is also posted on the website of the Company and the website of the Stock Exchange.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend pay-out ratio. The Board has the discretion to declare and distribute dividends based on the Company's financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant. The ability of the Company to make distributions is subject to the Articles of the Association and all applicable laws and regulations. Any final dividend for a financial year will be subject to Shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

Independent Auditor's Report

To the shareholders of Shenzhen Edge Medical Co., Ltd.

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

OPINION

We have audited the consolidated financial statements of Shenzhen Edge Medical Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 84 to 160, which comprise the consolidated statement of financial position as at December 31, 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 December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was 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.

Independent Auditor's Report

KEY AUDIT MATTER (continued)

Revenue recognition	
<i>Refer to Note 3 to the consolidated financial statements and the accounting policies set out in Note 1(s).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>During the year ended December 31, 2025, the Group recognised revenue of RMB455,715,000, mainly arising from the sale of medical devices and accessories.</p> <p>The Group recognises revenue from sales of medical devices and accessories at the point in time when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contract.</p> <p>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.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition; inspecting, on a sample basis, sales contracts to identify terms and conditions relating to the transfer of control and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; inspecting, on a sample basis, goods delivery notes or client acceptance notes, as applicable under the different sales contracts ("client acceptance documents"), for revenue transactions recorded before and after the financial year end date to assess whether the related revenue had been recognised in the appropriate financial period; and inspecting, on a sample basis, sales contracts and client acceptance documents for revenue transactions recorded during the year to assess whether the related revenue had been recognised in accordance with the Group's revenue recognition policies.

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.

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 IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Lam Kai Wa (practising certificate number: P04696).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

March 27, 2026

Consolidated Statement of Profit or Loss

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

	Note	2025 RMB'000	2024 RMB'000
Revenue	3	455,715	159,994
Cost of sales		(155,063)	(61,917)
Gross profit		300,652	98,077
Research and development expenses		(185,203)	(226,245)
Administrative expenses		(90,509)	(52,634)
Selling and marketing expenses		(134,812)	(101,206)
Impairment loss on trade receivables, other receivables and contract assets		(7,435)	(1,031)
Other net gain	4	15,973	44,179
Fair value changes of financial assets measured at fair value through profit or loss ("FVPL")		13,359	21,214
Share of loss of an associate		(91)	–
Loss from operations		(88,066)	(217,646)
Finance costs	5(a)	(541)	(863)
Loss before taxation	5	(88,607)	(218,509)
Income tax	6	–	–
Loss for the year		(88,607)	(218,509)
Attributable to equity shareholders of the Company		(88,607)	(218,509)
Loss per share	9		
Basic and diluted (RMB)		(0.25)	(0.61)

The notes on pages 91 to 160 form part of these financial statements. There are no dividends payable to equity shareholders of the Company attributable to the loss for the year as set out in note 25(d).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	Note	2025 RMB'000	2024 RMB'000
Loss for the year		(88,607)	(218,509)
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 operations outside the Chinese Mainland, net of nil tax		(783)	88
Total comprehensive income for the year and attributable to equity shareholders of the Company		(89,390)	(218,421)

The notes on pages 91 to 160 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

(Expressed in Renminbi)

		As at December 31,	
	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	10	42,050	92,303
Intangible assets		89	1,162
Trade receivables	14	3,999	–
Interest in an associate		131	–
Prepayments	15	707	176
Other non-current assets	12	4,413	2,310
		51,389	95,951
Current assets			
Inventories	13	136,110	73,708
Contract assets	19(a)	13,076	12,162
Trade and other receivables	14	213,454	48,105
Prepayments	15	26,405	11,896
Other current assets	15	131,451	122,596
Financial assets measured at FVPL	16	727,814	876,501
Cash and cash equivalents	17	86,041	119,811
		1,334,351	1,264,779
Current liabilities			
Trade and other payables	18	135,474	66,152
Contract liabilities	19(b)	7,729	5,817
Lease liabilities	20	4,249	7,698
Provisions	22	16,993	7,168
		164,445	86,835

The notes on pages 91 to 160 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

(Expressed in Renminbi)

		As at December 31,	
	Note	2025 RMB'000	2024 RMB'000
Net current assets			
		1,169,906	1,177,944
Total assets less current liabilities			
		1,221,295	1,273,895
Non-current liabilities			
Contract liabilities	19(b)	7,813	3,310
Lease liabilities	20	5,642	10,331
Deferred income	23	9,130	298
		22,585	13,939
NET ASSETS			
		1,198,710	1,259,956
CAPITAL AND RESERVES			
Share capital	25	360,000	360,000
Reserves	25	838,710	899,956
TOTAL EQUITY			
		1,198,710	1,259,956

Approved and authorised for issue by the board of directors on March 27, 2026.

Dr. Wang Jianchen
Chairman

Dr. Gao Yuanqian
Director

The notes on pages 91 to 160 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

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

	Note	Attributable to equity shareholders					Total equity
		Share capital	Share premium	Exchange reserve	Other reserve	Accumulated losses	
		RMB'000 (Note 25(b))	RMB'000 (Note 25(c))	RMB'000	RMB'000 (Note 25(c))	RMB'000	
Balance at January 1, 2024		360,000	1,556,310	-	24,651	(502,615)	1,438,346
Changes in equity for the year ended December 31, 2024:							
Loss for the year		-	-	-	-	(218,509)	(218,509)
Other comprehensive income		-	-	88	-	-	88
Total comprehensive income		-	-	88	-	(218,509)	(218,421)
Equity-settled share-based transactions	24	-	-	-	40,031	-	40,031
Balance at December 31, 2024		360,000	1,556,310	88	64,682	(721,124)	1,259,956

The notes on pages 91 to 160 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

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

	Note	Attributable to equity shareholders					Total equity
		Share capital	Share premium	Exchange reserve	Other reserve	Accumulated losses	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		(Note 25(b))	(Note 25(c))		(Note 25(c))		
Balance at January 1, 2025		360,000	1,556,310	88	64,682	(721,124)	1,259,956
Changes in equity for the year ended December 31, 2025:							
Loss for the year		-	-	-	-	(88,607)	(88,607)
Other comprehensive income		-	-	(783)	-	-	(783)
Total comprehensive income		-	-	(783)	-	(88,607)	(89,390)
Equity-settled share-based transactions	24	-	-	-	28,144	-	28,144
Balance at December 31, 2025		360,000	1,556,310	(695)	92,826	(809,731)	1,198,710

The notes on pages 91 to 160 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

