Zylox-Tonbridge Medical Technology Co., Ltd.
歸創通橋醫療科技股份有限公司

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

(Stock Code: 2190)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024, together with the audited comparative figures for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

	Year ended December 31, 2024 ***RMB'000*** **(Audited)**	Year ended December 31, 2023 *RMB'000* (Audited)	Year to year change
Revenue	**782,476**	527,754	48.3%
Gross profit	**559,895**	384,988	45.4%
Gross profit margin	**71.6%**	72.9%	-1.9%
Profit/(Loss) for the year	**100,256**	(78,734)	227.3%
Add:			
Share-based compensation	**23,737**	85,767	-72.3%
Non-IFRS adjusted net profit/(loss) for the year[(1)]	**123,993**	7,033	1,663.0%

(1) The Company presents adjusted net profit/(loss) for the year by taking out share-based compensation expenses from profit/(loss) for the year. Such adjusted net profit/(loss) for the year is not a measure under IFRS. Please refer to section headed "Non-IFRS Measures" in this announcement for more details.

BUSINESS HIGHLIGHTS

In 2024, we continued our dedication to enhancing the accessibility of medical care, innovating for quality life, and steadily advancing our core capabilities in product research and development, production and commercialization.

During the Reporting Period, we achieved a revenue of RMB782.5 million, representing an increase of 48.3% as compared to RMB527.8 million in 2023. 67.7% of our interventional products revenue was derived from the neurovascular interventional products business and 32.3% was derived from the peripheral vascular interventional products business. The significant growth of our revenue was primarily attributable to the high sales growth of both neurovascular and peripheral vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2024 increased by 38.4% as compared to 2023, primarily because of (i) the continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, Tonbridge Kylin Flow Diverter, Thrombite Clot Retriever Device (Thrombite CRD) and Beidou SS Neurovascular Guidewire; and (ii) our continuous effort to increase product penetration in different level of hospitals.

The revenue from sales of peripheral vascular interventional products in 2024 increased by 74.5% as compared to 2023 because of (i) the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZYLOX Octoplus Retrievable Inferior Vena Cava Filter, Snare Retrieval Kit for IVC Filter and ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter by our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous commercial launch of our peripheral disease treatment product portfolio, including ZYLOX Phoenix Peripheral Detachable Fibrous Coil Embolization System and ZYLOX Penguin Peripheral Venous Stent System which were approved around the beginning of 2024.

In line with our strategic objectives, we concentrated on enhancing operational efficiency while driving organic revenue growth. In 2024, we were able to generate a non-IFRS adjusted net profit of RMB124.0 million, representing the profit for the year adjusted by taking out share-based compensation expenses, and a net profit attributable to the equity holders of the Company of RMB100.3 million.

1. Continue strong sale growth by leveraging a comprehensive and high-quality product portfolio and acting strategically in the centralized procurement in the domestic market.

In 2024, we continued to experience rapid growth despite numerous industry challenges. We achieved a growth rate of 48.3% during the year of 2024, primarily driven by our product portfolio and the consistently high quality of our products recognized by clinicians. Currently, we have 47 products available on the Chinese market, solidifying our leadership in neurovascular and peripheral vascular interventional medical device industry. In about four years since the launch of one of our major products in late 2020, we have established an extensive distribution network covering over 3,000 hospitals, with more than 800,000 medical devices being used clinically. Through our professional sales and marketing teams, we have established extensive and strong trust with physicians, continuously enhancing our clinical recognition, which efficiently translates our robust R&D capabilities into commercialization success.

China's healthcare reforms have spurred the rapid rise of government-backed centralized procurement for medical devices. At this critical juncture, we are continuously strengthening our market competitiveness by leveraging our robust product portfolio and high-quality products. Our DCB was selected with good competitive advantages in the Sanming Procurement Alliance led by Hebei in June 2023, and sales volume increased by an average of approximately 3.5 times in most provinces upon implementation. In the "3+N" provincial alliance centralized procurement led by Hebei in May 2024, our SilverSnake Intracranial Support Catheter fully demonstrated its advantages in the A group (manufacturers with relatively high market shares) for its respective category, winning the bid with the highest ranking, far exceeding the prices of similar products in the B group. With a few months in execution of such procurement, the sales volume of SilverSnake Intracranial Support Catheter has increased by average of approximately 2.5 times in most of provinces.

In the centralized procurement processes for our related products conducted in 2024 and early 2025, we achieved significant success through company-wide efforts. At the national-level venous stent procurement initiated at the end of 2024, we were the only domestic manufacturer to win the first rule of iliac vein indication, securing a substantial advantage in hospital access and future volume growth. In early 2025, during the vascular intervention product procurement led by Hebei Province, our products — including the Kylin Flow Diverter, White Horse Intracranial PTA Balloon Catheter (Rx) and three peripheral balloon products — won bids, each securing a leading position in their respective categories, paving the way for significant volume increases. With our robust product pipeline and strong market sales capabilities, we are highly confident in further strengthening our competitive edge in ongoing procurement initiatives.

2. Prepare international market for long term growth.

In 2024, we achieved another great success for international business with a revenue of RMB22.6 million, representing 58.2% growth over the same period in 2023 primarily from Europe and Asian regions.

We are currently marketing total 20 products in 24 overseas countries/regions, including Germany, France, Italy, Turkey and South Africa, etc., and currently in the process to obtain more product approvals in those regions. In addition, we are bringing more products, such as ZYLOX Penguin Peripheral Venous Stent System and Intravascular Lithotripsy (IVL) System to international markets. Alongside traditional sales and marketing efforts, we prioritized enhancing our quality recognition by conducting post-marketing clinical follow-up trials for CE-marked products in Europe. This initiative is crucial for demonstrating the clinical value of our products overseas, further obtaining EU MDR certification, and consistently serving international patients.

In 2024, we actively participated in leading international academic conferences, including World Live Neurovascular Conference 2024 (WLNC 2024), The Leipzig Interventional Course 2024 (LINC 2024) and Cardiovascular and Interventional Radiological Society of Europe Annual Congress (CIRSE 2024). Through these events, we showcased our high-quality products and strengthened our brand recognition on a global stage.

To reinforce our long-term commitment to international business, we have allocated dedicated resources across key functions — research and development, regulatory affairs, and manufacturing — to support global expansion. We have also established a logistics facility in Europe to ensure swift delivery to hospitals throughout the region. Meanwhile, we are engaging with various European partners to accelerate our growth through a broader collaboration strategy.

3. Continue to innovate and launch clinically required products to propel our one solution strategy.

Leveraging our strong R&D expertise and integrated technology platforms, we have efficiently advanced our product development. Since the beginning of 2021, we have launched a total of 40 medical device products in the Chinese market, averaging five new products every six months. In 2024, we introduced several important products, including:

— Tonbridge Kylin Flow Diverter: Enhancing our product range for hemorrhagic stroke.

— ZYLOX Penguin Peripheral Venous Stent System: Further solidifying our leadership in venous vascular intervention products, complementing our existing offerings such as ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter and ZYLOX Octoplus Retrievable Inferior Vena Cava Filter, thus providing a comprehensive product portfolio.

— ZYLOX Unicorn Suture-mediated Closure System: The first and only domestically manufactured product approved for suturing the femoral artery access site after diagnostic/therapeutic interventional procedures, accommodating bore sizes from 5F to 26F.

Additionally, we have been upgrading our existing product lines to meet the diverse needs of physicians. We have launched second-generation versions of several products, including Clot Retriever Device II (Second Generation Clot Retriever Device), Mechanical Detachable Coil ll (Second Generation Intracranial Coils), UberVana Drug-coated PTA Balloon Catheter (Second Generation DCB), Second Generation PTA Balloon Catheter, and Second Generation High Pressure PTA Balloon Catheter.

We believe that the continuous enhancement of our products aligns well with our strategy to offer more comprehensive treatment options for physicians and patients. This approach also enables us to optimize our product offerings and manage costs effectively, maintaining a stable gross profit margin in the ever-evolving market environment.

4. Continue to focus on operating efficiency and profitability.

In 2024, we recorded a net profit of RMB100.3 million despite our continuous investment into research and development and talents.

As we continue to refine our comprehensive product portfolio strategy, the advantages of our product portfolio are becoming increasingly robust. Despite the ongoing centralized procurement processes, our gross profit margin has remained relatively stable, holding at 71.6% in 2024. This stability is attributable to continuous optimization of our production and supply chain, including increased automation, improved yield rates, and enhanced capacity utilization.

Our selling and distribution expenses as a percentage of total revenue has decreased as our team and sales network have strengthened, dropping from 31.0% in 2023 to 22.3% in 2024.

Our R&D expenses for the year of 2024 were RMB233.2 million, a decrease of 10.6% from RMB261.0 million in 2023. This reduction is primarily due to more of our products reach the market, though we have also added more innovative products to the pipeline. Overall, these factors have enabled us to maintain relatively stable spending in R&D compared to previous years.

