MicroPort NeuroScientific Corporation
微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	**Change**
	RMB'000	*RMB'000*	***%***
Revenue	**761,762**	665,624	14.4%
Gross profit	**555,927**	511,791	8.6%
Net profit	**248,855**	134,581	84.9%
Earnings per share (basic and diluted)	**0.44**	0.25	76.0%
Non-HKFRS adjusted net profit for the year ("**adjusted net profit**")	**281,733**	195,438	44.2%

For the year ended 31 December 2024 (the "**FY2024**" or "**Reporting Period**"), the Group's revenue was mainly derived from hemorrhagic stroke products, cerebral atherosclerotic stenosis products, acute ischemic stroke products and access products. The Group recorded a revenue of RMB761.8 million, representing an increase of 14.4% from RMB665.6 million for the year ended 31 December 2023 ("**FY2023**" or "**Previous Year**"). The increase was mainly due to the facts that: (1) overseas business achieved a breakthrough and the revenue for the Reporting Period increased by 137.6% over the same period of the Previous Year, contributing to the Group's revenue growth; (2) cerebral atherosclerotic stenosis products (including Bridge® Rapamycin Target Eluting Vertebral Artery Stent System ("Bridge® Vertebral Artery DES"), APOLLO™ Intracranial Stent System ("APOLLO™ Intracranial Stent"), etc.) continued to increase their market share and realized a significant revenue growth; (3) coil products (including NUMEN® Coil Embolization System ("NUMEN® Coil"), etc.) benefited from winning the VBP bids, which accelerated the development of new markets and played an important role in the revenue growth; (4) several acute ischemic stroke products approved for marketing in recent years (including Neurohawk® Stent Thrombectomy Device ("Neurohawk® Thrombectomy Device"), X-track® Distal Catheter, etc.) accelerated hospital admission and clinical use, contributing to the Group's revenue growth.

In FY2024, the Group recorded net profit of RMB248.9 million, representing an increase of 84.9% from RMB134.6 million in FY2023, which was mainly due to the increase in revenue and improvement in operational efficiency.

In FY2024, the Group recorded a non-HKFRS adjusted net profit of RMB281.7 million, representing an increase of 44.2% from RMB195.4 million in FY2023.

Benefiting from the above-mentioned increases in revenue and earnings, the Board has resolved to recommend the payment of a final dividend of HK$0.11 per ordinary share for FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Stroke is an acute cerebrovascular disease, which is the second major fatal disease in the world and the first major fatal disease in China, with high rates of incidence, disability, mortality and recurrence. According to the research data of the Global Burden of Disease (GBD), the number of stroke patients in China continues to rank first globally, and the proportion of patients younger than 70 years old kept increasing, with a trend toward younger patients. Another research result[1] on the burden of stroke disease in China showed that in 2020, the prevalence of stroke in China was 2.6% among people aged 40 years or older, which was much higher than the global prevalence of stroke, and in addition, the number of new stroke cases in China (approximately 3.4 million) was higher than that in the United States (approximately 0.61 million) and Europe (approximately 1.12 million), representing approximately a quarter of all new stroke cases worldwide each year. The research also shows that there were significant urban-rural differences in the burden of stroke disease in China, with both stroke incidence and mortality rates higher in rural areas than in urban areas.

Thanks to the development of neuroimaging, neuro-interventional therapy is gradually replacing the traditional surgical craniotomy and conventional drug therapy with its safe, effective and minimally invasive characteristics, and has become an important treatment for stroke. With the aging of the global population and the rising incidence of strokes, the volume of neuro-interventional surgeries is expected to grow rapidly. However, currently the neurointerventional medical device industry in China is still at an early stage of development, with a relatively low market penetration especially in the vast grassroots areas represented by lower-tier cities and counties.

In the face of the serious challenge of stroke prevention and treatment, the Chinese government and health organisations are taking active actions, including improving the construction of the stroke prevention and treatment system, promoting health education for all, strengthening screening of high-risk factors for stroke, and raising early recognition and first aid capacity of the public. In 2021, ten departments including the National Health Commission jointly formulated the Comprehensive Plan for Strengthening Stroke Prevention and Treatment Work to Reduce Millions of New Disabilities (《加強腦卒中防治工作減少百萬新發殘疾工程綜合方案》), which proposes the overall goal of further improving the prevention and treatment effect of stroke and reducing the incidence rate and disability rate, and clarifies the phased goals to be achieved by 2022, 2025, and 2030, including the goals for the awareness rates of hypertension among residents, the development of

[1] Burden of stroke in China in 2020, JAMA Netw Open. 2023;6(3):e231455

intravenous thrombolysis and thrombectomy techniques, etc. Meanwhile, the "Identification and Hierarchical Diagnosis and Treatment Action for the Stroke in China's Thousands of Counties and Ten Thousands of Towns (中國千縣萬鎮卒中識別與分級診療行動)" has been expedited to implement the Green Channel for stroke treatment, and establish and improve the hierarchical diagnosis and treatment system for stroke. According to the Stroke Center of National Health Commission of the PRC, as of mid-March 2025, an aggregate of approximately 2,300 stroke centers have been established in the country, including over 710 stroke centers in tertiary hospitals and approximately over 1,570 in secondary hospitals, and the coverage rate of stroke centres in districts and counties has exceeded 50%.

Meanwhile, the Reform of the Medical and Health Care System in the PRC continues to be deepened. In terms of medical insurance coverage, treatment and surgical projects with clear clinical efficacy and significant technical value will be prioritized to be included into the medical insurance coverage. In terms of the reform of the medical insurance payment system, in July 2024, the NHSA issued the Notice on the Issuance of the Version 2.0 Grouping Scheme for Payment by Diagnosis-Related Group (DRG) and Diagnosis-Intervention Pair (DIP) and Related Work Arrangements (《關於印發按病組(DRG)和病種(DIP)分值付費2.0版分組方案並深入推進相關工作的通知》), and as of the end of 2024, the DRG/DIP payment had achieved a basic comprehensive coverage of the co-ordinated regions. Since 2025, the unified use of the grouping version in all co-ordinated regions will improve the standardization and unity of the reform of payment methods. According to the Three-Year Action Plan for the Reform of DRG/DIP Payment Methods, by the end of 2025, the DRG/DIP payment method will cover all the eligible medical institutions that carry out inpatient services, achieving a basic comprehensive coverage of diseases and medical insurance funds. In this context, medical devices with clear clinical value and rigid treatment demand are expected to usher in a rapid growth, while auxiliary attributes and non-essential varieties are showing a weakening trend, which will further promote the standardized development of the medical device industry.