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

	Note	2025 RMB'000	2024 RMB'000
Net cash used in operating activities	17(b)	(194,292)	(224,640)
Investing activities			
Payments for purchase of property, plant and equipment		(3,444)	(26,392)
Proceeds from disposal of property, plant and equipment		142	63
Payments for purchase of intangible assets		(138)	(598)
Payments for purchase of financial assets		(951,868)	(658,280)
Proceeds from disposal of financial assets		1,124,321	879,743
Interest received		1,659	1,712
Payments for investment in an associate		(222)	–
Net cash generated from investing activities		170,450	196,248
Financing activities			
Lease deposits paid		(1,267)	(89)
Lease deposits received		559	576
Listing expenses paid		(927)	–
Payments of capital element of lease liabilities	17(c)	(7,152)	(6,967)
Payments of interest element of lease liabilities	17(c)	(541)	(863)
Net cash used in financing activities		(9,328)	(7,343)
Net decrease in cash and cash equivalents		(33,170)	(35,735)
Cash and cash equivalents at January 1		119,811	155,315
Effect of foreign exchange rate changes		(600)	231
Cash and cash equivalents at December 31	17(a)	86,041	119,811

The notes on pages 91 to 160 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(A) STATEMENT OF COMPLIANCE

Shenzhen Edge Medical Co., Ltd. (the “Company”) (深圳市精鋒醫療科技股份有限公司) and its subsidiaries (together referred to as the “Group”) are principally engaged in designing, developing, manufacturing and sale of surgical robots.

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS 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 PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries and the Group’s interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for financial assets at FVTPL that are stated at their fair value (see Note 1(f));

The preparation of financial statements in conformity with IFRS 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 recognized 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 IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(C) CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(D) SUBSIDIARIES

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 unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 1(j)).

(E) ASSOCIATES

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.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). 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.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(E) ASSOCIATES (continued)

When the Group's share of losses exceeds its interest in the associate, 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, after applying the ECL model to such other long-term interests where applicable (see Note 1(j)(ii)).

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 is stated at cost less impairment losses (see Note 1(j)).

(F) OTHER INVESTMENTS IN SECURITIES

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognized/derecognized 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 FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 26(e). Non-equity investments are subsequently accounted for as follows, depending on their classification:

- amortized 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 foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- fair value through other comprehensive income (FVOCI) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 1(j)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost or valuation 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 recognized in profit or loss.

The estimated useful lives for property, plant and equipment are as follows:

	Over the shorter of the unexpired term of lease or the estimated useful life of the asset
Leasehold improvements	
Machinery equipment	3 – 10 years
Furniture equipment	3 – 5 years
Electronic equipment and others	3 – 5 years
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(H) INTANGIBLE ASSETS

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized 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 recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 1(j)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization 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 recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Software 2 – 3 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(I) 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

At the lease commencement date, the Group recognizes 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 item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized 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 amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 1(g) and 1(j)(ii)).

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 amortized cost. 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.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(I) LEASED ASSETS (continued)

As a lessee (continued)

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.

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS

(i) *Credit losses from financial instruments and contract assets*

The Group recognizes a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables and contract assets).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

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 receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 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 recognized as an impairment gain or loss in profit or loss. The Group recognizes 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 recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 1(f)).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Basis of calculation of interest income

Interest income recognized in accordance with Note 1(s)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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 past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(J) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized 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 amortization, if no impairment loss had been recognized

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(K) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(L) CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognised when the Group recognises revenue (see Note 1(s)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 1(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 1(m)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 1(s)(i)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see Note 1(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 1(s)(i)).

(M) TRADE AND OTHER RECEIVABLES

A receivable is recognized 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 amortized cost (see Note 1(j)(i)).

(N) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 1(j)(i)).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(O) TRADE AND OTHER PAYABLES (OTHER THAN REFUND LIABILITIES)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(P) 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 recognized 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 the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(Q) INCOME TAX

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the period 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.

Deferred tax is recognized 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 recognized 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 Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(Q) INCOME TAX (continued)

Deferred tax assets are recognized 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 recognize 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(R) PROVISIONS AND CONTINGENT LIABILITIES

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract (see Note 1(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(S) REVENUE AND OTHER INCOME

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services 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

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized 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

Revenue is recognized 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 IFRS 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.

In certain of the Group's customer contract, the Group participates in arrangements that include multiple performance obligations. The Group accounts for individual products and services as separate performance obligations if they are a distinct product or service that is separately identifiable from other items in the packages and if a customer can benefit from the product or service on its own or with other resources that are readily available to the customer. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. Generally, the Group establishes stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(S) REVENUE AND OTHER INCOME (continued)

(i) Revenue from contracts with customers (continued)

(a) Sale of medical devices (continued)

The Group generally recognizes revenue for the performance obligations in the following manner:

Sales of surgical robot systems (including system components and system accessories) and other medical equipment

For surgical robot systems sales where the installation is provided by the Group, revenue is generally recognized when the customer issue acceptance confirmations. For surgical robot systems sales to distributors where the installation is provided by the distributor, revenue is generally recognized when the customer's designated carrier picks up the goods, depending on the terms of the arrangement.

The Group's sales of surgical robot systems do not provide a right of return.

Sales of instruments and accessories

Revenue from sales of instruments and accessories is recognized when control is transferred to the customers, which generally occurs when the customer issue confirmation of receipt or the customer's designated carrier picks up the goods, depending on the customer arrangement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognized over the term of the service period, as the customer benefits from the services throughout the service period.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(S) REVENUE AND OTHER INCOME (continued)

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized 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.

(b) Government grants

Government grants are recognized 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 recognized 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 deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(T) 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 recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(U) 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.

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(V) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 ACCOUNTING JUDGEMENT AND ESTIMATES

(A) CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Determining the lease term

As explained in policy Note 1(i), 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.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

2 ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

(B) SOURCES OF ESTIMATION UNCERTAINTY

Notes 24 and 26(e) contains information about the assumptions and risk factors relating to fair value of restricted share granted and financial assets measured at FVPL. Other key sources of estimation uncertainty are as follows:

(i) *Net realizable value of inventories*

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. The assessment of the net realizable value of inventories involves high degree of estimation uncertainties and judgement subjectively associated with the usage of the inventories, the estimated selling prices and the selling expenses, etc. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realizable value.

(ii) *Impairment of trade receivables and contract assets*

The Group estimates the loss allowances for trade receivables and contract assets by assessing the ECLs. This requires the use of estimates and judgements. Expected credit loss rates are calculated based on probability of default, loss rate given default, and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual ageing, project ageing and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and contract assets and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables and contract assets during their expected lives.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

2 ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

(B) SOURCES OF ESTIMATION UNCERTAINTY (continued)

(iii) *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 recognized for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized, 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 recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) *Allocation of performance obligations in revenue recognition*

As explained in Note 1(s)(i)(a), the Group participates in sales arrangements that include multiple performance obligations. The total transaction price is allocated to each performance obligations in an amount based on the estimated relative stand-alone selling prices of the goods or services underlying each performance obligation.