Administrative expenses have decreased due to improved operational efficiency, falling from RMB114.1 million in 2023 to RMB91.0 million in 2024. We believe that as our product portfolio becomes more comprehensive and our scale grows, our overall operational efficiency will continue to improve, further enhancing our profitability in the future.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	Year ended December 31,	
		2024	2023
		RMB'000	*RMB'000*
Revenue	*3*	**782,476**	527,754
Cost of sales		**(222,581)**	(142,766)
Gross profit		**559,895**	384,988
Selling and distribution expenses		**(174,721)**	(163,827)
Administrative expenses		**(91,034)**	(114,088)
Research and development expenses		**(233,225)**	(261,013)
Other income		**20,265**	14,851
Other expenses		**(1,364)**	(1,599)
Other losses — net		**(43,588)**	(15,820)
Net impairment losses on financial assets		**(44)**	(15)
Finance income — net		**65,170**	77,789
Share of net loss of an associate accounted for using the equity method		**(1,098)**	—
Profit/(Loss) before income tax		**100,256**	(78,734)
Income tax expense	*4*	**—**	—
Profit/(Loss) and total comprehensive income/ (loss) for the year attributable to the equity holders of the Company		**100,256**	(78,734)
Earnings/(Loss) per share attributable to the equity holders of the Company			
Basic earnings/(loss) per share (in RMB per share)	*5(a)*	**0.3101**	(0.24)
Diluted earnings/(loss) per share (in RMB per share)	*5(b)*	**0.3057**	—

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2024

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**628,253**	538,540
Right-of-use assets		**37,251**	39,820
Intangible assets		**28,010**	9,686
Prepayments and other receivables	*6*	**3,305**	4,278
Financial assets at fair value through profit or loss		**104,835**	33,310
Term deposits		**1,121,861**	1,032,886
Total non-current assets		**1,923,515**	1,658,520
Current assets			
Inventories		**205,476**	166,542
Prepayments, other receivables and other current assets	*6*	**39,140**	38,588
Trade receivables	*7*	**1,539**	1,182
Financial assets at fair value through profit or loss		**60,539**	68,744
Term deposits		**804,243**	355,546
Cash and cash equivalents		**418,108**	1,086,579
Total current assets		**1,529,045**	1,717,181
Total assets		**3,452,560**	3,375,701
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		**330,182**	332,401
Share premium		**2,090,531**	2,270,033
Other reserves		**715,713**	1,014,452
Treasury shares		**(100,699)**	(87,594)
Retained earnings/Accumulated losses		**65,277**	(481,907)
Total equity		**3,101,004**	3,047,385

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
Liabilities			
Non-current liabilities			
Deferred revenue		**15,885**	8,674
Lease liabilities		**1,502**	1,859
Total non-current liabilities		**17,387**	10,533
Current liabilities			
Trade and other payables	*8*	**217,498**	233,886
Contract liabilities	*3*	**16,860**	19,922
Borrowings		**87,000**	50,000
Lease liabilities		**2,404**	4,018
Other current liabilities		**10,407**	9,957
Total current liabilities		**334,169**	317,783
Total liabilities		**351,556**	328,316
Total equity and liabilities		**3,452,560**	3,375,701

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 General information

Zylox-Tonbridge Medical Technology Co., Ltd. (the "**Company**", or "**Zylox-Tonbridge Medical**") was incorporated in Hangzhou, Zhejiang Province of the People's Republic of China (the "**PRC**") on November 6, 2012 as a limited liability company. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 5, 2021.

The Company and its subsidiaries (together, the "**Group**") provide solutions to patients and physicians with the product portfolio covering peripheral vascular interventional devices and neurovascular interventional devices in the PRC and other countries.

These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

These consolidated financial statements were approved for issue by the Board of Directors on March 20, 2025.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to IAS 1;

- Lease Liability in Sale and Leaseback — Amendments to IFRS 16; and

- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7.

The amendments listed above do not have material impact on the amounts recognized in prior periods or for the current period.

(b) New Standards, amendments to accounting standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group are as follows:

	New standards, amendments	**Effective for annual periods beginning on or after**
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18 which will impact the presentation of profit and loss statements. The Group is still in progress of evaluating the impact of IFRS 18.

3 Segment and revenue information

(a) Description of segments and principal activities

Management of the Company has determined the operating segment based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive director of the Company. On this basis, the Group has determined that it only has one operating segment which is the sales of neurovascular and peripheral vascular interventional devices during the year.

(b) The amount of each category of revenue is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
At a point in time		
— Revenue from sales of goods	**780,930**	526,452
— Others	**1,546**	1,302
	782,476	527,754

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue from sales of goods		
— Neurovascular interventional devices	**528,511**	381,799
— Peripheral vascular interventional devices	**252,419**	144,653
	780,930	526,452

(c) The Group recognized the following liabilities related to the contracts with customers:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Contract liabilities	**16,860**	19,922

Contract liabilities represent advance from customers and are recognized when payments are received before the transfer of goods. Management expects that the transaction price allocated to the unsatisfied contracts as at December 31, 2024 and 2023 will be recognized as revenue within one year.

(d) Revenue recognized that was included in the balance of contract liabilities at the beginning of the year:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue from sales of goods	**19,922**	9,601

(e) Geographical information

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
The PRC	**759,899**	513,482
Others	**22,577**	14,272
	782,476	527,754

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

4 Income tax expense

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax expense	**—**	—
Deferred income tax expense	**—**	—
	—	—

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

(a) Mainland China

Pursuant to the PRC Corporate Income Tax Law and the respective regulations (the "**CIT Law**"), the Group is subject to corporate income tax at a rate of 25% on the taxable income other than the Company and its subsidiary, Ton-bridge Medical Technology Co., Ltd. ("**Ton-bridge Medical Technology**"). The Company and Ton-bridge Medical Technology were accredited as "High and New Technology Enterprise" ("**High-New Tech Enterprise**") and were eligible for a corporate income tax rate of 15% for the years ended December 31, 2024 and 2023.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC that has been effective from 2021 onwards, manufacturing enterprises are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses.

The tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extending the expiry date of tax losses of High-New Tech Enterprise, the expiry date of the unused tax losses of the Company and Ton-bridge Medical Technology extends from 5 years to 10 years.

(b) Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the year ended December 31, 2024.

According to the Hong Kong tax laws and regulations, the tax losses would be carried forward and deducted for income tax purposes, without expiry date.

No deferred tax asset has been recognized in respect of the tax losses and temporary differences due to the unpredictability of future profit streams.

A reconciliation of the expected income tax calculated at the applicable tax rate and loss before income tax, with the actual income tax is as follow:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Profit/(Loss) before income tax	**100,256**	(78,734)
Tax calculated at statutory tax rates applicable to each Group entity	**12,573**	(15,876)
Tax effect of:		
Expenses not deductible for tax purpose	**4,744**	2,034
Extra deduction for research and development expenses	**(31,422)**	(33,081)
Temporary differences not recognized as deferred tax assets	**13,270**	12,336
Previously unrecognized tax losses utilized	**(24,072)**	(391)
Tax losses not recognized as deferred tax assets	**24,907**	34,978
Income tax expense	**—**	—

(c) Unrecognized tax losses and temporary differences

The Group has not recognized any deferred tax assets in respect of the following items:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Deductible losses	**122,511**	179,677
Deductible temporary differences	**96,019**	81,393
	218,530	261,070

As at December 31, 2024 and 2023, the Group had unused tax losses of approximately RMB1,075,939,000 and RMB1,114,372,000 that could be carried forward against future taxable income, respectively. No deferred tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income. Except for the Company's subsidiary Zylox Tonbridge Medical Limited, whose tax losses will be carried forward indefinitely, the Group's tax losses carried forward will expire between 2025 and 2033.

5 Earnings/(Loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) of the Group attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the financial year excluding treasury shares.

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

	Year ended December 31,	
	2024	2023
Profit/(Loss) attributable to equity holders of the Company *(RMB'000)*	**100,256**	(78,734)
Weighted average number of ordinary shares in issue during the year *(thousand)*	**323,320**	328,711
Basic earnings/(loss) per share *(RMB per share)*	**0.3101**	(0.24)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The share options and awarded shares granted under Pre-IPO Share Option Scheme and H Share Scheme by the Company have potential dilutive effect on earnings per share. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the rights attached to outstanding shares under Pre-IPO Share Option Scheme and H Share Scheme. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the vesting of outstanding shares under Pre-IPO Share Option Scheme and H Share Scheme.

As the Group incurred loss for the year ended December 31, 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2023 was the same as basic loss per share.

The calculation of the diluted earnings/(loss) per share for the year ended December 31, 2024 is shown as follows:

	Year ended December 31, 2024
Profit attributable to equity holders of the Company *(RMB'000)*	100,256
Weighted average number of ordinary shares in issue *(thousand)*	323,320
Adjustments for share-based awards *(thousand)*	4,670
Weighted average number of ordinary shares for diluted earnings per share *(thousand)*	327,990
Diluted earnings per share *(RMB per share)*	0.3057

6 Prepayments, other receivables and other current assets

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Included in non-current assets		
Prepayments:		
Prepayments for purchase of property, plant and equipment	**2,971**	3,137
Other receivables:		
Deposits for leases	**334**	1,141
Total	**3,305**	4,278
Included in current assets		
Prepayments:		
Prepayments for purchase of goods	**18,266**	17,133
Prepayments for purchase of services	**5,150**	5,256
Other receivables:		
Rental related receivable	**1,962**	3,363
Deposits for industrial land project performance guarantee and leases	**1,180**	3,444
Dividends from financial assets at FVPL	**—**	504
Others	**3,129**	1,865
Less: loss allowance	**(90)**	(40)
Others:		
Value-added tax recoverable	**9,543**	7,063
Total	**39,140**	38,588

7 Trade receivables

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables from contracts with customers	**1,553**	1,202
Less: loss allowance	**(14)**	(20)
	1,539	1,182

The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables.