In recent years, the neuro-interventional industry has carried out multiple VBPs. The VBP for coils has gradually expanded from an individual province to provincial alliances. In 2024, the Beijing-Tianjin-Hebei "3+N" alliance carried out volume-based joint purchasing of coils medical consumables and successively landed on the implementation at the end of the year. In the first half of 2024, the Hebei "3+N" provincial alliance included products in the field of neuro-intervention such as guide catheters, thrombectomy devices and intracranial stents in the VBP scope. In the second half of 2024, Hebei Province took the lead in carrying out inter-provincial alliance centralised volume purchasing of vascular interventional medical consumables, including flow-diverting stents and intracranial balloon dilatation catheter. The VBP policies will advance the transformation of enterprises for quality improvement, cost optimization and innovative development, accelerate the industry's survival of the fittest, and promote the high-quality and standardized development of the industry.

Meanwhile, industrial policies to encourage the high-quality development of the innovative medical device industry have been frequently introduced. In December 2023, the National Development and Reform Commission issued the Guidance Catalogue for Industrial Structure Adjustment (2024) (《產業結構調整指導目錄(2024年)》), which included high-end implantable interventional products, high-performance medical imaging equipment and other high-end medical devices into the policy support list. In June 2024, the State Council issued the Key Tasks for Deepening the Reform of the Medical and Health System in 2024 (《深化醫藥衛生體制改革2024年重點工作任務》), which emphasized accelerating the review and approval of innovative medical devices, and proposed policy preferences such as excluding payment from DRG/DIP payments for the application of advanced medical technologies. In addition, the State Council also issued the Opinions on Comprehensively Deepening the Reform of Drugs and Medical Devices Supervision and Promoting the High-Quality Development of the Pharmaceutical Industry (《關於全面深化藥品醫療器械監管改革，促進醫藥產業高質量發展的意見》), which clearly proposes to increase the support for medical device research and development and innovation, and improve the quality and efficiency of medical device review and approval. Shanghai has issued Certain Opinions on Supporting the Development of Whole Chain Innovation of the Biomedical Industry (《關於支持生物醫藥產業全鏈條創新發展的若干意見》), which will provide financial support at all stages of development for products which are fulfilling national and Shanghai's special procedures for examination and approval of innovative medical devices, and promote admission of more innovative medical device products to hospitals and medical insurance, thereby speeding up their market access and application promotion.

Company's Business

As a pioneer and the largest Chinese company in the neuro-interventional medical device industry in China, the Group is committed to providing innovative and accessible solutions for cerebrovascular diseases to patients and physicians around the world. The Group has a comprehensive portfolio of commercialized products covering three major areas of cerebrovascular diseases, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke. The Group's market share in China's neuro-interventional medical device market ranked the first among all the domestic brands in terms of the sales in 2024.

Since its establishment, while always adhering to the goal of addressing clinical needs, the Group has been placing key emphasis on R&D and innovation with independent intellectual property rights. After years of experiences, we have already mastered a number of core design and manufacturing technology platforms for the R&D and manufacturing of neuro-interventional medical devices. The Group has developed multiple "First-of-Its-Kind" products and "One-of-a-Kind" products, including the world-first stent system for treating intracranial atherosclerotic diseases in the world, the world-only intracranial stent graft approved for treating cerebrovascular diseases, the first Chinese-developed flow-diverting stents approved by the NMPA, and the first vertebral artery drug-eluting stent in China that

has been admitted to the NMPA's special review procedure for innovative medical devices (the "**Green Path**") and approved by the NMPA.

Business Review

In 2024, the Group maintained high-quality growth in its operating results, further expanded its overseas business footprint, maintained a high rate of growth in overseas revenue, steadily enhanced its position in the neuro-intervention market, and significantly improved its profitability. During the Reporting Period, the Group achieved the revenue of RMB761.8 million, representing an increase of 14.4% over the Previous Year. The Group's net profit for the year was RMB248.9 million, achieving strong growth of 84.9% as compared to the Previous Year, and the non-HKFRS adjusted net profit reached RMB281.7 million, with an increase of 44.2% over the Previous Year.

Commercialization Capabilities

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

As of the end of the Reporting Period, the Group's team for the promotion of medical solutions consisted of 94 senior personnel. In order to address different treatment needs, we have strategically created three professional marketing teams, namely the hemorrhagic stroke solution team, the cerebral atherosclerotic stenosis solution team and the acute ischemic stroke solution team. Such team structure enables us to provide the highly customised, professional and targeted treatment support to the market. In addition, the Group has established cooperative relationships with over 400 distributors and sub-distributors, with sales channels covering 31 provinces, municipalities and autonomous regions across the country.

As at the end of 2024, the Group had added approximately 450 hospitals to its sales channel, reaching a total coverage of around 3,400 hospitals nationwide, of which more than 2,000 tertiary hospitals and all of the top 100 hospitals in China's National Stroke Center are included therein. As of the end of the Reporting Period, the Group's products have cumulatively supported approximately 210,000 neuro-interventional procedures.

In terms of volume-based procurement policies, as most of the provinces across the country have successively implemented and renewed the VBP projects of coils, the Group's coil products have achieved the positive effect of exchanging price for volume by virtue of their excellent performance and brand reputation, with their market share steadily increasing. In addition, in the Hebei "3+N" provincial alliance's volume-based procurement projects carried out in early 2024, the Group's APOLLO™ Intracranial Stent became the only domestic intracranial stent product as selected thanks to its leading market position, and is expected to capture more market share in the future. As of the date of this announcement, the Group's Tubridge® Flow-diverting Stent, the new generation of Tubridge Plus® Flow-diverting Stent with full visualization and Intracranial Balloon Dilatation Catheter have all won bids in the inter-provincial alliance's volume-based procurement project led by Hebei.

In the field of hemorrhagic stroke products, NUMEN® Coil took the opportunity of winning the VBP bids to accelerate hospital admission and clinical promotion. During the Reporting Period, NUMEN® Coil was newly admitted into approximately 520 hospitals and had achieved clinical applications in an accumulated number of nearly 1,450 hospitals. Although the Group's Tubridge® Flow-diverting Stent was affected by the standardized adjustment of the policy environment, we continued to increase the number of hospital admission for the product. During the Reporting Period, Tubridge® Flow-diverting Stent was newly admitted into approximately 170 hospitals, covering more than 1,190 hospitals in total. The new generation of Tubridge Plus® Flow-diverting Stent with full visualization was approved for market during the Reporting Period, further enriching the existing product matrix and bringing new revenue contributions. In addition, WILLIS® Intracranial Stent Graft ("**WILLIS® Stent Graft**"), as the world's first and only approved intracranial stent graft, not only has excellent clinical effects in the treatment of complex cranial vascular diseases, but has also been continuously exploring its advantages in the treatment of other diseases such as vascular rupture in nasopharyngeal carcinoma surgery and cervical dissection aneurysm. During the Reporting Period, WILLIS® Stent Graft was newly admitted into approximately 60 hospitals, covering approximately 800 hospitals in total, which was widely recognised by clinical experts.