The Group estimates stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity specific factors and information about the customer or type of the customer. Management regularly review stand-alone selling prices and update these estimates, as necessary. Changes in facts and circumstances may result in revisions to the conclusion, which would affect profit or loss.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(A) REVENUE

The Group derives revenue principally from the sales of surgical robot systems, instruments and accessories, and provision of services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contract with customers within the scope of IFRS 15		
– Sales of medical devices and accessories – point in time	454,899	159,774
– Service income – over time	816	220
	455,715	159,994

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

	2025 RMB'000	2024 RMB'000
Customer A	62,856	26,980
Customer B	46,814	Not applicable*

* Less than 10% of the Group's annual revenue

Details of the credit risk arising from the Group's customers are set out in Note 26(a).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(A) REVENUE (continued)

(ii) *Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date*

As at December 31, 2025, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts is RMB55,830,000 (2024: RMB14,506,000). This amount represents revenue expected to be recognized in the future from delivering medical devices or rendering services. The Group will recognize the expected revenue in future when the medical devices are delivered to the customers or the service is rendered to the customers, which is expected to occur over the next 10 years (2024: 9 years).

(B) SEGMENT REPORTING

For the purpose of resource allocation and performance assessment, the Group's most senior executive management reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Revenues from external customers	
	2025 RMB'000	2024 RMB'000
– Chinese mainland	246,517	159,994
– Asia (other than Chinese Mainland)	86,219	–
– Europe	73,018	–
– Others*	49,961	–
	455,715	159,994

* Each continent account for less than 10% of the Group's annual revenue.

As substantially all of the Group's assets are in the PRC, no geographic information of specified non-current assets is presented.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

4 OTHER NET GAIN

	2025 RMB'000	2024 RMB'000
Interest income on financial assets measured at amortized cost	5,433	5,222
Investment income on financial assets measured at FVPL	8,463	9,803
Government grants (Note)	6,762	32,791
Net foreign exchange loss	(2,436)	(117)
Impairment loss on property, plant and equipment	-	(1,434)
Impairment loss on prepayments	-	(1,000)
Others	(2,249)	(1,086)
	15,973	44,179

Note: Government grants recognized in "other net gain" included unconditional grants of RMB5,674,000 (2024: RMB10,792,000) for the year ended December 31, 2025 to compensate the Group for its research and development activities and conditional grants of RMB1,088,000 (2024: RMB21,999,000) transferred from deferred income as the conditions attaching to the grant were achieved during the year ended December 31, 2025 (Note 23).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(A) FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (Note 17(c))	541	863

(B) STAFF COSTS

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	183,116	185,754
Contributions to defined contribution retirement plan	4,971	5,266
Equity-settled share-based payment expenses (Note 24)	28,144	40,031
	216,231	231,051

Notes: Employees of the Company and its PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The local government authorities are responsible for the entire retirement obligations payable to retired employees. Contributions to these plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

5 LOSS BEFORE TAXATION (continued)

(C) OTHER ITEMS

	2025 RMB'000	2024 RMB'000
Amortization of intangible assets	1,071	2,281
Depreciation (Note 10)		
– owned property, plant and equipment	13,405	13,551
– leasehold improvements	4,767	4,665
– right-of-use assets	6,387	7,782
	24,559	25,998
Research and development expenses (i)	185,203	226,245
Auditors' remuneration		
– audit services	2,150	38
– other services (ii)	4,230	–
Increase in provisions (Note 22)	16,993	7,168
Cost of inventories (iii) (Note 13(b))	185,937	122,635
Listing expense	39,948	–

Notes:

- (i) During the year ended December 31, 2025, research and development expenses includes RMB111,122,000 (2024: RMB133,526,000) relating to staff costs and depreciation and amortization expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b).
- (ii) Other services include RMB3,867,000 (2024: nil) which is also included in the listing expenses disclosed separately above.
- (iii) During the year ended December 31, 2025, cost of inventories includes RMB35,843,000 (2024: RMB20,819,000) relating to staff costs and depreciation and amortization expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(A) TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS REPRESENTS:

	2025 RMB'000	2024 RMB'000
Current tax		
Provision for the year	-	-

Pursuant to the PRC Income Tax Laws, the Company and its subsidiaries in the Chinese Mainland are liable to PRC Corporate Income Tax ("CIT") at a rate of 25% except that the Company is accredited as a "high and new technology enterprise" in 2024 and accordingly enjoys a preferential enterprise income tax rate of 15% for the year ended December 31, 2025 (2024: 15%).

Effective during the years ended December 31, 2025 and 2024, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC CIT Law and its relevant regulations.

The provision for Hong Kong Profits Tax is subject to Hong Kong's two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first Hong Kong Dollars ("HKD") 2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000.

The Group has not recognized deferred tax assets in respect of cumulative unused tax losses (see Note 21(b)) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(B) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND ACCOUNTING LOSS AT APPLICABLE TAX RATES:

	2025 RMB'000	2024 RMB'000
Loss before taxation	(88,607)	(218,509)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	(15,957)	(34,471)
Effect of non-deductible expenses	6,357	7,419
Effect of additional deduction on research and development expenses	(23,761)	(25,030)
Effect of temporary differences and tax losses not recognized	33,361	52,082
Actual tax expense	—	—

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of directors' and supervisors' emoluments are set out as below:

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment	2025 Total
	RMB'000	RMB'000	RMB'000	RMB'000	(Note (c)) RMB'000	RMB'000
Chairman						
Dr. Wang Jianchen	-	1,274	400	11	-	1,685
Executive directors						
Dr. Gao Yuanqian	-	1,256	400	11	-	1,667
Ms. Wu Mengyuan	-	511	200	10	489	1,210
Non-executive directors						
Mr. Sheng Li	-	-	-	-	-	-
Mr. Chen Gang	-	-	-	-	-	-
Mr. Qiu Xiang	-	-	-	-	-	-
Independent non-executive directors						
Mr. Zhang Yaoliang (Note (a))	-	-	-	-	-	-
Mr. Wen Shuhao (Note (a))	-	-	-	-	-	-
Mr. Chen Chuan (Note (a))	-	-	-	-	-	-
Mr. Yang Fan (Note (b))	2	-	-	-	-	2
Mr. Lau Ying Kit (Note (b))	2	-	-	-	-	2
Mr. Zhang Guoguang (Note (b))	2	-	-	-	-	2
Supervisors						
Mr. Ye Guoqiang	-	663	159	10	5,022	5,854
Mr. Lin Mincai	-	522	188	11	-	721
Mr. Zhang Xiangping	-	641	153	11	5,022	5,827
	6	4,867	1,500	64	10,533	16,970