As at December 31, 2024 and 2023, the aging analysis of the trade receivables based on invoice date were as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Up to 3 months	**1,553**	941
3 to 6 months	**—**	103
Over 6 months	**—**	158
	1,553	1,202

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables mentioned above.

As at December 31, 2024, a provision of RMB14,000 was made against the gross amounts of trade receivables.

8 Trade and other payables

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables (a)	**59,045**	27,508
Payables for purchase of property, plant and equipment	**74,911**	118,853
Staff salaries and welfare payables	**67,383**	64,431
Payables to suppliers of services	**10,324**	14,935
Accrued taxes other than income tax	**4,679**	6,312
Others	**1,156**	1,847
	217,498	233,886

(a) The aging analysis of trade payables based on invoice date at the respective balance sheet dates is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**59,045**	27,508

9 Dividend

No dividend had been paid or declared by the Company for each of the years ended December 31, 2024 and 2023 respectively.

As at March 20, 2025, the Board has not yet resolved to recommend the payment of a final dividend for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We are a leading player in the neuro-and peripheral vascular interventional devices market in China. As an integrated medical device company supported by our in-house R&D and manufacturing capabilities, proprietary technological platforms and commercialization capabilities, we provide physicians and patients in China and overseas with medical devices to treat and manage neuro-and peripheral vascular diseases. We strive to provide all patients, regardless of their ethnicity, age and economic conditions, with accessible medical devices and services.

BUSINESS HIGHLIGHTS

In 2024, we continued our dedication to enhancing the accessibility of medical care, innovating for quality life, and steadily advancing our core capabilities in product research and development, production and commercialization.

During the Reporting Period, we achieved a revenue of RMB782.5 million, representing an increase of 48.3% as compared to RMB527.8 million in 2023. 67.7% of our interventional products revenue was derived from the neurovascular interventional products business and 32.3% was derived from the peripheral vascular interventional products business. The significant growth of our revenue was primarily attributable to the high sales growth of both neurovascular and peripheral vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2024 increased by 38.4% as compared to 2023, primarily because of (i) the continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, Tonbridge Kylin Flow Diverter, Thrombite Clot Retriever Device (Thrombite CRD) and Beidou SS Neurovascular Guidewire; and (ii) our continuous effort to increase product penetration in different level of hospitals.

The revenue from sales of peripheral vascular interventional products in 2024 increased by 74.5% as compared to 2023 because of (i) the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZYLOX Octoplus Retrievable Inferior Vena Cava Filter, Snare Retrieval Kit for IVC Filter and ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter by our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous commercial launch of our peripheral disease treatment product portfolio, including ZYLOX Phoenix Peripheral Detachable Fibrous Coil Embolization System and ZYLOX Penguin Peripheral Venous Stent System which were approved around the beginning of 2024.

In line with our strategic objectives, we concentrated on enhancing operational efficiency while driving organic revenue growth. In 2024, we were able to generate a non-IFRS adjusted net profit of RMB124.0 million, representing the profit for the year adjusted by taking out share-based compensation expenses, and a net profit attributable to the equity holders of the Company of RMB100.3 million.

1. Continue strong sale growth by leveraging a comprehensive and high-quality product portfolio and acting strategically in the centralized procurement in the domestic market.

In 2024, we continued to experience rapid growth despite numerous industry challenges. We achieved a growth rate of 48.3% during the year of 2024, primarily driven by our product portfolio and the consistently high quality of our products recognized by clinicians. Currently, we have 47 products available on the Chinese market, solidifying our leadership in neurovascular and peripheral vascular interventional medical device industry. In about four years since the launch of one of our major products in late 2020, we have established an extensive distribution network covering over 3,000 hospitals, with more than 800,000 medical devices being used clinically. Through our professional sales and marketing teams, we have established extensive and strong trust with physicians, continuously enhancing our clinical recognition, which efficiently translates our robust R&D capabilities into commercialization success.

China's healthcare reforms have spurred the rapid rise of government-backed centralized procurement for medical devices. At this critical juncture, we are continuously strengthening our market competitiveness by leveraging our robust product portfolio and high-quality products. Our DCB was selected with good competitive advantages in the Sanming Procurement Alliance led by Hebei in June 2023, and sales volume increased by an average of approximately 3.5 times in most provinces upon implementation. In the "3+N" provincial alliance centralized procurement led by Hebei in May 2024, our SilverSnake Intracranial Support Catheter fully demonstrated its advantages in the A group (manufacturers with relatively high market shares) for its respective category, winning the bid with the highest ranking, far exceeding the prices of similar products in the B group. With a few months in execution of such procurement, the sales volume of SilverSnake Intracranial Support Catheter has increased by average of approximately 2.5 times in most of provinces.

In the centralized procurement processes for our related products conducted in 2024 and early 2025, we achieved significant success through company-wide efforts. At the national-level venous stent procurement initiated at the end of 2024, we were the only domestic manufacturer to win the first rule of iliac vein indication, securing a substantial advantage in hospital access and future volume growth. In early 2025, during the vascular intervention product procurement led by Hebei Province, our products — including the Kylin Flow Diverter, White Horse Intracranial PTA Balloon Catheter (Rx) and three peripheral balloon products — won bids, each securing a leading position in their respective categories, paving the way for significant volume increases. With our robust product pipeline and strong market sales capabilities, we are highly confident in further strengthening our competitive edge in ongoing procurement initiatives.

2. Prepare international market for long term growth.

In 2024, we achieved another great success for international business with a revenue of RMB22.6 million, representing 58.2% growth over the same period in 2023 primarily from Europe and Asian regions.

We are currently marketing total 20 products in 24 overseas countries/regions, including Germany, France, Italy, Turkey and South Africa, etc., and currently in the process to obtain more product approvals in those regions. In addition, we are bringing more products, such as ZYLOX Penguin Peripheral Venous Stent System and Intravascular Lithotripsy (IVL) System to international markets. Alongside traditional sales and marketing efforts, we prioritized enhancing our quality recognition by conducting post-marketing clinical follow-up trials for CE-marked products in Europe. This initiative is crucial for demonstrating the clinical value of our products overseas, further obtaining EU MDR certification, and consistently serving international patients.

In 2024, we actively participated in leading international academic conferences, including World Live Neurovascular Conference 2024 (WLNC 2024), The Leipzig Interventional Course 2024 (LINC 2024) and Cardiovascular and Interventional Radiological Society of Europe Annual Congress (CIRSE 2024). Through these events, we showcased our high-quality products and strengthened our brand recognition on a global stage.

To reinforce our long-term commitment to international business, we have allocated dedicated resources across key functions — research and development, regulatory affairs, and manufacturing — to support global expansion. We have also established a logistics facility in Europe to ensure swift delivery to hospitals throughout the region. Meanwhile, we are engaging with various European partners to accelerate our growth through a broader collaboration strategy.

3. Continue to innovate and launch clinically required products to propel our one solution strategy.

Leveraging our strong R&D expertise and integrated technology platforms, we have efficiently advanced our product development. Since the beginning of 2021, we have launched a total of 40 medical device products in the Chinese market, averaging five new products every six months. In 2024, we introduced several important products, including:

— Tonbridge Kylin Flow Diverter: Enhancing our product range for hemorrhagic stroke.

— ZYLOX Penguin Peripheral Venous Stent System: Further solidifying our leadership in venous vascular intervention products, complementing our existing offerings such as ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter and ZYLOX Octoplus Retrievable Inferior Vena Cava Filter, thus providing a comprehensive product portfolio.

— ZYLOX Unicorn Suture-mediated Closure System: The first and only domestically manufactured product approved for suturing the femoral artery access site after diagnostic/therapeutic interventional procedures, accommodating bore sizes from 5F to 26F.

Additionally, we have been upgrading our existing product lines to meet the diverse needs of physicians. We have launched second-generation versions of several products, including Clot Retriever Device II (Second Generation Clot Retriever Device), Mechanical Detachable Coil ll (Second Generation Intracranial Coils), UberVana Drug-coated PTA Balloon Catheter (Second Generation DCB), Second Generation PTA Balloon Catheter, and Second Generation High Pressure PTA Balloon Catheter.

We believe that the continuous enhancement of our products aligns well with our strategy to offer more comprehensive treatment options for physicians and patients. This approach also enables us to optimize our product offerings and manage costs effectively, maintaining a stable gross profit margin in the ever-evolving market environment.

4. Continue to focus on operating efficiency and profitability.

In 2024, we recorded a net profit of RMB100.3 million despite our continuous investment into research and development and talents.

As we continue to refine our comprehensive product portfolio strategy, the advantages of our product portfolio are becoming increasingly robust. Despite the ongoing centralized procurement processes, our gross profit margin has remained relatively stable, holding at 71.6% in 2024. This stability is attributable to continuous optimization of our production and supply chain, including increased automation, improved yield rates, and enhanced capacity utilization.

Our selling and distribution expenses as a percentage of total revenue has decreased as our team and sales network have strengthened, dropping from 31.0% in 2023 to 22.3% in 2024.

Our R&D expenses for the year of 2024 were RMB233.2 million, a decrease of 10.6% from RMB261.0 million in 2023. This reduction is primarily due to more of our products reach the market, though we have also added more innovative products to the pipeline. Overall, these factors have enabled us to maintain relatively stable spending in R&D compared to previous years.