In the field of cerebral atherosclerotic stenosis treatment products, Bridge® Vertebral Artery DES has shown differentiated characteristics such as grooved drug-eluting design and low long-term restenosis rate, which leads to enhanced recognition of the balloon-expandable drug-eluting stent treatment concept by the surgeons. In 2024, Bridge® Vertebral Artery DES newly entered approximately 380 hospitals, covering approximately 1,500 hospitals

in total. As the market promotion of this product enters the mature stage, the growth of its clinical use in second-tier and grassroots hospitals is particularly obvious, which would bring new growth momentum. In addition, APOLLO™ Intracranial Stent System ("**APOLLO™ Intracranial Stent**") continued to consolidate its advantages in market share and established the presence in nearly 190 new hospitals during the Reporting Period, covering approximately 2,340 hospitals in total.

In the field of acute ischemic stroke products, the Group significantly accelerated the pace of commercialisation with the focus on developing the grassroots hospitals. In 2024, Neurohawk® Thrombectomy Device was newly admitted into more than 230 hospitals, covering approximately 520 hospitals in total. As of the end of the Reporting Period, WAVE-track™ Intracranial Aspiration Catheter ("**WAVE-track™ Aspiration Catheter**"), which was newly launched in 2023, had been listed on the procurement platforms of 30 provinces and cities across the country, which is expected to contribute to the continuous growth of revenue as new impetus. In addition, X-track® Distal Catheter had been listed on the procurement platforms of all the provinces nationwide, and had newly entered over 300 hospitals during the Reporting Period, covering around 500 hospitals in total.

In the field of access products, the Group's market promotion strategy is to sell them in conjunction with therapeutic products, fully leveraging the competitive advantages of high clinical adaptability and a well-established sales distribution channel. During the Reporting Period, as the key accessory product in the aneurysm treatment surgery, driven by the sales volume of related therapeutic products of the Group, the clinical use of U-track® Support Catheter achieved a high speed growth.

As for the grassroots market, the Group actively responded to the national call for establishing primary stroke centers. The Group has been providing the clinical training, follow-up consulting and routine guidance to physicians in hospitals in lower-tier cities and counties, thereby helping grassroots hospitals to improve their stroke treatment ability. The Group promoted the high quality medical resources to those local areas through the special fund of "Brain Power" (百腦神通) for cultivating young neuro-interventional physicians, so as to build a platform for technical communication among grassroots clinicians, allowing more local patients with cerebrovascular diseases to benefit from the initiatives. As of the end of the Reporting Period, the Group had provided technical trainings for the "Brain Power" program to approximately 300 surgeons.

The Group is committed to improving the stroke clinical diagnosis and treatment technology in the globe and continues to provide professional training to doctors on clinical techniques and standardized diagnosis and treatment processes, gradually building up a customised, systematic and multi-level clinical training system. With the focus on the promotion of our innovative products, namely Tubridge® Stent, NUMEN® Coil, Bridge® Vertebral Artery Stent and Neurohawk® Thrombectomy Device, we have offered a series of innovative

clinical therapies through the combination of several product portfolios including the "AND procedure" (APOLLO™ Intracranial Stent + Neurohawk® Thrombectomy Device + Diveer® Balloon Catheter) for the treatment of large vessel occlusions associated with intracranial atherosclerotic stenosis (ICAS-LVO) and the "NEXT procedure" (Neurohawk® Thrombectomy Device + X-track® Distal Catheter) for the acute thrombectomy surgeries.

International Business

During the Reporting Period, the Group achieved a breakthrough in its international business with the overseas revenue of RMB75.3 million, representing an increase of 137.6% over the Prior-year Period. Among them, the Group's sales revenue increased rapidly to varying degrees in the Asia Pacific ("**APAC**"), North America ("**NA**"), Latin America ("**LATAM**") and Europe, the Middle East and Africa ("**EMEA**"). Meanwhile, the international business achieved earnings for the first time during the Reporting Period.

As at the end of 2024, the Group had a total of 8 products that have been launched into the overseas market, and have been commercialized in 30 overseas countries or regions, covering 9 of the top 10 countries worldwide in terms of the number of neuro-interventional procedures. In Japan, the commercialization of NUMEN® Coils has been impressive since its inclusion into medical insurance in October 2023 and the completion of the first batch of implantation. As of the end of the Reporting Period, it has entered more than 250 local hospitals. During the Reporting Period, in France, NUMEN® Coils achieved its first commercial clinical application. In the United States, the Group has completed the successful transition of switching from a distribution model to a direct sales model since the first quarter of 2024, and has been admitted into nearly 50 hospitals, which has significantly improved the operational efficiency and profit levels while better adapting to local marketing habits. Tubridge® Flow-diverting Stent has supported more than 80 surgeries after its successful launch in Brazil and Argentina.

During the Reporting Period, a number of the Group's key products have accelerated their overseas expansion. Numen® Silk coil embolization system was approved by the US Food and Drug Administration (FDA) and CE registration, signifying further recognition of the Group's speed of product iteration and upgrading capabilities. Numen® coil embolization system ("**Numen® coil**") was newly launched in 10 countries, with a first breakthrough into the South Asian market. The first commercial implantation of Tubridge® Flow-diverting Stent was achieved in Brazil and Argentina, while the first commercial usage of Neurohawk® Thrombectomy Device and X-track® Distal Catheter was also achieved in Brazil and Argentina respectively. The Numen® coil embolization system, Numen® FR detachment system, Neurohawk® stent thrombectomy device and X-track® intracranial distal access catheter were approved for registration by the Federal Commission for Protection against Sanitary Risk (COFEPRIS) of Mexico.

In terms of overseas market promotion, during the Reporting Period, the Group has carried out a total of over 50 overseas surgical trainings and academic exchange conferences, inviting a number of overseas clinicians and partners for corporate site visits, product training and seminars. These initiatives can not only strengthen international clinical technical exchange and enhance a better understanding of the Company's products in overseas markets, but also help to enhance the global competitiveness and influence of our brand.