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment (Note (c))	2024 Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman						
Dr. Wang Jianchen	-	1,274	400	15	-	1,689
Executive directors						
Dr. Gao Yuanqian	-	1,260	400	15	-	1,675
Ms. Wu Mengyuan	-	300	97	9	409	815
Non-executive directors						
Mr. Sheng Li	-	-	-	-	-	-
Mr. Chen Gang	-	-	-	-	-	-
Mr. Qiu Xiang	-	-	-	-	-	-
Independent non-executive directors						
Mr. Zhang Yaoliang (Note (a))	306	-	-	-	-	306
Mr. Wen Shuhao (Note (a))	305	-	-	-	-	305
Mr. Chen Chuan (Note (a))	305	-	-	-	-	305
Supervisors						
Mr. Ye Guoqiang	-	606	144	9	6,509	7,268
Mr. Lin Mincai	-	425	144	10	-	579
Mr. Zhang Xiangping	-	580	144	9	6,509	7,242
	916	4,445	1,329	67	13,427	20,184

Notes:

- (a) Mr. Zhang Yaoliang, Mr. Wen Shuhao and Mr. Chen Chuan resigned from their position as independent non-executive directors on June 16, 2025.
- (b) Mr. Yang Fan, Mr. Zhang Guoguang and Mr. Lau Ying Kit were appointed as independent non-executive directors on June 16, 2025 with effect on December 30, 2025.
- (c) The amounts of equity-settled share-based payment represent the estimated value of equity instruments granted to the directors under the Company's employee share purchase plan 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(p)(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 are disclosed under Note 24.
- (d) During the year ended December 31, 2025, there were 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 (2024: nil). There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: two) are supervisors and directors whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	3,079	3,775
Discretionary bonuses	1,415	732
Retirement scheme contributions	41	39
Equity-settled share-based payment	12,308	14,764
	16,843	19,310

The emoluments of the remaining 3 (2024: 3) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HKD5,500,001 – HKD6,000,000	1	–
HKD6,000,001 – HKD6,500,000	2	–
HKD6,500,001 – HKD7,000,000	–	2
HKD7,500,001 – HKD8,000,000	–	1

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

9 LOSS PER SHARE

(A) BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue.

	2025	2024
Loss attributable to equity shareholders of the Company (in RMB'000)	(88,607)	(218,509)
Weighted average number of ordinary shares (in '000)	360,000	360,000
Basic loss per share (in RMB)	(0.25)	(0.61)

(B) DILUTED LOSS PER SHARE

The Group did not have any outstanding dilutive potential ordinary shares for the years ended December 31, 2025 and 2024.

Accordingly, diluted loss per share for the years ended December 31, 2025 and 2024 are the same as basic loss per share.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT

(A) RECONCILIATION OF CARRYING AMOUNT

	Right-of-use assets RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Furniture equipment RMB'000	Total RMB'000
Cost:							
At January 1, 2024	64,391	15,016	-	37,393	9,268	395	126,463
Additions	3,743	7,434	-	24,551	703	159	36,590
Disposals	(6,165)	(82)	-	(3)	(71)	(26)	(6,347)
Modifications	(1,788)	-	-	-	-	-	(1,788)
At December 31, 2024	60,181	22,368	-	61,941	9,900	528	154,918
At January 1, 2025	60,181	22,368	-	61,941	9,900	528	154,918
Additions	-	116	151	2,216	237	20	2,740
Disposals	(20,200)	-	-	-	(79)	(6)	(20,285)
Transfer to inventory	-	-	-	(16,086)	-	-	(16,086)
Modifications	(986)	-	-	-	-	-	(986)
At December 31, 2025	38,995	22,484	151	48,071	10,058	542	120,301

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (continued)

(A) RECONCILIATION OF CARRYING AMOUNT (continued)

	Right-of-use assets RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Furniture equipment RMB'000	Total RMB'000
Accumulated depreciation:							
At January 1, 2024	21,223	6,029	-	5,837	4,521	161	37,771
Charge for the year	7,782	4,665	-	10,955	2,471	125	25,998
Written back on disposals	(2,477)	(26)	-	(3)	(64)	(18)	(2,588)
At December 31, 2024	26,528	10,668	-	16,789	6,928	268	61,181
At January 1, 2025	26,528	10,668	-	16,789	6,928	268	61,181
Charge for the year	6,387	4,767	-	11,621	1,659	125	24,559
Written back on disposals	(1,633)	-	-	-	(74)	(5)	(1,712)
Transfer to inventory	-	-	-	(5,777)	-	-	(5,777)
At December 31, 2025	31,282	15,435	-	22,633	8,513	388	78,251

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (continued)

(A) RECONCILIATION OF CARRYING AMOUNT (continued)

	Right-of-use assets RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Furniture equipment RMB'000	Total RMB'000
Impairment:							
At January 1, 2024	-	-	-	-	-	-	-
Impairment loss recognized in profit or loss	1,434	-	-	-	-	-	1,434
At December 31, 2024	1,434	-	-	-	-	-	1,434
At January 1, 2025	1,434	-	-	-	-	-	1,434
Written back on disposals	(1,434)	-	-	-	-	-	(1,434)
At December 31, 2025	-	-	-	-	-	-	-
Net book value:							
At December 31, 2025	7,713	7,049	151	25,438	1,545	154	42,050
At December 31, 2024	32,219	11,700	-	45,152	2,972	260	92,303

Impairment loss

Pursuant to changes in the Group's business plans, the Company submitted an application on November 25, 2024 for the return of the land use right acquired in 2023. During the year ended December 31, 2024, the Group assessed the recoverable amounts of the land use right and as a result the carrying amount of the land use right was written down to the recoverable amount of RMB17,756,000. An impairment loss of RMB1,434,000 was recognized in "Other net gain" in 2024. The Company signed an agreement with the government on December 9, 2025 to return the land use right for a consideration of RMB17,756,000.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (continued)

(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:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Properties leased for own use, carried at depreciated cost	7,713	32,219

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	6,387	7,782
Interest on lease liabilities (Note 5(a))	541	863
Expense relating to short-term leases	353	380

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 17(d) and 20, respectively.