Administrative expenses have decreased due to improved operational efficiency, falling from RMB114.1 million in 2023 to RMB91.0 million in 2024. We believe that as our product portfolio becomes more comprehensive and our scale grows, our overall operational efficiency will continue to improve, further enhancing our profitability in the future.

Our Products and Product Pipeline

As China's leading interventional medical device company in developing minimally invasive vascular interventional medical devices, we have built a comprehensive product portfolio including neurovascular and peripheral vascular interventional devices. As at the date of this announcement, we have strategically deployed a total of 66 products and product candidates. As of the date of this announcement, the Company has a total of 47 products commercially launched in China, eight products granted CE Mark in the European Economic Area, five products approved in the United Arab Emirates (UAE), and a number of products granted marketing approval in overseas countries including Germany and the U.K., etc.

The following chart sets forth our commercially launched products and expected commercial launch year of our product candidates in the Chinese market as at the date of this announcement:

Product Portfolio for Neurovascular Interventional, Peripheral Vascular Interventional and Vascular Closure Devices in China Market

			Key Products - Expected Commercial Launch Year		
	Breakdown by Category	**Commercially Launched**	**2025**	**2026**	**2027**
Neurovascular Interventional	Intracranial Ischemic Stroke	• Thrombite Clot Retriever Device (CRD) • Clot Retriever Device II • SilverSnake Intracranial Support Catheter • Dayu Balloon Guiding Catheter (BGC) • Aspiration Catheter • Aspiration Pump System			
	Intracranial Stenosis	• White Horse Intracranial PTA Balloon Catheter (Rx) • Microcatheter for Intracranial Stent • Second Generation Intracranial PTA Balloon Catheter (Rx)		• Intracranial Stent • Drug Coated Self-expandable Intracranial Stent	• Vertebral Artery DES
	Intracranial Hemorrhagic Stroke	• Phoenix Neurovascular Embolization Coil • Mechanical Detachable Coil II • Kylin Flow Diverter • Microcatheter for Coiling • Microcatheter for Flow Diverter	• Self-expandable Intracranial Stent	• Liquid Embolic System	
	Intracranial Access	• Microcatheter for Clot Retriever • SilverSnake DA Distal Access Catheter • SilverSnake Standard Intracranial Support Catheter • Beidou SS Neurovascular Guidewire • Intermediate Catheter • Xuanwu Introducer Sheath • SilverSnake Radial Access Distal Support Catheter			
	Carotid Artery Stenosis	• Carotid Rx PTA Balloon Catheter • Embolic Protection System			• Carotid Stent

	Breakdown by Category	Commercially Launched	Key Products - Expected Commercial Launch Year		
			2025	2026	2027
Peripheral Vascular Interventional	Arterial	• UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB) • UberVana Drug-coated PTA Balloon Catheter • ZENFLOW PTA Balloon Catheter • ZENFLOW Second Generation PTA Balloon Catheter • Endovascular Snare • Tapered PTA Balloon Catheter • PTA Scoring Balloon Catheter • Long Balloon Catheter	• Drug Coated PTA Balloon Catheter-BTK • Pantheris OCT-guided Peripheral vascular Atherectomy Catheter Series • LightBox 3 OCT Imagining Consoles	• Tigereye ST OCT-guided Peripheral vascular Chronic Total Occlusion-crossing Catheter • IVL System • Cutting Balloon	• Balloon Expandable Covered Stent • Multi-spot Stent System
	Venous	• ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter • Radiofrequency Generator • ZYLOX Octoplus Retrievable Inferior Vena Cava Filter • Snare Retrieval Kit for IVC Filter • ZYLOX Penguin Peripheral Venous Stent System • ZENFLOW Tiger Large Diameter PTA Balloon Catheter • Infusion Catheter • Eagle Aspiration System	• Peripheral Thrombectomy System		
	Hemodialysis Access	• ZENFLOW HP PTA High Pressure Balloon Catheter • ZENFLOW HP PTA Second Generation High Pressure Balloon Catheter		• Ultra High Pressure Balloon Catheter	
	Peripheral Embolization Intervention and Others	• ZYLOX Phoenix Peripheral Detachable Fibrous Coil Embolization System • TIPS Access Set • Peripheral Hydrophilic Guidewires Series			
Vascular Closure Devices		• ZYLOX Unicorn Suture-mediated Closure System	• Vascular Closure System		

The following chart sets forth our products approved in overseas markets as of the date of this announcement:

Product Portfolio for Overseas Market

	Product	Approved Region
Neurovascular Interventional	Thrombite Clot Retriever Device	EU, U.K., Turkey, South Africa, Argentina
	Cylone Aspiration Catheter	EU, U.K., Turkey, South Africa, Argentina
	Glycine Micro Catheter	EU, U.K., South Africa, Argentina, Turkey
	Gekko Detachable Coil System	Dominican, Ecuador
	Kylin Flow Diverter	Ecuador
	AspirePulse Aspiration Pump System	Kazakhstan
Peripheral Vascular Interventional	ZENFluxion Drug-Coated PTA Balloon Catheter	EU, Turkey, Argentina, U.K., United Arab Emirates (UAE)
	ZENFlow PTA Balloon Catheter	EU, Turkey, Argentina, U.K., UAE, Azerbaijan
	ZENFlow HP High Pressure PTA Balloon Catheter	EU, Turkey, Argentina, U.K., UAE
	ZENFlex Peripheral Stent System	EU, Turkey, Argentina, U.K., UAE, Azerbaijan
	ZENFLEX Pro Peripheral Drug-eluting Stent System	EU, Argentina, U.K., UAE, Turkey
	ZENFlow Tiger LD PTA Dilatation Catheter	Brazil
	ZENFLOW II PTA Balloon Catheter	Brazil
	ZENFLOW II HP High Pressure PTA Balloon Catheter	Brazil

Our Neurovascular Interventional Products

Our current neurovascular product portfolio covers a full suite of products for five major categories, namely ischemic stroke, hemorrhagic stroke, intracranial stenosis, carotid artery stenosis and intracranial access devices. As at the date of this announcement, we have 23 neurovascular interventional products approved by the NMPA. We expect to have six more neurovascular interventional products approved by the NMPA by the end of 2027.

Products Launched

Intracranial Ischemic Stroke Treatment

In the field of ischemic neurovascular diseases, in particular intracranial ischemic stroke, we have six product offerings, among which we have launched Thrombite CRD, SilverSnake intracranial support catheter and balloon guiding catheter (BGC) successfully as a complete three-piece solution for physicians. We are actively promoting our BADDASS (i.e. BAlloon guide with large bore Distal access catheter with Dual Aspiration with Stent-retriever as Standard approach) with clot-retrieval modality.

Thrombite Clot Retriever Device (Thrombite CRD)

We are improving the adoption of Thrombite CRD by introducing the holistic three-piece treatment solution and the BADDASS clot-retrieval modality.

Clot Retriever Device II (Thrombite CRD II)

This second-generation Clot Retriever Device is designed with more specifications, offering physicians more choices when dealing with occluded blood vessels of different diameters and thrombus of different sizes.

Intracranial Hemorrhagic Stroke Treatment

In the field of intracranial hemorrhagic stroke, we have seven product offerings, among which we have launched three therapeutic products, namely, Phoenix Neurovascular Embolization Coils, Mechanical Detachable Coil II and Kylin Flow Diverter.

Phoenix Neurovascular Embolization Coil

Our Phoenix coil is extra soft and imposes minimal pressure to the aneurysm wall, thus reducing the risk of aneurysm rupture or other injury. Leveraging our unique mechanical detachment mechanism, our neurovascular embolization coil is also easier to be detached from the delivery system.

Mechanical Detachable Coil II (Second Generation Neurovascular Embolization Coil)

We have upgraded our neurovascular embolization coil to improve their basket-forming performance. Launched in the first quarter of 2024, the second-generation neurovascular embolization coils come in more specifications and sizes, offering more options for physicians when dealing with intracranial aneurysms of different sizes.

Tonbridge Kylin Flow Diverter

Tonbridge Kylin Flow Diverter is a visualized distal closure dense braided stent, which is made of nitinol-wrapped platinum material to achieve full visualization, with the closure design on the distal end. Compared with similar products in the market, it features better adherence and visualization performance, thereby improving the visibility and safety during operations. At the same time, its more comprehensive product specifications can meet the needs of different lesions in clinical treatment. The product was approved by the NMPA in March 2024. We are in the process of accelerating the commercialization of the product in China.

Future Key Products

Embolization Assist Stent (Self-expandable Intracranial Stent)

Embolization Assist Stent is often used in combination with a coil for the surgical treatment of complex intracranial aneurysms and wide-necked aneurysms. Clinically, the use of coil embolization alone may result in thromboembolism from time to time due to protrusion of the coil into the aneurysm-carrying artery or escape, while the use of Embolization Assist Stent may lead to a higher long-term embolization success rate and a lower recurrence rate.

Our stent features full-body radiopacity with nickel-titanium wrapped in platinum, making each filament visible under imaging. It has three radiopaque markers at both the proximal and distal ends, allowing surgeons to better assess the stent's deployment status. The stent's diverse filament count, lightweight design, and ease of opening and adherence ensure smooth deployment in various vessels. Different specifications use different filament counts, facilitating smoother deployment in different vascular conditions. The flared design at both the proximal and distal ends ensures excellent wall apposition. The super-elastic nickel-titanium material adapts well to tortuous vessels. The smooth delivery system enables the stent to reach more distal vessels. The delivery system also features release and retrieval radiopaque markers, ensuring the distal end of the microcatheter does not exceed the retrieval marker. The stent system can be retrieved up to approximately 80% deployment. Available in various lengths, the stent can address a wider range of pathological conditions and is compatible with more indications. Its high metal coverage maintains collateral vessel circulation.