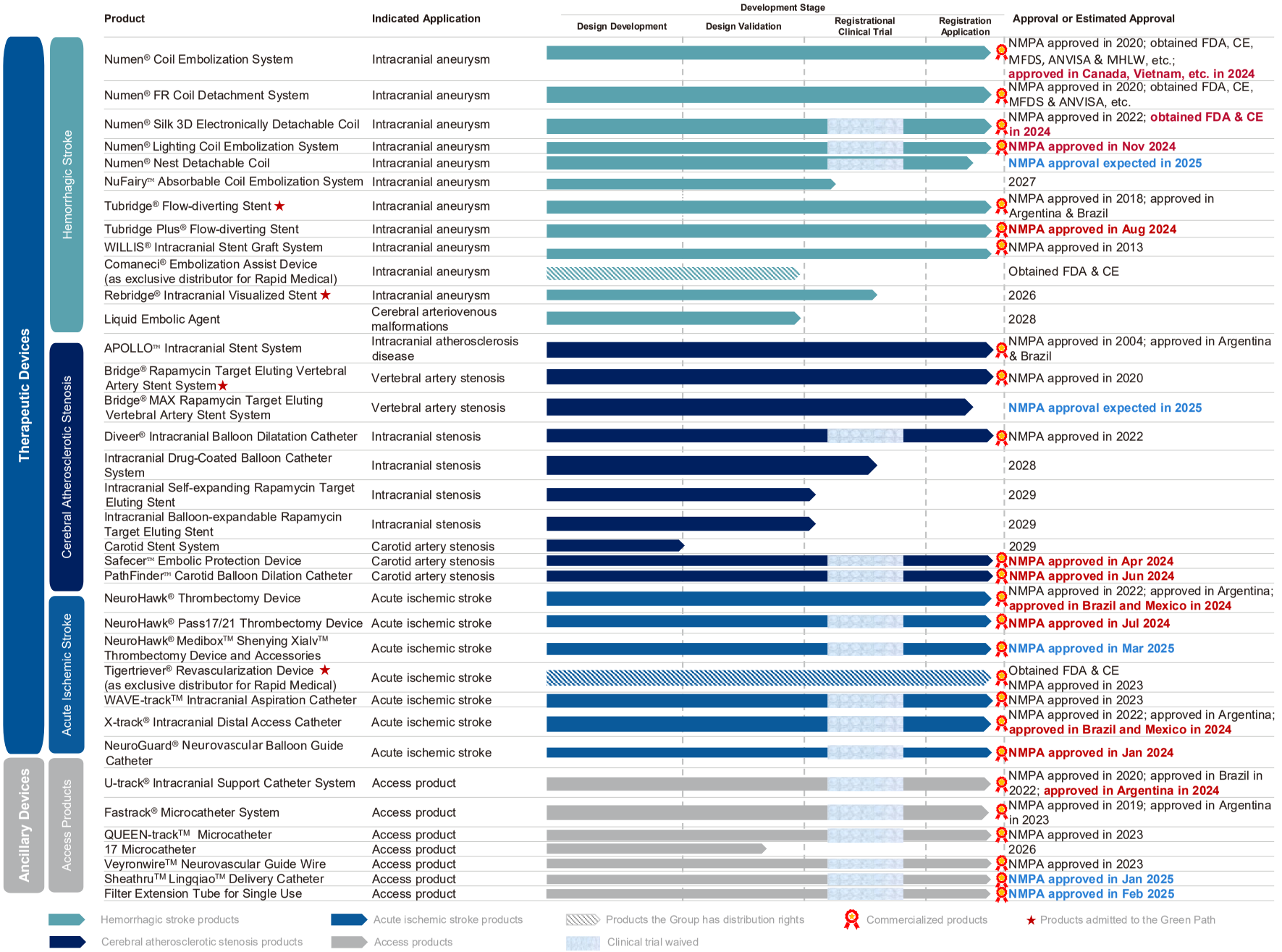
In June 2024, the Group made its debut at LINNC (Live Interventional Neuroradiology & Neurosurgery Course), one of the world's most important neuro-interventional conferences. At the conference, we focused on displaying six innovative products, including NUMEN® Coil, NUMEN® Silk Coil, Bridge® Vertebral Artery DES and Neurohawk® Thrombectomy Device, which attracted physicians in the neuro-interventional area to participate in the practical demonstration and training of the products.

Product Pipeline

Since the marketing approval of the first product in 2004, leveraging its excellent R&D capability and efficient physician-engineer collaboration (醫工結合) model, the Group has built up a diversified portfolio of neuro-interventional products. As of the date of this announcement, the Group had a total of 25 products that have been approved and commercialized in China, and 11 pipeline products at different development phases. Among them, four products have been approved by the NMPA to be admitted to the Green Path, ranking the first among Chinese neuro-interventional medical device companies.

From the beginning of 2024 and up to the date of this announcement, the Group's R&D projects have achieved fruitful results. Nine products including NeuroGuard® Neurovascular Balloon Guide Catheter ("**NeuroGuard® Balloon Guide Catheter**"), NeuroHawk® Pass17/21 Stent Thrombectomy Device, Safecer™ Embolic Protection Device, PathFinder™ Carotid Artery Balloon Dilatation Catheter ("**PathFinder™ Carotid Artery Balloon**"), the new generation of Tubridge Plus® Flow-diverting Stent with full visualization ("**Tubridge Plus® Flow-diverting Stent**"), Numen® Lighting Coil Embolization System, Sheathru™ Lingqiao™ Delivery Catheter, NeuroHawk® Medibox™ Shenying Xialv™ Theombectomy Device and Accessories, and filter extension tube for single use have been approved by the NMPA for marketing. In addition, the registration applications of two products including Bridge® MAX Rapamycin Target Eluting Vertebral Artery Stent System and Numen® Nest Detachable Coil have been submitted to the NMPA for approval.

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



Hemorrhagic Stroke Products

Intracranial aneurysm is one of the main causes of hemorrhagic stroke. According to Frost & Sullivan, hemorrhagic stroke products represent the largest segment in terms of sales of neuro-interventional medical devices in China. The Group has a portfolio of 12 products for the treatment of hemorrhagic stroke, of which 7 products have been approved for commercialisation, including embolization coils, flow-diverting stents and stent grafts, and covering key therapeutic areas of hemorrhagic stroke.

During the Reporting Period, the Group recorded the revenue of hemorrhagic stroke products of RMB401.7 million, representing a decrease of 5.5% over the Prior-year Period, which was mainly due to the impact of policy environment adjustments on stent, while the global sales of NUMEN® Coil maintained high growth.

NUMEN® Coil

NUMEN® Coil is a coil embolization system used to treat intracranial aneurysm. It was approved by the NMPA in September 2020, and was subsequently approved for marketing in many countries, including the European Union, South Korea, the United States, Brazil, Japan, Argentina, Australia, Saudi Arabia, Colombia, the UAE, Mexico, Canada, Bangladesh, Vietnam and India. As of the end of the Reporting Period, the Group had submitted the registration application for NUMEN® Coil to Indonesia, Serbia and Egypt.

As of the end of the Reporting Period, NUMEN® Coil has been commercialised in 30 overseas countries or regions, including United States, United Kingdom, Ireland, Spain, Italy, Greece, Croatia, Portugal, Poland, Germany, Belgium, Netherlands, France, Saudi Arabia, the UAE, Puerto Rico, Nepal, Brazil, Argentina, Mexico, Chile, South Africa, Colombia, Dominican Republic, Bangladesh, Romania, India, South Korea, Japan and Hong Kong, China, receiving high praise from local clinicians.