The Group leases office premises and manufacturing facilities under leases expiring in no more than six years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

In 2024, the Group terminated certain leases for the use of manufacturing facilities and office building. The Group derecognized the right-of-use assets with a net book value of RMB3,688,000 and the corresponding lease liabilities of RMB3,695,000, and also wrote off the leasehold improvements with a net book value of RMB56,000 in relation to these terminated leases. Accordingly, losses arising from the termination of leases (including the termination fee to the lessors) totaling RMB671,000 were recognized in the consolidated statement of profit or loss in 2024.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

11 INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries at December 31, 2025 are as follows:

Company name	Place of incorporation and operation/ date of establishment	Registered/ issued and paid-in capital	Proportion of ownership interest				Principal activities
			Group's effective interest		Held by the company		
			2025	2024	2025	2024	
Shenzhen Jingfeng Kechuang Co., Ltd. (深圳市精鋒科創有限責任公司) (Note (a))	The PRC 14/10/2020	RMB500,000/ RMB0	100%	100%	100%	100%	Development and sales of software and information technology for medical devices and smart devices
Shenzhen Jingfeng Zhizao Co., Ltd. (深圳市精鋒智造有限公司) (Note (a))	The PRC 26/01/2021	RMB100,000/ RMB100,000	100%	100%	100%	100%	Development, manufacturing and sales of software and hardware systems for medical devices and smart devices
Shanghai Jingfeng Medical Technology Co., Ltd. (上海精鋒醫療科技有限公司) (Note (a))	The PRC 11/01/2022	RMB1,000,000/ RMB300,000	100%	100%	100%	100%	Commercialization of medical devices
Edge Medical (Hong Kong) Limited (精鋒醫療(香港)有限公司)	Hong Kong 28/12/2023	HKD10,000	100%	100%	100%	100%	Sales of medical robots
Beijing Jingfeng Medical Equipment Technology Co., Ltd. (北京精鋒醫療裝備有限公司) (Note (a))	The PRC 02/12/2024	RMB1,000,000/ RMB1,000,000	100%	100%	100%	100%	Development and sales of medical devices

(a) The official names of these entities are in Chinese. The English translation of the names is for identification only.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

12 OTHER NON-CURRENT ASSETS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Lease deposits	4,413	2,310

13 INVENTORIES

(A) INVENTORIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPRISE:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Raw materials	74,522	44,583
Inventory in transit	8,076	–
Work in progress	23,938	10,009
Finished goods	29,574	19,116
	136,110	73,708

(B) THE ANALYSIS OF THE AMOUNT OF INVENTORIES RECOGNIZED AS AN EXPENSE AND INCLUDED IN PROFIT OR LOSS IS AS FOLLOWS:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	126,046	47,114
Write-down of inventories	2,806	1,542
Cost of inventories directly recognized as research and development expenses and selling and marketing expenses	57,085	73,979
	185,937	122,635

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

14 TRADE AND OTHER RECEIVABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Trade receivables	196,858	44,327
Less: expected credit losses	(8,554)	(1,194)
	188,304	43,133
Other receivables	29,149	4,972
	217,453	48,105
Representing		
Current portion	213,454	48,105
Non-current portion	3,999	–

All of the current portion of trade and other receivables are expected to be recovered or recognized as expense within one year.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

14 TRADE AND OTHER RECEIVABLES (continued)

AGEING ANALYSIS

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

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within 3 months	153,051	38,992
3 to 12 months	32,987	3,370
Over 1 year	2,266	771
	188,304	43,133

15 PREPAYMENTS AND OTHER CURRENT ASSETS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Current		
Prepayments	26,405	11,896
Other current assets		
– listing expenses to be capitalized	3,586	–
– value-added tax recoverable	18,832	15,395
– term deposit	109,033	107,201
	131,451	122,596
	157,856	134,492
Non-current		
Prepayments	707	176

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

16 FINANCIAL ASSETS MEASURED AT FVPL

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Wealth management products		
Net value-based wealth management products (Note 26(e))	727,814	293,877
Certificates of deposits (Note 26(e))	-	582,624
	727,814	876,501

The net value-based wealth management products are issued by banks in Chinese mainland with a floating return which will be paid together with the principal on the maturity date within 1 year. Certificates of deposits are issued by banks in Chinese mainland with initial maturity of 3 years and bear fixed interest rate. These certificates of deposits are measured at fair value through profit or loss as the Group manage these deposits with the objective to sell.

17 CASH AND CASH EQUIVALENTS

(A) CASH AND CASH EQUIVALENTS COMPRISE:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	86,041	119,811

As at December 31, 2025, cash and cash equivalents situated in Chinese mainland amounted to RMB80,236,000 (2024: RMB115,627,000). Remittance of funds out of Chinese mainland is subject to relevant rules and regulations of foreign exchange control.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS (continued)

(B) RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Loss before taxation		(88,607)	(218,509)
Adjustments for:			
Depreciation	5(c)	24,559	25,998
Amortization of intangible assets	5(c)	1,071	2,281
Change in fair value of financial assets measured at FVPL		(13,359)	(21,214)
Impairment loss on trade receivables, other receivables and contract assets		7,435	1,031
Impairment loss on prepayments	4	–	1,000
Impairment loss on property, plant and equipment	4	–	1,434
Write-down on inventories	13	2,806	1,542
Finance costs	5(a)	541	863
Interest income	4	(5,433)	(5,222)
Share of loss of an associate		91	–
Investment income	4	(8,463)	(9,803)
Loss on disposal of property, plant and equipment		4	8
Equity-settled share-based payment expenses	24	28,144	40,031
Net foreign exchange loss/(gain)		600	(231)
Changes in working capital:			
(Increase)/decrease in inventories		(65,208)	1,913
Increase in prepayments, trade and other receivables		(165,168)	(26,156)
Increase in contract assets		(989)	(11,534)
Increase in other current assets		(3,438)	(309)
Increase/(decrease) in deferred income		8,832	(19,959)
Increase in trade and other payables		66,050	3,423
Increase in contract liabilities		6,415	3,722
Increase in provisions		9,825	5,051
Net cash used in operating activities		(194,292)	(224,640)

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS (continued)

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000 (Note 20)
At January 1, 2024	26,729
Changes from financing cash flows:	
Payment of capital element of lease liabilities	(6,967)
Payment of interest element of lease liabilities	(863)
Total change from financing cash flows	(7,830)
Other changes:	
Interest expenses (Note 5(a))	863
Increase in lease liabilities from entering into new leases during the year	3,743
Effect of termination of leases	(3,695)
Lease modifications	(1,781)
Total other changes	(870)
At December 31, 2024	18,029

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS (continued)

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Lease liabilities RMB'000 (Note 20)	Listing expense payable (included in trade and other payables) RMB'000 (Note 18)	Total RMB'000
At January 1, 2025	18,029	-	18,029
Changes from financing cash flows:			
Payment of capital element of lease liabilities	(7,152)	-	(7,152)
Payment of interest element of lease liabilities	(541)	-	(541)
Listing expenses paid	-	(927)	(927)
Total change from financing cash flows	(7,693)	(927)	(8,620)
Other changes:			
Interest expenses (Note 5(a))	541	-	541
Lease modifications	(986)	-	(986)
Addition	-	3,586	3,586
Total other changes	(445)	3,586	3,141
At December 31, 2025	9,891	2,659	12,550

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS (continued)