This type of product is mainly imported in the Chinese market. During clinical trials, our product was well received by doctors for its performance. We anticipate launching this product as early as 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EMBOLIZATION ASSIST STENT SUCCESSFULLY.

Drug Coated Self-expandable Intracranial Stent

Drug Coated Self-expandable Intracranial Stent is indicated for intracranial stenosis disease. It effectively improves the long-term prognosis of patients with symptomatic atherosclerotic stenosis, reduces the risk of stroke recurrence, decreases the incidence of in-stent restenosis, and enhances safety.

Our stents are characterized by excellent drug performance and designed with appropriate drug loading capacity for thrombosis reduction, which can maintain the effective concentration of drug in the tissues appropriately, while reducing tissue cytotoxicity. It also adopts a unique design of mesh and stent ribs, which ensures even stress and strain distribution, providing sufficient radial support for excellent wall apposition. The stent is of closed loop design, which can release 90% and can be completely recovered. The better operability and stable metal coverage can ensure accurate release of the stent and keep the collateral vessel unobstructed. The delivery system is equipped with a multi-stage stiffness distribution, which is both supportive and flexible with a higher delivery ratio.

According to the Frost & Sullivan Report, 30% to 50% of ischemic stroke cases are related to intracranial stenosis. The number of patients with intracranial stenosis in China amounted to 17.3 million in 2019, and is estimated to further increase to 27.9 million in 2030. There is still a large clinical need for intracranial stenosis treatment, and there is currently no commercialized drug coated self-expandable intracranial stent. Our product has been activated for clinical experiments and is expected to be launched as early as 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DRUG COATED SELF-EXPANDABLE INTRACRANIAL STENT SUCCESSFULLY.

Our Peripheral Vascular Interventional Products

We have a comprehensive peripheral vascular interventional product portfolio, covering stents, balloons, catheters and filters. At present, we have become one of the most comprehensive and competitive domestic vascular interventional device platform companies in the field of peripheral arteries and veins. As at the date of this announcement, we have 24 peripheral vascular intervention products in China approved by the NMPA. We expect to have an additional 11 peripheral vascular intervention products approved by the NMPA by the end of 2027.

Products Launched

Drug Coated PTA Balloon Catheter

— *UltraFree Drug-coated PTA Balloon Catheter (UltraFree DCB)*

UltraFree DCB is indicated for femoral artery and popliteal artery (except for inferior medial genicular artery) stenosis or occlusion. Since its launch in November 2020, we have mainly focused our commercialization efforts in China. We also obtained CE Mark in October 2020 and commercialized UltraFree DCB in Europe in the second half of 2021.

— *UberVana (Second Generation of DCB)*

We have been continuously improving the performance of our DCB, by increasing its flexibility for better crossing, navigation and dilatation performance. UberVana is developed and manufactured on our drug coating platform. By utilizing our unique coating processes and techniques, we have further optimized the adsorption and physicochemical properties of paclitaxel drug crystals on the balloon surface, enabling the efficient and precise delivery of pure paclitaxel to the target lesion site. This technology is expected to further improve the mid- to long-term efficacy of DCB treatments.

Drug Coated PTA Balloon Catheter currently has a market share of approximately 20% in the domestic market, and has been registered and approved in CE and ten countries/regions, including Germany, the U.K., Italy, and the United Arab Emirates (UAE), etc. In addition, we continue to work on the indication expansion of UltraFree DCB. Currently, we have completed the submission of registration documents for the clinical trial of Drug Coated PTA Balloon Catheter — Below the Knee (BTK).

ZYLOX Swan Endovenous Radiofrequency Ablation Catheter

The product is innovatively designed as a smaller outer diameter 6F ablation catheter, which can be released with a single button during the treatment process for simple operation. The temperature of the catheter rapidly rises to a controlled 120°C within 5 seconds, and an ablation treatment cycle can be completed in 20 seconds, which enables efficient and effective vascular closure.

ZYLOX Octoplus Vena Cava Filter

The product features an innovative design, instant and excellent adherent performance and self-balancing ability, which enables a more accurate release of the product and more efficient thrombus interception in the long term. Meanwhile, ZYLOX Octoplus is expected to reduce the risk of pulmonary embolism (PE) in patients, providing a longer treatment window for thrombolytic therapy and improving the success rate of deep vein thrombosis (DVT) treatment.

ZYLOX Penguin Peripheral Venous Stent System

The product features three major designs of oblique entrance, tapered gradient and integrated structure to provide excellent wall adherence and gradual expansion, which enhance the clinical performance. The proximal oblique entrance avoids interfering with contralateral blood flow and reduces the risk of thrombosis. The tapered gradient conforms to the natural diameter of the iliac vein to femoral vein to achieve excellent wall adherence and gradual expansion, and the integrated structure with laser engraving and one piece molding enable more accurate positioning to avoid shortening and displacement after implantation. Furthermore, there are many products features to ensure easy operation. The proximal end's closed-loop structure provides strong support, while the distal end's open-loop structure offers excellent compliance. In addition, the marking system is clearly identifiable, with 4 radiopaque markers at the proximal end and an anti-displacement latch at the proximal stent end to ensure that the stent does not displace before it is fully released. An ergonomic release handle also enables recovery and repositioning. The product was approved by the NMPA in January 2024. We are in the process of accelerating the commercialization of the product in China.

ZYLOX Unicorn Suture-mediated Closure System

Suture-mediated Closure System is indicated for patients undergoing diagnostic or interventional catheterization to suture the puncture site of the common femoral artery after a procedure. It can be particularly used for post-operative angioplasty, aortic endoluminal therapy and transcatheter aortic valve placement to effectively simplify and accelerate the process of vascular closure and reduce the surgical time, while improving the safety and success rate of procedures, and decreasing the risk of post-operative complications. The product is pre-equipped with a non-absorbable polypropylene suture and a pre-formed fisherman's knot structure. The internal puncture needle can stimulate and break through the vessel wall, and the suture line in the cap sleeve can be drawn out, utilizing the characteristics of the tightened fisherman's knot to achieve suture hemostasis at the puncture point.

The handle and actuator of ZYLOX Unicorn are ergonomically designed for easy one-handed use by surgeons. The product is equipped with a high-strength stainless steel puncture needle to increase the success rate of penetrating the vessel wall, with an internal pre-installed 3–0 polypropylene suture and a pre-wound fisherman's knot, enabling threading and knotting in one go. The distal catheter is tapered to minimize resistance and prevent vessel lacerations; the hydrophilic-coated sheath reduces resistance to sheath delivery. Our ZYLOX Unicorn has an expanded suture range of 5F–22F, which is compatible with large bore sutures of 8F or above, and is expected to meet unmet clinical needs.

According to Frost & Sullivan, the number of vascular closure procedures in China increased from 107.5 thousand in 2015 to 274.3 thousand in 2019 and is estimated to further increase to 3,782.1 thousand in 2030. ZYLOX Unicorn is the first self-developed suture-mediated closure system in the country, which marks the breakthrough of the monopoly of imported brands in the market of vascular puncture site suture solutions by domestic brands, enabling more patients to be entitled to high quality and affordable innovative medical technology. The product was approved by the NMPA in May 2024. We are in the process of accelerating the commercialization of the product in China.

Future Key Products

OCT Guided Atherectomy and CTO (Chronic Total Occlusion) Series

In March 2024, we entered into a series of licensing and investment agreements with Avinger Inc., a U.S.-based innovative medical device company and a third party independent to the Company. A series of flagship products with disruptive technology we licensed from Avinger Inc. are (i) Pantheris, which has been approved for the treatment of peripheral vascular atherosclerosis diseases as well as ISR in the U.S.; (ii) Tigereye ST series, which have been approved for the peripheral vascular chronic total occlusion-crossing in the U.S.; and (iii) LightBox 3, the OCT imaging consoles. We have obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) and expected to launch Pantheris series and LightBox 3 in late 2025.

Meanwhile, with AI technology advancing rapidly, we are enhancing our atherectomy products with intelligent real-time imaging analysis. The AI enhancement will enable automatic identification of vessel wall structures and plaque, while delineating lesion boundaries and quantifying stenosis levels. By standardizing analysis and reducing the OCT learning curve, we improve treatment precision. For complex lesions, by integrating OCT imaging and patient histories, the product will be able to recommend tailored treatment options and guidance, enhancing outcomes and minimizing risks like perforation or dissection. Additionally, our AI-assisted decision system monitors intraoperative risks — such as vessel rupture or bleeding — in real time, providing early warnings and immediate surgical support.

OCT-guided Peripheral Vascular Targeted Atherectomy Catheter Series

According to the Frost & Sullivan Report, the population of PAD patients in China reached 49.5 million in 2019 and it was estimated to reach 62.3 million by 2030. Among which, lower extremity peripheral artery disease accounts for 80% of all PAD cases. It is clinically recognized that the application of vascular reduction device can clean up the proliferation of intima and plaque in the lumen, so that the lumen elasticity can be restored to provide a good vascular base for interventional treatment, thus generating long-term efficacy results.