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

*NUMEN® Silk 3D Electronically Detachable Coil ("**NUMEN® Silk Coil**")*

NUMEN Silk® Coil is an iterative product developed based on NUMEN® Coils, and was approved by the NMPA in February 2022 and received marketing approval from the FDA in September 2024.

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

*Nufairy™ Absorbable Embolization Coil ("**Nufairy™ Absorbable Coil**")*

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

As of the end of the Reporting Period, the prospective, multi-center, open and non-inferior RCT (NUCATCH study) of NuFairy™ Absorbable Coil has completed patients enrollment.

*Tubridge® Flow-diverting Stent ("**Tubridge® Stent**")*

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

During the Reporting Period, Tubridge® Stent was successfully launched into the overseas market, with the commencement of commercial implantations in both Argentina and Brazil, opening up a new situation for its expansion into global markets.

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

*Tubridge Plus® Flow-diverting Stent ("**Tubridge Plus® Stent**")*

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

In August 2024, Tubridge Plus® Stent was approved by the NMPA for marketing, further enriching the Group's product portfolio in the field of flow-diverting stents.

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

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

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

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

As of the end of the Reporting Period, Rebridge® Stent has completed patients enrollment for the multi-centre registrational clinical trial.

Intracranial Atherosclerotic Stenosis Products

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

During the Reporting Period, the Group recorded the revenue for cerebral atherosclerotic stenosis products of RMB267.9 million, representing an increase of 74.6% over the Prior-year Period. The increase was mainly due to the acceleration of marketing of Bridge® vertebral artery stents.

APOLLO™ Intracranial Stent

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

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

Bridge® Vertebral Artery DES

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

Clinical treatment of vertebral artery stenosis mostly involves the location of the opening of the vertebral artery, and the proximal diameter of the lesion is usually larger than 4.0 mm. Therefore, Bridge® Vertebral Artery DES planned to add new large-diameter sizes of 4.5 and 5.0 mm to the existing specifications.

During the Reporting Period, the product's new large-sized Bridge-MAX has submitted for registration, which will effectively fill the gap of large-sized stents in clinical practices and better meet the needs of patients with vertebral artery stenosis.

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

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

Safecer™ Embolic Protection Device

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

Safecer™ Embolic Protection Device's umbrella body is a new symmetric structure based on 3D knitting technology. After the umbrella body is opened, its adhesion performance is not affected by blood vessel tortuosity. The product's delivery sheath adopts multi-layer material composite tube technology that is both flexible and supportive, allowing for smooth

passage through more tortuous and complex lesion locations. Safecer™ Embolic Protection Device is available in 10 different sizes and is compatible with a wide range of therapeutic devices to improve surgical efficiency and treatment effects.

*PathFinder™ Carotid Artery Balloon Dilatation Catheter ("**PathFinder™ Carotid Artery Balloon**")*

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

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

Acute Ischemic Stroke Products

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

During the Reporting Period, the Group recorded the revenue of Acute Ischemic Stroke Products of RMB46.7 million, representing an increase of 82.0% over the Prior-year Period, mainly due to the revenue growth contributed by Neurohawk® Thrombectomy Device and X-track® Distal Access Catheter, which were newly launched in 2022.

*Neurohawk® Intracranial Thrombectomy Device ("**Neurohawk® Thrombectomy Device**")*

Neurohawk® Thrombectomy Device is the Group's self-developed stent retriever with full visualization, which was approved by the NMPA in February 2022. It features a composite mesh design consisting of two meshes with different opening sizes arranged in a staggered spiral pattern, which allows it to better capture large, tough or fragile clots and improves its wall apposition.

In 2024, we achieved the first commercial usage of Neurohawk® Thrombectomy Device in Brazil and Argentina and obtained registration approval from the COFEPRIS of Mexico. During the Reporting Period, the Group has submitted registration applications for the Neurohawk® Thrombectomy Device to the European Union and South Korea.

*NeuroHawk® Pass17/21 Intracranial Thrombectomy Device ("**NeuroHawk® Pass17/21 Thrombectomy Device**")*

NeuroHawk® Pass17/21 Thrombectomy Device is a retrievable, self-expanding thrombectomy device, which is mainly used for mechanical thrombectomy procedures for recanalization of intracranial large vessel occlusions. In July 2024, the product received the marketing approval from the NMPA.

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

NeuroHawk® Medibox™ Shenying Xialv™ Theombectomy Device and Accessories

NeuroHawk Medibox™ Shenying Xialv™ innovatively integrates the thrombectomy stent and its coordinated system, including intracranial distal catheter, microcatheter and neurovascular guidewire. It provides a one-stop acute ischemic stroke device solution, offering better products and support for the construction of emerging stroke centers. The product was approved by the NMPA in March 2025.

Tigertriever® Revascularization Stent

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

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

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

*WAVE-track™ Intracranial Aspiration Catheter ("**WAVE-track™ Aspiration Catheter**")*

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

*NeuroGuard® Neurovascular Balloon Guide Catheter ("**NeuroGuard® Balloon Guide Catheter**")*

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

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

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

In 2024, we have completed the first commercial usage of X-track® Distal Access Catheter in Argentina and Brazil, and was approved in Argentina, Brazil and Mexico.

Access Products

The Group has a product portfolio of seven auxiliary access devices, among which six have been commercialized, including U-track® Intracranial Support Catheter System ("**U-track® Support Catheter**"), Fastrack® Microcatheter System, QUEEN-track™ Microcatheter and Veyronwire™ Neurovascular Guide Wire ("**Veyronwire™ Guide Wire**"), Sheathru™ Lingqiao™ Delivery Catheter and filter extension tube for single use. The products under research and development include various models of microcatheter products.

During the Reporting Period, the Group recorded the revenue of access products of RMB43.4 million, representing a decrease 26.7% over the Prior-year Period, which was primarily due to the Group's initiative to reduce the proportion of agency products in its sales portfolio due to business strategy considerations.

Fastrack® Microcatheter

Fastrack® Microcatheter is designed to reach farther lesions in neurovascular surgery and support the precise delivery of intracranial interventional devices. The product is available in four inner diameter sizes, namely 0.029", 0.027", 0.024" and 0.021". The product was approved by the NMPA in July 2019.

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

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

QUEEN-track™ Microcatheter

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

Sheathru™ Lingqiao™ Delivery Catheter

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

Veyronwire™ Guide Wire

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

Research and Development

The Group has always adhered to the purpose of addressing clinical needs and continued on innovation. After years of accumulation, we have mastered the core design and manufacturing technology platforms for the R&D and manufacturing of neuro-interventional medical devices, including braiding and coiling technology, stent forming and processing technology, balloon technology and catheter technology. We have also established a core R&D team with significant technical expertise in these fields. As of the end of the Reporting Period, the Group had an R&D team of 124 personnel, over 60% of which have doctor's or master's degrees.