(D) TOTAL CASH OUTFLOW FOR LEASES

	2025 RMB'000	2024 RMB'000
Within operating cash flows	353	380
Within financing cash flows	7,693	7,830
	8,046	8,210

These amounts relate to the following:

	2025 RMB'000	2024 RMB'000
Lease rentals paid	8,046	8,210

18 TRADE AND OTHER PAYABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Trade payables	22,799	8,301
Accrued payroll	37,040	32,825
Other payables and accrued charges	75,635	25,026
	135,474	66,152

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

18 TRADE AND OTHER PAYABLES (continued)

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within 3 months	21,630	7,709
3 to 12 months	1,007	371
Over 1 year	162	221
	22,799	8,301

19 CONTRACT ASSETS AND CONTRACT LIABILITIES

(A) CONTRACT ASSETS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Contract assets	13,223	12,234
Less: expected credit losses	(147)	(72)
	13,076	12,162

Contract assets primarily arise from the sales of medical devices but for which the related payments are not yet due.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

19 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(B) CONTRACT LIABILITIES

	As at December 31	
	2025 RMB'000	2024 RMB'000
Current		
Advanced receipts from customers	5,270	5,388
Extended warranty	2,459	429
	7,729	5,817
Non-current		
Extended warranty	7,813	3,310
	15,542	9,127

The amounts of contract liabilities expected to be recognized as income after more than one year are RMB7,813,000 (2024: RMB3,310,000) as at December 31, 2025. All of the other contract liabilities are expected to be recognized as income within one year.

Movements in contract liabilities

	As at December 31	
	2025 RMB'000	2024 RMB'000
Balance at January 1	9,127	5,405
Increase in contract liabilities as a result of receiving advance payments during the year	206,555	100,858
Decrease in contract liabilities that were recognized as revenue	(200,140)	(97,136)
Balance at December 31	15,542	9,127

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

20 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	As at December 31, 2025		As at December 31, 2024	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	4,249	4,539	7,698	8,283
After 1 year but within 2 years	2,765	2,940	4,689	4,982
After 2 years but within 5 years	2,877	2,940	5,642	5,880
	5,642	5,880	10,331	10,862
	9,891	10,419	18,029	19,145
Less: total future interest expenses		528		1,116
Present value of lease liabilities		9,891		18,029

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

21 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(A) TAXATION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION REPRESENTS:

	2025 RMB'000	2024 RMB'000
Provision for the year	-	-

(B) DEFERRED TAX ASSETS NOT RECOGNIZED:

In accordance with the accounting policy set out in Note 1(q), the Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB1,568,221,000 (2024: RMB1,349,420,000) and other temporary differences of RMB121,000 (2024: RMB5,194,000) at December 31, 2025, due to the unpredictability of future taxable profits in the relevant tax jurisdictions and entities.

The tax losses incurred by PRC subsidiaries of RMB1,560,758,000 will expire in the period from 2027 to 2035.

22 PROVISIONS

	RMB'000
At January 1, 2024	2,116
Additional provisions made	7,168
Provisions utilized	(2,116)
At December 31, 2024 and January 1, 2025	7,168
Additional provisions made	16,993
Provisions utilized	(7,168)
At December 31, 2025	16,993

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

23 DEFERRED INCOME

	Note	Government subsidies for research and development projects RMB'000
At January 1, 2024		20,257
Additions		2,040
Government grant recognized as other net gain	4	(21,999)
At December 31, 2024		298
Additions		9,920
Government grant recognized as other net gain	4	(1,088)
At December 31, 2025		9,130

24 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The table below sets forth share-based payments expenses for the year ended December 31, 2025:

	2025 RMB'000	2024 RMB'000
Research and development expenses	21,362	28,005
Administrative expenses	4,114	8,635
Selling and marketing expenses	2,668	3,391
	28,144	40,031

In January 2022, January 2023 and March 2024, the Board of Directors of the Company approved the establishment of share incentive plans to grant restricted shares to the Group's employees (collectively "Restricted Share Plan").

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

24 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(A) THE TERMS AND CONDITIONS OF THE GRANTS ARE AS FOLLOWS:

	Number of restricted shares	Vesting Conditions
Restricted shares granted:		
– in January 2022		
– replacement of Stock Option Plan	1,338,097	Service period and non-market performance conditions (Note (i))
– new grant	5,015,791	Service period and non-market performance conditions (Note (ii))
– in January 2023	199,716	12 months, 24 months and 36 months from the date of grant, subject to non-market performance conditions and the Company's completion of the initial public offering
– in March 2024	2,086,433	12 months and 24 months from the date of completion of share registration, subject to non-market performance conditions and the Company's completion of the initial public offering
Total restricted shares granted:	8,640,037	

Notes:

- (i) The Restricted Share Plan replaced the original 2019 Share Option Plan. Modification of terms or conditions when converted to restricted shares as at January 4, 2022 mainly consist of an extension of the vesting period which considered to be non-beneficial to the employee. In addition, the change in the nature of the share-based payment award does not result in any incremental fair value. Accordingly, the share-based payment expenses continue to be recognized based on the original grant-date fair value over the original vesting period.

The restricted shares are vested over a four-year period, with 25% of total restricted shares vesting on the first trading day after the first, second, third and fourth anniversary date from the date of the registration of grant.

- (ii) The Company granted 5,015,791 restricted shares to 4 new eligible employees of the Company. The restricted shares are vested from the grant date over one year to six years on the condition that employees remain in service with performance requirements.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

24 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(B) THE NUMBER OF RESTRICTED SHARES ARE AS FOLLOWS:

	Number of restricted shares	Weighted average grant date fair value per restricted share (RMB)
As at January 1, 2024	4,356,728	
Granted during the year	2,086,433	23.80
Unlocked during the year	(781,823)	
Outstanding as at December 31, 2024	5,661,338	
Unlocked during the year	(974,691)	
Forfeited during the year	(347,783)	
Outstanding as at December 31, 2025	4,338,864	

(C) FAIR VALUE OF RESTRICTED SHARES

The fair value of services received in return for restricted shares granted is measured by reference to the fair value of restricted shares granted. The estimate of the fair value of the restricted shares granted in 2024 is measured based on the transfer price of the Company's shares between independent third-party investors around the grant date.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

25 CAPITAL AND RESERVES

(A) MOVEMENTS IN COMPONENTS OF EQUITY

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
Note	RMB'000 (Note 25(b))	RMB'000 (Note 25(c))	RMB'000 (Note 25(c))	RMB'000	RMB'000
Balance at January 1, 2024	360,000	1,556,310	24,651	(488,652)	1,452,309
Changes in equity for the year ended December 31, 2024:					
Loss and total comprehensive income for the year	-	-	-	(206,059)	(206,059)
Equity-settled share-based transactions	24	-	40,031	-	40,031
Balance at December 31, 2024	360,000	1,556,310	64,682	(694,711)	1,286,281