Pantheris is the world's first and only directional atherectomy system with real-time imaging capabilities including optical coherence tomography (OCT). This technology provides three-dimensional visual guidance using light, allowing physicians to see real-time intravascular images. It facilitates easy operation, precise control of the cutting direction, and more efficient navigation to thoroughly remove plaque. This approach helps preserve the natural vessel structure in PAD patients, reducing the risk of arterial damage and other major adverse events (MAEs). In addition, Pantheris has also been approved by US FDA for atherectomy for in-stent restenosis (ISR) based on its image-guided features, which will expand the clinical applicability of atherectomy devices and benefit more patients. Pantheris has been proved to have favorable vascular reduction effect and safety in the IDE VISION Study and INSIGHT Study.

Evidence shows that the combination of vascular reduction device and DCB results in better clinical efficacy results. The combination not only optimizes immediate lumen crossing, but also reduces the risk of restenosis with the local drug effects of the DCB, achieving longer-lasting vascular patency rate. The vascular reduction device can also be used in conjunction with several of our products for the treatment of peripheral arterial vascular disease to achieve synergistic effects. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in September 2024.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PANTHERIS OCT-GUIDED PERIPHERAL VASCULAR TARGETED ATHERECTOMY CATHETER SERIES SUCCESSFULLY.

OCT-guided Peripheral vascular Chronic Total Occlusion-crossing Catheter Series

Tigereye ST is the world's first and only peripheral vascular chronic total occlusion-crossing (CTO) device with real-time imaging functions. Featuring high-definition, real-time intravascular imaging and a new remote tip design, it is capable of crossing longer and more complex lesions. The functions of the device make image interpretation easier, providing enhanced image quality, higher rotation speeds and precise user control. With the guidance of OCT imaging, the surgeons can easily distinguish the location of the device within the vessel, significantly increasing the possibility of crossing the lesion within the true lumen of

the vessel, and preserving a variety of possibilities for the choice of subsequent therapeutic devices. This enhances the predictability and safety of CTO surgery and revolutionizes the treatment of vascular diseases. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in November 2024.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR TIGEREYE ST-GUIDED PERIPHERAL-VASCULAR CHRONIC TOTAL OCCLUSION-CROSSING CATHETER SERIES SUCCESSFULLY.

LightBox 3 OCT Imagining Consoles

Our LightBox 3 OCT imaging consoles, used in conjunction with the Patheris and Tigereye ST Series, provide an onboard image guidance system that utilizes optical coherence tomography (OCT) to emit light waves that enter the vessel wall and receive return energy to form a reconstructed image, with fast imaging speed and high resolution, enabling surgeons to see inside the artery during atherectomy procedures or CTO procedures for the first time. Real-time imaging can better assist surgeons in performing precise atherectomy.

During the procedure, high-resolution intravascular OCT images are displayed in real time on the Lightbox console to guide the treatment. When using other devices in the market to treat complex arterial diseases, physicians must rely solely on X-ray images and tactile sense to guide their interventions. Physicians can guide their devices and treat PAD lesions more accurately to provide safe and effective outcomes. Along with the adoption of OCT imaging during procedures, physicians and patients can also benefit from the reduction of fluoroscopy usage, thus protecting themselves.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR LIGHTBOX 3 OCT IMAGING CONSOLES SUCCESSFULLY.

Multi-spot Stent System

Multi-spot Stent System is an innovative peripheral vascular stent for balloon expanded femoral and popliteal artery dissection. It is not yet commercially available in China. As the core product of peripheral intervention, endovascular stent implantation can provide good vascular remodeling effect. However, it is impossible to avoid long-term in-stent restenosis or occlusion. Clinically, the drawbacks of long stent implantation have been widely concerned. To address this clinical pain point, multi-spot stents have been developed, which are expected to be a better solution to the problems of stent fracture and restenosis that occur over time after conventional stent implantation.

With aging population in China, the prevalence of lower extremity arterial disease is increasing year by year, with approximately 40 million patients. In recent years, innovative interventional devices have been created to mostly address the huge market demand for lower extremity arterial interventions, such as the paclitaxel drug-coated balloons (DCB), which can significantly improve the patency of diseased vessels, but still cannot completely avoid remedial stent implantation. Due to interventional technique advancement, the number of complex lesions treated clinically with endoluminal therapy has increased, and implantation of long stents has become the first line choice of clinical therapy. However, the corresponding problems of stent fracture and restenosis have also increased dramatically. Some foreign scholars have proposed the concept of "leave nothing behind", namely, intervention without implantation. This concept is ideal, but difficult to realize for endoluminal treatment of complex lower extremity arterial lesions. In order to minimize endovascular stent implantation, the concept of "multi-spot" stent implantation has been proposed. Through the implantation of one or more short stents in the critical intravascular sites, without covering the whole lesion, it can also solve the problems of dissection, residual stenosis and elastic recoil during endoluminal treatment of the diseased vessel, and obtain the comparable or even better long-term patency effect than that of the traditional long stent.

Our self-developed Multi-spot Stent System are a set of various multi-spot stents, which are pre-installed in the delivery system with very small outer diameter. Each multi-spot stent is designed with a short-stent double-layer open-ring structure, with an anti-precession snap at one end and multiple visualization markers in the center. The optimized radial support design can be applied to a wide range of vessel sizes and different anatomical configurations. The stent causes less irritation to the vessel, reducing the possibility of intimal hyperplasia. During the actual surgery, physicians can clearly locate each stent and precisely release it to the lesion requiring stent repair according to the surgical requirements, thus realizing the precise treatment of single-point lesions, avoiding covering portions of healthy tissue, and lowering the risk of in-stent stenosis and fracture. The clinical trial of this product is under progress, and the interim follow-up data obtained currently are satisfactory and fully meet the clinical expectations.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR MULTI-SPOT STENT SYSTEM SUCCESSFULLY.

Balloon Expandable Covered Stent

Balloon Expandable Covered Stent is an innovative endovascular therapeutic product. The product is mainly used for the treatment of stenotic and/or occlusive lesions in the common iliac arteries and external iliac arteries. Currently there are only two imported products commercialized in the Chinese market.

We have adopted a brand-new independent design with full consideration of the needs of clinical diagnosis and treatment in China. We use cobalt chromium alloy tubing that has better performance than the imported stainless-steel material for the main body of the stent, as well as ePTFE coating with high expansion ratio and advanced process to ensure the long-term safety of stent implantation in the human body. In addition, we have also adopted our self-developed and widely-recognized balloon platform. The stent is characterized by a small delivery diameter, precise dilatation performance and special anti-falling design, with a variety of diameter sizes, which can be adapted to more complex lesions.

Compared with self-expanding vascular stents in mainstream clinical applications, Balloon Expandable Covered Stent shows a number of advantages. These include the ability to achieve precise stent positioning, precise control of stent expansion diameter, as well as strong post-stent expansion ability, which can shape the stent into a special form with unequal diameters to better adapt to the vascular anatomy of the iliac arteries for a better match. Due to the superior performance of ePTFE coating, compared with bare metal stents, coated stents also have the unique advantages of remedying vessel perforation, rupture damage, and preventing in-stent restenosis. Because of its excellent performance and clinical results, the balloon expandable covered stent, with better long-term patency and good overall performance, has been recommended as the preferred device for the treatment of lower extremity TASC C/D lesions by a number of domestic and international clinical guidelines. Evidence shows that this type of device may have the best results in iliac artery occlusive lesions, with a significantly lower risk of post-operative restenosis and higher long-term patency rate.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR BALLOON EXPANDABLE COVERED STENT SUCCESSFULLY.

II. FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, we achieved a revenue of RMB782.5 million, representing an increase of 48.3% as compared to RMB527.8 million in 2023. 67.7% of our interventional products revenue was derived from the neurovascular interventional products business and 32.3% was derived from the peripheral vascular interventional products business. The significant growth of our revenue was primarily attributable to the high sales growth of both neurovascular and peripheral vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in the Reporting Period increased by 38.4% as compared to 2023, primarily because of (i) the continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, Tonbridge Kylin Flow Diverter, Thrombite Clot Retriever Device (Thrombite CRD) and Beidou SS Neurovascular Guidewire; and (ii) our continuous effort to increase product penetration in different level of hospitals.

The revenue from sales of peripheral vascular interventional products in 2024 increased by 74.5% as compared to 2023 because of (i) the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZYLOX Octoplus Retrievable Inferior Vena Cava Filter, Snare Retrieval Kit for IVC Filter and ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter by our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous commercial launch of our peripheral disease treatment product portfolio, including ZYLOX Phoenix Peripheral Detachable Fibrous Coil Embolization System and ZYLOX Penguin Peripheral Venous Stent System which were approved around the beginning of 2024.

The following tables set forth a breakdown of our revenue by business line and by product category:

At a point in time	**Year ended December 31, 2024**		Year ended December 31, 2023		Year to year change
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*%*
Revenue from sales of goods	**780,930**	**99.8%**	526,452	99.8%	48.3%
Others	**1,546**	**0.2%**	1,302	0.2%	18.7%
Total	**782,476**	**100.0%**	527,754	100.0%	48.3%

Revenue from sales of goods	**Year ended December 31, 2024**		Year ended December 31, 2023		Year to year change
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*%*
Neurovascular interventional devices	**528,511**	**67.7%**	381,799	72.5%	38.4%
Peripheral vascular interventional devices	**252,419**	**32.3%**	144,653	27.5%	74.5%
Total	**780,930**	**100.0%**	526,452	100.0%	48.3%

The following table sets forth a breakdown of our revenue by geographic regions:

Revenue	**Year ended December 31, 2024**		Year ended December 31, 2023		Year to year change
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*%*
The PRC	759,899	97.1%	513,482	97.3%	48.0%
Others	22,577	2.9%	14,272	2.7%	58.2%
Total	782,476	100.0%	527,754	100.0%	48.3%

Cost of Sales

Our cost of sales primarily consists of raw materials and consumables used, employee benefits expenses, depreciation of right-of-use assets, depreciation of property, plant and equipment, utilities expenses and office expenses.