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

Quality Management and Manufacturing

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

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

Human Resources

After more than a decade of development, the Group has built the largest neuro-interventional industrialization team in China, with a full-cycle operational capabilities in the neuro-interventional medical device industry covering R&D, clinical trials and registration, supply chain management and commercialization. As of the end of the Reporting Period, the Group had a total of 527 employees, over 50% of which had bachelor's degrees or above.

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

Prospect

Considering the aging population, the increasing number of stroke patients and the improvement of medical infrastructures, the neuro-interventional medical device industry in China is faced with huge development opportunities. In order to seize such opportunities and enhance core competitiveness amidst the market competition, the Group will make full use of its first-mover advantage and scaling advantage and implement active business strategies, including but not limited to the following:

1. ***Continue to enhance innovation capabilities to offer comprehensive solutions for cerebrovascular diseases***

   We will continue to expand the depth and breadth of our product portfolio to achieve full product coverage of the cerebrovascular therapeutic area. We will keep on with research and development, innovation, and iteration through in-house R&D and external cooperation, aligning every step of product improvement with clinical needs to offer stroke patients with comprehensive top-quality solutions. At the same time, we will also gradually explore more solutions in the field of brain science to meet the growing clinical needs of brain diseases.

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

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

3. Expand the strategic global footprint

We will actively expand our global presence and gradually enter the countries and regions ranked top 30 in terms of the volume of neuro-interventional procedures. We plan to advance the registration of our innovative products overseas and expand our international team to further expand our brand visibility and attract talents and resources in the neuro-interventional field worldwide. In addition, we will continue to have in-depth cooperation with leading international companies to enlarge our product portfolio and sales network, so as to build an international innovation platform.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024
(Expressed in Renminbi)

	Note	**2024** ***RMB'000***	2023 *RMB'000*
Revenue	*2*	**761,762**	665,624
Cost of sales		**(205,835)**	(153,833)
Gross profit		**555,927**	511,791
Other net income	*3*	**56,580**	40,035
Research and development costs		**(96,482)**	(165,133)
Distribution costs		**(132,472)**	(110,738)
Administrative expenses		**(55,832)**	(56,133)
Other operating costs	*4(c)*	**(900)**	—
Profit from operations		**326,821**	219,822
Finance costs	*4(a)*	**(3,531)**	(3,727)
Share of losses of an associate		**(20,557)**	(23,844)
Impairment loss on investment in an associate		**—**	(30,200)
Profit before taxation	*4*	**302,733**	162,051
Income tax	*5(a)*	**(53,878)**	(27,470)
Profit for the year		**248,855**	134,581
Attributable to:			
Equity shareholders of the Company		**254,165**	145,548
Non-controlling interests		**(5,310)**	(10,967)
Profit for the year		**248,855**	134,581
Earnings per share *(RMB)*	*6*		
Basic and diluted		**0.44**	0.25

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024
(Expressed in Renminbi)

	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**248,855**	134,581
Other comprehensive income for the year, (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	**17,802**	20,740
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries	**(9,783)**	(9,536)
Other comprehensive income for the year	**8,019**	11,204
Total comprehensive income for the year	**256,874**	145,785
Attributable to:		
Equity shareholders of the Company	**262,184**	156,752
Non-controlling interests	**(5,310)**	(10,967)
Total comprehensive income for the year	**256,874**	145,785

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**119,850**	161,603
Investment property		**12,582**	12,925
		132,432	174,528
Intangible assets		**189,287**	151,384
Interest in an associate	*7*	**85,966**	103,692
Financial assets at fair value through profit and loss	*8*	**11,298**	—
Time deposit		**50,768**	—
Deferred tax assets		**18,567**	11,119
Other non-current assets	*9*	**184,143**	187,374
		672,461	628,097
Current assets			
Financial assets measured at fair value through profit or loss	*8*	**372,480**	283,504
Inventories		**157,318**	200,963
Trade and other receivables	*10*	**176,991**	62,765
Pledged deposit and time deposit		**40,705**	64,137
Cash and cash equivalents		**622,581**	721,175
		1,370,075	1,332,544

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000
Current liabilities			
Trade and other payables	*11*	**213,398**	213,076
Contract liabilities		**3,193**	8,056
Lease liabilities		**22,359**	23,786
Income tax payables		**22,588**	4,331
		261,538	249,249
Net current assets		**1,108,537**	1,083,295
Total assets less current liabilities		**1,780,998**	1,711,392
Non-current liabilities			
Lease liabilities		**14,763**	37,574
Deferred income		**46,022**	24,816
Other non-current liabilities		**13,378**	10,751
		74,163	73,141
NET ASSETS		**1,706,835**	1,638,251
CAPITAL AND RESERVES	*12*		
Share capital		**76**	76
Reserves		**1,710,487**	1,635,429
Total equity attributable to equity shareholders of the Company		**1,710,563**	1,635,505
Non-controlling interests		**(3,728)**	2,746
TOTAL EQUITY		**1,706,835**	1,638,251

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by MicroPort NeuroScientific Corporation ("**the Company**") and its subsidiaries ("**the Group**") are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— investments in debt and equity securities.

— derivative financial instruments.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 1, *Presentation of financial statements*: *Classification of liabilities as current or non-current* ("**2020 amendments**")

- Amendments to HKAS 1, *Presentation of financial statements*: *Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to HKFRS 16, *Leases*: *Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Revenue and segment reporting

(a) Revenue

The Group sells medical devices through appointed distributors.

For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

(i) Disaggregation of revenue

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

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of medical devices — point in time	**760,509**	663,604
Revenue from other sources		
Gross rentals	**1,253**	2,020
	761,762	665,624

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year ended 2023 and 2024 is set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**211,142**	198,448
Customer B	**202,237**	142,786
Customer C	**186,045**	145,078

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

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts of medical devices such that the Group does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from customers and (ii) the Group's property, plant and equipment, investment property, intangible assets, interest in an associate and other non-current financial assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment property, the location of the operation to which they are allocated, in the case of intangible assets and other non-current financial assets, and the location of operations, in the case of interest in an associate and other non-current financial assets.

Revenue from customers

	2024	2023
	RMB'000	*RMB'000*
The PRC (place of domicile)	**686,468**	633,931
Outside the PRC	**75,294**	31,693
	761,762	665,624

Specified non-current assets

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
The PRC (place of domicile)	**321,719**	325,912
Israel	**97,264**	103,692
	418,983	429,604

3 Other net income

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Fair value changes in financial assets measured at fair value	**10,316**	5,567
Government grants *(i)*	**29,499**	18,607
Interest income on financial assets measured at amortised cost	**15,870**	16,574
Net foreign exchange gain/(loss)	**427**	(642)
Net gain/(loss) on disposal of property, plant and equipment	**370**	(133)
Others	**98**	62
	56,580	40,035

Note:

(i) Majority of the government grants are subsidies received from government for encouragement of research and development projects and overseas markets developments.