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

25 CAPITAL AND RESERVES (continued)

(A) MOVEMENTS IN COMPONENTS OF EQUITY (continued)

	Note	Attributable to equity shareholders				Total equity RMB'000
		Share capital RMB'000 (Note 25(b))	Share premium RMB'000 (Note 25(c))	Other reserve RMB'000 (Note 25(c))	Accumulated losses RMB'000	
Balance at January 1, 2025		360,000	1,556,310	64,682	(694,711)	1,286,281
Changes in equity for the year ended December 31, 2025:						
Loss and total comprehensive income for the year		-	-	-	(70,005)	(70,005)
Equity-settled share-based transactions	24	-	-	28,144	-	28,144
Balance at December 31, 2025		360,000	1,556,310	92,826	(764,716)	1,244,420

(B) SHARE CAPITAL

	Number of ordinary shares	Amount RMB'000
Balance at January 1, 2024, December 31, 2024, January 1, 2025 and December 31, 2025	360,000,000	360,000

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

25 CAPITAL AND RESERVES (continued)

(C) NATURE AND PURPOSE OF RESERVES

(i) Share premium

The share premium primarily comprises the following:

- (i) the Company converted into a joint stock company and the excess of net assets converted over nominal value of the ordinary shares was credited to the Company's share premium.
- (ii) the net proceeds received in excess of the total amount of the par value of ordinary shares issued after the Company converted into a joint stock company.

(ii) Other reserve

Other reserve mainly represents:

- (i) the investors are granted a right to put back to the Company the paid-in capital held. Therefore, the Company identified the financial instruments with preferred rights as liabilities and reclassified from other reserve to current liabilities. Upon the termination of the redemption right on November 8, 2021, corresponding liabilities were reclassified from current liabilities to other reserve.
- (ii) grant date fair value of equity-settled share-based payment awards granted to directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 1(p)(ii).
- (iii) the amount of other reserve as of the conversion base date that was transferred to share capital and share premium when the Company was converted into a joint stock company.

(D) DIVIDENDS

No dividends were paid or declared by the Company or any of its subsidiaries during the year ended December 31, 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

25 CAPITAL AND RESERVES (continued)

(E) CAPITAL MANAGEMENT

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(A) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents and term deposits is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers having low credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 60.2% (2024: 100.0%) of the total trade receivables and contract assets during the year ended December 31, 2025.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(A) CREDIT RISK (continued)

Trade receivables and contract assets (continued)

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of December 31, 2025, 32.1% (2024: 17.4%) of the total trade receivables and contract assets was due from the Group's largest customer, and 45.9% (2024: 61.5%) of the total trade receivables and contract assets, were due from the Group's five largest customers.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	2025 RMB'000	2024 RMB'000
Expected credit loss rate	4.14%	2.24%
Gross carrying amount of trade receivables and contract assets	210,081	56,561
Less: Loss allowance	(8,701)	(1,266)
Net carrying amount of trade receivables and contract assets	201,380	55,295

Expected credit loss rates are calculated based on probability of default, loss rate given default, and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual ageing, project ageing and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration.

Movement in the loss allowance account in respect of trade receivables and contract assets during the years is as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,266	545
Impairment losses recognised	7,991	1,227
Impairment losses reversed	(556)	(506)
At the end of the year	8,701	1,266

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(B) LIQUIDITY RISK

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer terms.

The following tables show the remaining contractual maturities at the end of each 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 each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and other payables (Note 18)	66,152	-	-	66,152	66,152
Lease liabilities (Note 20)	8,283	4,982	5,880	19,145	18,029
	74,435	4,982	5,880	85,297	84,181

	As at December 31, 2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and other payables (Note 18)	135,474	-	-	135,474	135,474
Lease liabilities (Note 20)	4,539	2,940	2,940	10,419	9,891
	140,013	2,940	2,940	145,893	145,365

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(C) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from cash at bank. The Group's interest-bearing financial instrument at variable rates as at December 31, 2025 and 2024 are primarily the cash at bank except for term deposits. The Group does not enter into financial derivatives to hedge interest rate risk. The Group's exposure to interest rate risk is not significant.

The Group's interest rate profile as monitored by management is set out below.

	As at December 31, 2025		As at December 31, 2024	
	Effective interest rate	Amount RMB'000	Effective interest rate	Amount RMB'000
Net fixed rate instrument:				
Term deposit	3.50%	109,033	3.50%	107,201
Lease liabilities	3.85% – 4.20%	(9,891)	3.85% – 4.20%	(18,029)
		99,142		89,172
Net variable rate instrument:				
Cash at bank	0.05% – 4.49%	86,041	0.05% – 4.49%	119,794

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(D) CURRENCY RISK

The Group is exposed to currency risk primarily from cash and cash equivalents, trade receivables and other payables that are denominated in a currency other than the functional currency of the entity to which they relate. The currency giving rise to this risk is United States dollars.

(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 recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the reporting period 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 currency (expressed in RMB)	
	As at December 31, 2025 USD RMB'000	As at December 31, 2024 USD RMB'000
Cash and cash equivalents	2,802	15,825
Inter-company receivables	175,478	–
Other payables	(3,751)	(13,617)
Net exposure arising from recognized assets	174,529	2,208

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(D) CURRENCY RISK (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rate to which the Group has significant exposure at the end of each of the reporting period had changed at that date, assuming all other risk variables remained constant.

	Year ended December 31, 2025		Year ended December 31, 2024	
	Increase/ (decrease) in foreign exchange rate	Decrease/ (Increase) in loss after tax and accumulated losses RMB'000	Increase/ (decrease) in foreign exchange rate	Decrease/ (Increase) in loss after tax and accumulated losses RMB'000
United States Dollars (against RMB)	3%	5,236	3%	66
	(3%)	(5,236)	(3%)	(66)

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, and then translated into RMB at the exchange rate ruling at the end of each of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the year ended December 31, 2025.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(E) FAIR VALUE MEASUREMENT

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 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

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of each of the reporting period in which they occur.

	Fair value at December 31, 2024 RMB'000	Fair value measurements as at December 31, 2024 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets measured at FVPL				
- Net value-based wealth management products (Note 16)	293,877	-	293,877	-
- Certificates of deposits (Note 16)	582,624	-	582,624	-

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(E) FAIR VALUE MEASUREMENT (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value measurements as at December 31, 2025 categorized into			
	Fair value at December 31, 2025 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
- Net value-based wealth management products (Note 16)	727,814	-	727,814	-

Valuation techniques and inputs used in Level 2 fair value measurement:

The fair value of net value-based wealth management products is determined based on the net asset value published on the counterparty banks' or financial institutions' websites, which is the amount that the Group would receive to redeem at the end of each reporting period.