The Group's cost of sales for the year ended December 31, 2024 was RMB222.6 million, representing an increase of 55.9% as compared to RMB142.8 million for the year ended December 31, 2023. The increase was primarily attributable to (i) an increase in raw materials and consumables used for sales of our products during the Reporting Period, which was in line with the increased penetration of our commercialized of our marketed products since December 31, 2023; (ii) an increase in employee benefits expenses as a result of an increase in the number of our employees for expanded production and operation; and (iii) an increase in depreciation of property, plant and equipment.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 45.4% from RMB385.0 million for the year ended December 31, 2023 to RMB559.9 million for the year ended December 31, 2024. The gross profit margin of the Group decreased slightly from 72.9% for the year ended December 31, 2023 to 71.6% for the year ended December 31, 2024, because (i) some products began to be enrolled in the VBP; and (ii) for some other products, we strategically lowered their prices to gain greater market shares in anticipation of the potential VBP.

R&D Expenses

The Group's R&D expenses for the year ended December 31, 2024 was RMB233.2 million, representing a decrease of 10.6% as compared to RMB261.0 million for the year ended December 31, 2023. The decrease was primarily attributable to a decrease in employee benefits expenses from RMB109.8 million for 2023 to RMB82.9 million for 2024, which was mainly caused by a decrease in share-based compensation for our R&D personnel.

	Year ended December 31, 2024		Year ended December 31, 2023		Year to year change
R&D Expenses	***RMB'000***	***Proportion***	*RMB'000*	*Proportion*	*%*
Employee benefit expenses	**82,912**	**35.5%**	109,769	42.1%	-24.5%
Testing, clinical trial and professional services fees for R&D	**94,675**	**40.6%**	99,815	38.2%	-5.1%
Raw materials and consumables used	**34,871**	**15.0%**	32,587	12.5%	7.0%
Others	**20,767**	**8.9%**	18,842	7.2%	10.2%
Total	**233,225**	**100.0%**	261,013	100.0%	-10.6%

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended December 31, 2024 was RMB174.7 million, representing an increase of 6.6% as compared to RMB163.8 million for the year ended December 31, 2023. Such increase was primarily due to increased sales and marketing expenses as a result of the expansion of sales scale and the increase in the number of launched products. The selling and distribution expenses as a percentage of overall revenue decreased from 31.0% for the year ended December 31, 2023 to 22.3% for the Reporting Period. Such decrease was primarily attributable to (i) continuous improvement and strengthening of the sales and marketing team and sales network; (ii) increased clinical recognition of product quality, which made our commercial promotion more efficient; and (iii) a more comprehensive product portfolio, which enhanced the efficiency of sales efforts.

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2024 was RMB91.0 million, representing a decrease of 20.2% as compared to RMB114.1 million for the year ended December 31, 2023. The administrative expenses as a percentage of total revenue decreased significantly to 11.6% for year ended December 31, 2024 from 21.6% for the year ended December 31, 2023, which was mainly attributable to a decrease in employee benefits expenses, which was mainly caused by a decrease in share-based compensation for our administrative personnel.

Other Expenses

The Group's other expenses for the year ended December 31, 2024 was RMB1.4 million, representing a decrease of 14.7% as compared to RMB1.6 million for the year ended December 31, 2023. The decrease was primarily attributable to the decreased energy consumption expenses.

Other Income

The Group's other income for the year ended December 31, 2024 was RMB20.3 million, representing an increase of 36.5% as compared to RMB14.9 million for the year ended December 31, 2023, primarily attributable to an increase in government grants in 2024.

Other losses — net

The Group recorded other net losses for the Reporting Period of RMB43.6 million and other net losses of RMB15.8 million for the year ended December 31, 2023. These changes primarily came from changes in the fair value of our investment in Avinger Inc. through preferred shares, classified as "financial assets at fair value through profit or loss" on the balance sheet. Our primary goal in investing in Avinger is to secure distribution rights for its OCT Guided Atherectomy and CTO series which are anticipated to gain NMPA approval in China in late 2025.

Finance Income — net

The Group's finance income — net for the year ended December 31, 2024 was RMB65.2 million, representing a decrease from RMB77.8 million for the year ended December 31, 2023, primarily attributable to a decrease in bank interest income in 2024.

Income Tax Expense

The Group did not incur income tax expense for the years ended December 31, 2023 and 2024.

Non-IFRS Measures

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

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

The following table shows its reconciliation to loss for the years indicated:

	Year ended December 31,	
	2024	2023
Profit/(Loss) for the year	**100,256**	(78,734)
Add:		
Share-based compensation[(1)]	**23,737**	85,767
Non-IFRS adjusted net profit/(loss) for the year	**123,993**	7,033

Notes:

(1) Share-based compensation is non-operational expenses arising from granting shares through the Employee Incentive Scheme, H Share Scheme and Pre-IPO Share Option Scheme to eligible employees of the Group, the amount of which may not directly correlate with the underlying performance of our business operations.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis, and makes timely adjustments to it in light of changes in economic conditions.

Liquidity and Financial Resources

The total available financial resources, including cash and cash equivalents, term deposits and financial assets measured at fair value decreased from RMB2,577.1 million as at December 31, 2023 to RMB2,509.6 million as at December 31, 2024. In the reporting period, the Company generated total RMB127.4 million from operations. The Group's cash and cash equivalents as at December 31, 2024 were RMB418.1 million, representing a decrease of 61.5% as compared to RMB1,086.6 million as at December 31, 2023. The cash and cash equivalents were denominated in RMB, USD, HKD and Euro. Term deposits as at December 31, 2024 were RMB1,926.1 million as compared to RMB1,388.4 million as at December 31, 2023. Financial assets measured at fair value were RMB165.4 million as at December 31, 2024 as compared to RMB102.1 million as at December 31, 2023. The management is confident that the Group's financial resources are sufficient for our daily operations.

We rely on capital contributions by our shareholders as the major sources of liquidity. We also generate cash from our sales revenue of existing commercialized products. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of commercialized products and by launching new products, as a result of the broader market acceptance of our commercialized products and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

Borrowings and Gearing Ratio

The Group's borrowings as at December 31, 2024 was RMB87.0 million, and as at December 31, 2023, the Group 's borrowings was RMB50.0 million.

As at December 31, 2024, the Group has entered into loan agreements with total amounts of RMB87.0 million and all the amounts were drawn down, bearing interest at rates ranging from 2.90% to 3.40% per annum. Certain self-developed patents of the Group have been pledged as collateral under loan agreements.

The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group increased from 1.83% as at December 31, 2023 to 2.93% as at December 31, 2024.

Net Current Assets

The Group's net current assets, as at December 31, 2024 were RMB1,194.9 million, representing a decrease of 14.6% as compared to net current assets of RMB1,399.4 million as at December 31, 2023, primarily due to the decrease of cash and cash equivalents and term deposits.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are dominated in foreign currencies and are exposed to foreign currency risk. Our management monitors foreign exchange exposures and consider appropriate hedging measures when the need arises.

Pledge of Shares

We did not have any pledging of shares by our Single Largest Group of Shareholders as at December 31, 2024.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2024, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the year ended December 31, 2024, the Group's total capital expenditure amounted to approximately RMB191.3 million, which was mainly used in the purchase of property, plant and equipment and intangible assets.

Charge on Assets

As at December 31, 2024, there was no charge on assets of the Group.

Contingent Liabilities

As at December 31, 2024, we did not have any material contingent liabilities.

Employees and Remuneration Policies

As at December 31, 2024, we had 875 employees in total (December 31, 2023: 765).

In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three years.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, projects and stock incentive plans to our employees especially key employees.

Future Investment Plans and Expected Funding

The Group will continue to expand its markets in the PRC and globally in order to tap its internal potential and maximize shareholders' interest. The Group will continue to grow through self-development, mergers and acquisitions, and other means. We will use diversified financing channels to finance capital expenditures, including but not limit to internal funds and bank loans. As at December 31, 2024, the capital commitments of the Group for property, plant and equipment and investment in venture fund were RMB12.8 million and RMB158.7 million respectively as compared to RMB100.6 million and RMB144.6 million respectively as at December 31, 2023. Save as disclosed, the Group has no other future commitment for material investments or capital assets as at December 31, 2024.

III. PROSPECTS

We plan to implement the following strategies to achieve our mission and vision:

- **Continue to increase our market share by capitalizing on our comprehensive product offering and strong commercialization capability**

  With the ongoing adoption of our high-quality products by physicians and hospitals, we are confident in our ability to further expand our market share in the neurovascular and peripheral vascular interventional devices industry. We have established a robust track record of commercialization and distribution in China. Leveraging our strong commercialization and distribution network, we will continue to effectively launch innovative products.