4 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**2,316**	3,460
Others	**1,215**	267
	3,531	3,727

(b) Staff costs

	2024	2023
	RMB'000	*RMB'000*
Contributions to defined contribution retirement plans *(Note)*	**17,108**	13,860
Equity-settled share-based payment expenses	**12,321**	6,813
Salaries, wages and other benefits	**132,236**	160,196
	161,665	180,869

Note: As stipulated by the labour regulations of the PRC, the Group also participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at a specified percentage of the eligible employees' salaries during the year.

(c) Other operating costs

	2024	2023
	RMB'000	*RMB'000*
Donations	**900**	—

(d) Other items

	2024	2023
	RMB'000	*RMB'000*
Amortisation of intangible assets[#]	**16,138**	15,452
Depreciation charge[#]		
— owned property, plant and equipment and investment property	**20,063**	18,479
— right-of-use assets	**24,406**	25,060
Less: Capitalised into intangible assets	**(1,638)**	(2,899)
	58,969	56,092
Research and development expenditure	**150,523**	199,665
Less: Development costs capitalised into intangible assets	**(54,041)**	(34,532)
	96,482	165,133
Cost of inventories[#]	**230,950**	204,074
Auditors' remuneration		
— audit services	**2,790**	2,700
— non-audit services	**26**	32
	2,816	2,732

[#] Cost of inventories includes RMB68,659,000 (2023: RMB62,381,000), relating to depreciation and amortisation expenses and staff costs, which is also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses.

5 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax — PRC Corporate Income Tax ("CIT")		
Provision for the year	**61,326**	26,947
Deferred tax		
Origination and reversal of temporary differences	**(7,448)**	523
	53,878	27,470

(i) Cayman Islands and British Virgin Islands tax

Pursuant to the current rules and regulations of Cayman Islands and British Virgin Islands, the Company and its subsidiaries located in the Cayman Islands and British Virgin Islands are not subject to any income tax in these jurisdictions.

(ii) Hong Kong Profits Tax

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong Profits Tax at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2024 and 2023 as there are no assessable profits during the year.

(iii) PRC CIT

Pursuant to the CIT Law of the PRC, all of the Company's PRC subsidiaries are liable to PRC CIT at a rate of 25%, except for MicroPort NeuroTech (Shanghai) Co., Ltd. ("**MP NeuroTech Shanghai**"), which is entitled to a preferential income tax rate of 15% as it is certified as a "High and New Technology Enterprise" ("**HNTE**") during the year ended 31 December 2024 and 2023. According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

According to a new tax incentives policy promulgated by the State Tax Bureau of the PRC, an additional 100% of qualified research and development expenses incurred from 1 January 2021 onwards is allowed to be deducted.

The CIT law and its relevant regulations also impose a withholding tax at 10% on the foreign investors with respect to dividend distributions made out of the PRC entities from earnings accumulated from 1 January 2008, unless the foreign investors meet certain requirements specified in the relevant tax regulations in the PRC and accordingly are entitled to a preferential rate of 5%.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Profit before taxation	**302,733**	162,051
Notional tax on profit before taxation, calculated at the rates applicable to profit in the countries concerned	**79,416**	49,376
Effect of the preferential income tax rate *(Note 5(a)(iii))*	**(35,675)**	(27,696)
Effect of other non-deductible expenses	**15,173**	11,861
Effect of additional deduction on research and development expenses *(Note 5(a)(iii))*	**(8,840)**	(17,799)
Effect of tax losses not recognised	**3,804**	11,728
Actual tax expenses	**53,878**	27,470

6 Earnings per share

The calculation of the basic earnings per share during the year is based on the earning for the year attributable to ordinary equity shareholders of the Company divided by the weighted average number of ordinary shares in issue, calculated as follows:

(i) Earnings of the year attributable to ordinary equity shareholders of the Company

	2024	2023
	RMB'000	*RMB'000*
Earnings of the year attributable to ordinary equity shareholders of the Company	**254,165**	145,548

(ii) Weighted average number of ordinary shares

	2024	2023
	'000	*'000*
Issued ordinary shares at 1 January for the purpose of basic earnings per share	**582,658**	582,658
Issuance of ordinary shares	**693**	—
Purchase of own shares	**(4,812)**	—
Share awards	**518**	—
Weighted average number of ordinary shares at 31 December for the purpose of basic earnings per share	**579,057**	582,658

The calculation of diluted earnings per share amounts for the year ended 31 December 2024 and 2023 had not included the share options issued by the Company, as they had an anti-dilutive effect on the basic earnings per share amounts.

7 Interest in an associate

The following list contains the particulars of an associate as at 31 December 2024, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation	Particulars of issued and paid-up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal Activity
Rapid Medical Ltd. ("**Rapid Medical**")	Incorporated	Israel	22.1 million shares	22.3%	—	22.3%	Development, manufacturing and sales of innovative devices for neuro interventional procedures

The associate is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Rapid Medical, adjusted for any differences in accounting policies are disclosed below:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Revenue	**191,392**	157,262
Loss for the year	**(90,690)**	(104,850)
Other comprehensive income	**—**	—
Total comprehensive income	**(90,690)**	(104,850)

(a) Impairment test

The Group has identified certain impairment indicators of the investment in Rapid Medical and performed valuation assessments. The recoverable amount of the investment in Rapid Medical is the higher amount of the fair value less costs of disposals and the value in use.

Based on the result of impairment test, the carrying amount of the investment in Rapid Medical did not exceeded its recoverable amount. Accordingly, no impairment loss was recognised in profit or loss in 2024 (2023: impairment loss of RMB30,200,000). The recoverable amount is based on the value in use. The Group has used the expected cash flow approach to develop the measurement of value in use. The expected cash flow approach has been measured by using all expectations about possible cash flows.

The key assumptions for the value-in-use calculation are as follows, which are based on either the past experience or external sources of information:

	As at 31 December 2024	As at 31 December 2023
Steady growth rate used in the extrapolation after budget period	**2.0%**	2.1%
Pre-tax discount rate	**26.12%**	27.64%

8 Financial assets measured at fair value through profit or loss

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Wealth management products	**—**	283,504
Structured deposits *(Note (a))*	**372,480**	—
Simple agreements for future equity *(Note (b))*	**11,298**	—

Notes:

(a) As at 31 December 2024, the Group held 5 structured deposits subscribed from 5 different banks with purchase cost amounted to RMB371,000,000 in aggregate at expected annualised return rates of 1.15%–2.15%.