The fair value of certificates of deposits is determined by using a discounted cash flow valuation model based on the market interest rate provided by counterparty banks which represent that the Group would receive to redeem at the end of each reporting period.

(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 amortized cost were not materially different from their fair values as at December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

27 COMMITMENTS

Commitments outstanding at December 31, 2025 not provided for in the financial statements were as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Contracted for – acquisition of property, plant and equipment	152	317

28 MATERIAL RELATED PARTY TRANSACTIONS

(A) KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 7 and certain of the highest paid employees as disclosed in Note 8, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	9,815	11,213
Post-employment benefits	304	323
Equity-settled share-based payment expenses	13,472	21,681
	23,591	33,217

Total remuneration is included in “staff costs” (see Note 5(b)).

(B) NAME AND RELATIONSHIP WITH RELATED PARTIES

During the years ended December 31, 2025 and 2024, the directors are of the view that the following are related parties of the Group:

Name of related parties	Relationship with the Group
Dr. Wang Jianchen and Dr. Gao Yuanqian	Founders and Directors of the Company

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

29 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		As at December 31,	
	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		39,483	85,116
Intangible assets		89	1,162
Trade receivables		1,271	–
Investments in subsidiaries	11	10,550	10,550
Prepayments		707	174
Other non-current assets		3,662	1,698
		55,762	98,700
Current assets			
Inventories		136,271	73,869
Contract assets		10,442	12,162
Trade and other receivables		366,776	73,422
Prepayments		25,416	11,896
Other current assets		21,540	121,641
Financial assets measured at FVPL		727,814	876,501
Cash and cash equivalents		78,603	113,128
		1,366,862	1,282,619
Current liabilities			
Trade and other payables		133,333	63,374
Contract liabilities		3,494	5,817
Lease liabilities		3,454	5,634
Provisions		16,622	7,168
		156,903	81,993

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

29 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

		As at December 31,	
		2025	2024
		RMB'000	RMB'000
	Note		
Net current assets		1,209,959	1,200,626
Total assets less current liabilities		1,265,721	1,299,326
Non-current liabilities			
Contract liabilities		6,529	3,310
Lease liabilities		5,642	9,437
Deferred income		9,130	298
		21,301	13,045
NET ASSETS		1,244,420	1,286,281
CAPITAL AND RESERVES			
Share capital	25	360,000	360,000
Reserves	25	884,420	926,281
TOTAL EQUITY		1,244,420	1,286,281

30 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On January 8, 2026, the Company successfully completed its Global Offering of 27,722,200 H shares at an offer price of HK\$43.24 per H share on the Main Board of The Stock Exchange of Hong Kong Limited, and the gross proceeds are HK\$1,198,708,000.

On February 9, 2026, the underwriters of the Global Offering fully exercised the Over-Allotment Option, and an aggregate of 4,158,300 H shares at an offer price of HK\$43.24 per H share were newly allotted and issued by the Company, and the gross proceeds are HK\$179,805,000.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At December 31, 2025, the Directors consider the immediate and ultimate controlling parties of the Group to be Dr. Wang Jianchen and Dr. Gao Yuanqian.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended December 31, 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 IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Contracts referencing nature-dependent electricity</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated Financial Information.

Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025 (continued)

IFRS 18, PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 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 IFRS 18 and based on the initial assessment result it concluded that adoption of IFRS 18 would not significantly affect the financial position and performance of the Group.

Definitions

In this report, the following expressions have the meanings set out below unless the context requires otherwise:

“2025 ESG Report”	the environmental, social and governance report of the Company for the year ended December 31, 2025
“AGM”	annual general meeting of the Company
“Articles of Association” or “Articles”	the articles of association of our Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CE Marking”	a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Class III Grade A hospitals”	top-tier hospitals in China. Hospitals in China can be categorized into Class I, II and III in terms of service quality, management level, medical equipment, hospital size and medical technology. Each class can be further divided into Grade A, Grade B and Grade C
“Class III medical device”	the medical devices that are considered high-risk and whose safety and effectiveness must be strictly regulated in accordance with the classification rules promulgated by the NMPA
“Company”	Shenzhen Edge Medical Co., Ltd. (深圳市精鋒醫療科技股份有限公司), a company incorporated in the People’s Republic of China, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 2675)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Wang, Dr. Gao and Xieli Chuangfeng.

Definitions

“Core Product(s)”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this report, our Core Products refer to, Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot
“Director(s)”	the director(s) of our Company
“Employee Incentive Scheme”	the employee incentive plan of our Company approved and adopted by our Board on January 20, 2019, and amended on January 4, 2022, the principal terms of which are set out in the section headed “Statutory and General Information – Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders – 5. Employee Incentive Scheme” in Appendix VI of the Prospectus
“ESG”	environmental, social and governance
“EU”	European Union
“FDA”	the U.S. Food and Drug Administration
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party of the Company
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”, “our Group”, “Edge Medical”, “we”, “us”, or “our Company”	the Company and its subsidiaries from time to time
“HKD”, “HK\$” or “HK dollar”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“H Share(s)”	overseas listed share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are subscribed for and traded in HK dollars and listed on the Stock Exchange
“Latest Practicable Date”	April 20, 2026, being the latest practicable date prior to the publication of this report for ascertaining certain information contained herein
“Listing”	the listing of H Shares on the Main Board on the Listing Date
“Listing Date”	January 8, 2026, being the date on which the H Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“MIS” or “minimally invasive surgery”	the surgical procedure performed through tiny incisions instead of a large opening
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MP1000”	the first model of Edge Multi-Port Endoscopic Surgical Robot
“NMPA”	National Medical Products Administration of the PRC
“Nomination Committee”	the nomination committee of the Board
“PRC”, “People’s Republic of China” or “China”	the People’s Republic of China, excluding, for the purposes of this report, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus issued by the Company on December 30, 2025 in connection with the Hong Kong public offering of the H Shares
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board

Definitions

“Reporting Period”	year from January 1, 2025 to December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each
“Shareholder(s)”	holder(s) of Share(s)
“SP1000”	the first model of Edge Single-Port Endoscopic Surgical Robot
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee of the Company
“Unlisted Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each which are unlisted on any stock exchange
“USD”, “US\$” or “U.S. dollar”	United States dollar(s), the lawful currency of the United States
“Xieli Chuangfeng”	Xieli Chuangfeng (Shenzhen) Technology Partnership (Limited Partnership) (協力創峰(深圳)科技合夥企業(有限合夥)) (previously known as Xieli Chuangfeng (Hainan) Technology Partnership (Limited Partnership) (協力創峰(海南)科技合夥企業(有限合夥))), a limited partnership established in the PRC on July 23, 2018 of which Dr. Wang is the sole general partner, and is our Controlling Shareholder
“%”	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.