- **Continue to invest in international markets**

  In overseas markets, we have taken significant strides in commercialization and registration, and we are committed to continuing these efforts. We are expanding our international team to bolster sales outside of China and intensifying our registration efforts in various regions, including South America and the Pan-Asian regions. Additionally, we will enhance partnerships with local physicians and distributors and explore new business cooperation models to further strengthen our presence and growth in these markets.

- **Continue to expand our product offering and accelerate innovation tailored to clinical needs**

  We have successfully launched a few innovative products with unique features to better accommodate unmet clinical needs, including Thrombite Clot Retriever Device (CRD), ZYLOX Penguin Peripheral Venous Stent System, Tonbridge Kylin Flow Diverter, and ZYLOX Unicorn Suture-mediated Closure System. Leveraging our internal R&D capabilities, we are dedicated to ongoing investment in innovation. The commitment allows us to respond swiftly to the evolving clinical needs and develop innovative products with superior clinical performance.

- **Continue to improve our operational efficiency and profitability**

  The evolving industry dynamics, including the implementation of VBPs and reimbursement under Diagnosis-Related Groups (DRGs), present new challenges for medical device companies. To address these challenges, we will continue to leverage our in-house R&D technology platforms, manufacturing expertise and knowhow, and efficient sales and marketing network, to accelerate commercialization efforts and ultimately improve overall profitability.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on June 6, 2023, the Directors were granted a general mandate to exercise the power to repurchase up to 32,461,974 H Shares, representing 10% of the total number of H Shares in issue as at June 6, 2023 (the "**Repurchase Mandate I**"). During the Reporting Period, pursuant to the Repurchase Mandate I, the Company bought back an aggregate of 108,000 H Shares on the Stock Exchange at a total consideration of HK$971,090, exclusive of commissions and other expenses.

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on June 6, 2024, the Directors were granted a general mandate to exercise the power to repurchase up to 32,461,974 H Shares, representing 10% of the total number of H Shares in issue as at June 6, 2024 (the "**Repurchase Mandate II**"). During the Reporting Period, pursuant to the Repurchase Mandate II, the Company bought back an aggregate of 4,033,000 H Shares on the Stock Exchange at a total consideration of approximately HK$46,016,580, exclusive of commissions and other expenses.

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

Month of buy-back	**Number of Share bought back**	**Consideration per Share**		**Total consideration paid for the buy-back**	**Status of the Repurchased Shares**
		Highest price paid *HK$*	**Lowest price paid** *HK$*	*(appro.) HK$*	
April 2024	108,000	9.5	8.78	971,090	Cancelled
August 2024	300,000	11.20	10.66	3,290,370	Held as Treasury Shares
September 2024	752,000	12.52	10.90	8,644,430	Held as Treasury Shares
October 2024	976,500	13.70	11.20	11,677,070	Held as Treasury Shares
November 2024	1,006,000	11.46	10.72	11,136,810	Held as Treasury Shares
December 2024	998,500	11.98	10.90	11,267,900	Held as Treasury Shares
Total	4,141,000	/	/	46,987,670	/

The Board believes that the share repurchases demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders.

As at the date of this announcement, the balance of the issued shares of the Company was 322,400,744 H Shares (including 4,633,000 H Shares are held as treasury shares) and 7,781,257 Domestic Shares.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as its own code of corporate governance practices. The Board is of the view that during the Reporting Period, the Company has applied the principles of good corporate governance and complied with all the applicable code provisions set out in Part 2 of the CG Code, save for the deviation for reasons set out below.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Up to the date of this announcement, the roles of chairman and chief executive officer were performed by Dr. Jonathon Zhong Zhao, which may be inconsistent with code provision C.2.1. Nevertheless, the Board considers that this arrangement is proper and beneficial to the Group as the stability and efficiency of the Company's operations, as well as the continuity of the Company's policies and strategies, can be maintained. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing another individual as the chief executive officer when it thinks appropriate.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

EVENTS AFTER THE REPORTING PERIOD

No event has taken place subsequent to December 31, 2024 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

REVIEW OF ANNUAL RESULTS

The Audit Committee has three members comprising all independent non-executive Directors, being Ms. Yun Qiu (chairman of the Audit Committee), Dr. Jian Ji and Dr. Xiang Qian, with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. The Audit Committee has reviewed the annual financial results for the year ended December 31, 2024 and considers that the annual financial results are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF THE COMPANY'S AUDITORS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

The Board has not yet resolved to recommend the payment of a final dividend for the year ended December 31, 2024 (the "**Final Dividend**"). A separate Board meeting will be convened to consider if the Final Dividend will be proposed for declaration (the "**Declaration**"); if the Board decides to proceed, the Declaration will be adopted and proposed to the 2024 AGM by the Board for the Shareholders' consideration and approval.

2024 AGM

An announcement containing information in relation to the latest registration date and the period of closure of register for attending 2024 AGM will be published separately when the date of 2024 AGM is fixed.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zyloxtb.com).

The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

"Audit Committee"	the audit committee of the Board
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"BGC"	balloon guiding catheter, a large lumen catheter with a compliance balloon at the distal tip of the catheter. Intending to facilitate the insertion and guidance of an intravascular catheter
"Board"	the board of Directors
"CE"	Conformité Européenne
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual results announcement and for geographical reference only, excludes Hong Kong, Macao and Taiwan
"CODM"	Chief operating decision-maker

"Company"	Zylox-Tonbridge Medical Technology Co., Ltd. (歸創通橋醫療科技股份有限公司), a limited liability company incorporated in the PRC on November 6, 2012 and converted into a joint stock limited liability company incorporated in the PRC on March 2, 2021, whose predecessor was Zhejiang Zylox Medical Device Co., Ltd. (浙江歸創醫療器械有限公司) and the H Shares of which are listed on the Stock Exchange (stock code: 2190)
"CRD"	clot retriever device, a minimally invasive device to capture and remove the clot blocking blood vessels to treat neurovascular diseases such as acute ischemic stroke
"CTO"	chronic total occlusion
"DCB"	drug-coated balloon, angioplasty balloons (usually semi-compliant) coated with a cytotoxic chemotherapeutic agent
"Director(s)"	the director(s) of the Company or any one of them
"Domestic Share(s)"	the ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are held by domestic investors and currently not listed or traded in any stock exchange
"DRG"	diagnosis-related group, a case-mix system to categorize patients with similar clinical diagnoses in order to better control hospital costs and determine payor reimbursement rates
"DVT"	deep vain thrombosis occurring when a blood clot forms in one or more of the deep veins in the body, usually in the leg
"EU"	European Union
"Frost & Sullivan"	Frost & Sullivan International Limited, an independent market, research and consulting company

"Frost & Sullivan Report"	the report commissioned by the Company and independently prepared by Frost & Sullivan, a summary of which is set forth in the section headed "Industry Overview" in the prospectus issued by the Company dated June 22, 2021
"Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Scheme"	the 2021 H Share award and trust scheme adopted by the Company on September 23, 2021
"HKD" or "HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"ischemic stroke"	a stroke caused by a blockage in an artery that supplies blood to the brain
"ISR"	in-stent restenosis
"IVC"	inferior vena cava, a large vein that carries the deoxygenated blood from the lower and middle body into the right atrium of the heart
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on July 5, 2021
"Macao"	the Macao Special Administrative Region of the PRC
"Main Board"	the main board of the Stock Exchange

"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix C3 to the Listing Rules
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"OCT"	optical coherence tomography
"PE"	pulmonary embolism, a blockage in one of the pulmonary arteries in the lungs. Caused by blood clots that travel to the lungs from deep veins in the legs or, rarely, from veins in other parts of the body
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme of our Company approved and adopted by the Board on January 18, 2021, as amended from time to time
"PTA"	percutaneous transluminal angioplasty, a percutaneous interventional procedure that can open up blocked peripheral arteries using a catheter with a balloon at the end of it, allowing blood to circulate unobstructed
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Shares

"Single Largest Group of Shareholders"	refers to Dr. Jonathon Zhong Zhao (趙中), Dr. Shengping Sam Zhong (鍾生平), Dr. Zheng Li (李崢), Ms. Na Wei (衛娜), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)), Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)), Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership) 杭州歸橋企業管理合夥企業(有限合夥) (formerly known as Ningbo Guiqiao Enterprise Management Partnership (Limited Partnership) (寧波歸橋企業管理合夥企業(有限合夥)), WEA Enterprises, LLC and Hangzhou Yuyihui Investment Partnership (Limited Partnership) (杭州語意慧投資合夥企業(有限合夥) (formerly known as Huzhou Yuyihui Investment Partnership (Limited Partnership) (湖州語意慧投資合夥企業(有限合夥)))
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"US dollars"	United States dollars, the lawful currency of the United States
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VBP"	volume-based procurement, a program that enables local governments to procure medical devices in high volume and at low cost, thereby driving down medical expenses for patients
"%"	percent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

By order of the Board
Zylox-Tonbridge Medical Technology Co., Ltd.
Dr. Jonathon Zhong Zhao
Chairman and Executive Director

Hong Kong, March 20, 2025

As of the date of this announcement, the Board comprises Dr. Jonathon Zhong Zhao, Mr. Yang Xie and Dr. Zheng Li as executive Directors, Mr. Stephen Hui Wang, Dr. Steven Dasong Wang and Mr. Dongfang Li as non-executive Directors, and Dr. Jian Ji, Ms. Yun Qiu and Dr. Xiang Qian as independent non-executive Directors.