(b) On 7 August 2024, the Group entered into a simple agreement for future equity ("**SAFE**") with Rapid Medical to grant the Group the future right to get the issuance of Share Capital, or setting aside for payment, of amounts based on various triggering events. The consideration of the SAFE is USD1,572,000 at the initial investment and the subsequent measurement as at 31 December 2024 has not significantly changed based on the valuation then. The right is classified as financial asset at fair value through profit or loss.

9 Other non-current assets

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Consideration and deposit for land use rights *(Note (a))*	**153,784**	160,428
Lease deposits *(Note (b))*	**25,586**	24,500
Prepayments for property, plant and equipment	**3,273**	2,098
Others	**1,500**	348
	184,143	187,374

Notes:

(a) Shanghai NeuroFocus has entered into a land use rights acquisition contract with Pudong New Area Planning and Natural Resources Bureau with the consideration of RMB133,690,000, the tax of RMB4,051,000 and the corresponding deposit of RMB16,043,000. As at 31 December 2024, the land use rights certificate has not been completed.

(b) Lease deposits are typically paid for leased properties, which are refundable after the expiry of the leases and carried at amortised cost. During the year of 2022, the Group entered into a 5-year lease agreement (the "**Lease Agreement**") with Shanghai Huiqingcheng Investment Management Co., Ltd.* (上海回青橙投資管理有限公司, "**SH Investment**") in respect of certain leasehold properties for use of manufacturing facilities, warehouses and office buildings. As at 31 December 2024, the carrying amount of lease deposits paid to SH Investment is RMB25,054,000.

* *The English name is for identification purpose only.*

10 Trade and other receivables

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Trade receivables	**144,061**	10,564
Other debtors	**13,590**	23,289
Deposits and prepayments	**19,340**	28,912
	176,991	62,765

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

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Within 1 month	**131,208**	6,743
1 to 3 months	**10,165**	3,477
3 to 12 months	**2,688**	344
	144,061	10,564

Trade receivables are generally due within 30 to 90 days from the date of billing.

11 Trade and other payables

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Trade payables due to		
— third party suppliers	**36,642**	57,265
— related parties	**17,682**	11,832
	54,324	69,097
Accrued expenses	**38,249**	25,036
Accrued payroll	**35,631**	46,631
Other payables	**85,194**	72,312
	213,398	213,076

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

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Within 1 month	**29,789**	37,316
Over 1 month but within 3 months	**13,896**	18,389
Over 3 months but within 6 months	**7,432**	6,442
Over 6 months but within 1 year	**812**	2,292
Over 1 year	**2,395**	4,658
	54,324	69,097

All of the above balances are expected to be settled within one year.

12 Capital and reserves

(a) Movements in components of equity

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

	Note	**Share capital** *RMB'000*	**Share premium** *RMB'000*	**Exchange reserve** *RMB'000*	**Capital reserve** *RMB'000*	**Accumulated losses** *RMB'000*	**Total (deficit)/ equity** *RMB'000*
Balance at 31 December 2022 and 1 January 2023		76	1,377,791	27,014	91,045	(173,413)	1,322,513
Changes in equity for 2023:							
Profit and total comprehensive income		—	—	20,740	—	12,479	33,219
Shares granted under share award scheme		—	—	—	(1,658)	—	(1,658)
Balance at 31 December 2023 and 1 January 2024		76	1,377,791	47,754	89,387	(160,934)	1,354,074
Changes in equity for 2024:							
Profit and total comprehensive income		—	—	17,802	—	12,692	30,494
Repurchase of shares under share award scheme		—	—	—	(112,391)	—	(112,391)
Shares granted under share award scheme		—	—	—	5,935	—	5,935
Equity-settled share-based transactions		—	—	—	3,680	—	3,680
Issuance of ordinary shares under scrip dividend scheme		—	10,778	—	—	—	10,778
Dividends approved in respect of the previous year		—	(58,496)	—	—	—	(58,496)
Dividends declared in respect of the current year		—	(42,541)	—	—	—	(42,541)
Balance at 31 December 2024		76	1,287,532	65,556	(13,389)	(148,242)	1,191,533

(b) Dividends

Dividends attributable to the year

	2024 ***RMB'000***	2023 *RMB'000*
Interim dividends declared during the year of HKD0.08 per ordinary share	**42,541**	—
Final dividends declared after the year end of HKD0.11 per ordinary share (2023: HKD0.11)	**59,125**	58,496

The final dividend proposed after the statement of financial position date has not been recognised as a liability at the statement of financial position date.

Dividends attributable to the previous financial year, approved during the year

	2024 ***RMB'000***	2023 *RMB'000*
Final dividends in respect of the previous financial year and approved during the year, of HKD0.11 per ordinary share	**58,496**	—

Some shareholders choose to receive final dividend amount to RMB10,778,000 wholly by allotment of new shares credited as fully paid in lieu of cash.

FINANCIAL REVIEW

Revenue

In FY2024, the Group's revenue was mainly derived from hemorrhagic stroke products, cerebral atherosclerotic stenosis products, acute ischemic stroke products and access products. The Group recorded a revenue of RMB761.8 million, representing an increase of 14.4% from RMB665.6 million in FY2023. The increase was mainly due to the facts that: (1) overseas business achieved a breakthrough and the revenue for the Reporting Period increased by approximately 137.9% over the same period of the Previous Year, contributing to the Group's revenue growth; (2) cerebral atherosclerotic stenosis products (including Bridge® Rapamycin Target Eluting Vertebral Artery Stent System, APOLLO™ Intracranial Stent System, etc.) continued to increase their market share and realized a significant revenue growth; (3) coil products (including NUMEN® Coil Embolization System, etc.) benefited from winning the VBP bids, which accelerated the development of new markets and played an important role in the revenue growth; (4) several acute ischemic stroke products approved for marketing in recent years (including Neurohawk® Stent Thrombectomy Device, X-track® Distal Catheter, etc.) accelerated hospital admission and clinical use, contributing to the Group's revenue growth.

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

	Fiscal year		
	2024	2023	**Change**
	RMB'000	*RMB'000*	***%***
Hemorrhagic stroke products	**401,681**	425,267	-5.5%
Cerebral atherosclerotic stenosis products	**267,932**	153,458	74.6%
Acute ischemic stroke products	**46,739**	25,683	82.0%
Access products	**43,381**	59,196	-26.7%
Other business revenue	**2,029**	2,020	0.4%
Revenue	**761,762**	665,624	14.4%

Cost of Sales

Cost of sales increased by 33.8% from RMB153.8 million in FY2023 to RMB205.8 million in FY2024. The increase was primarily due to an increase in sales volume of various types of products mentioned above.

Gross Profit and Gross Profit Margin

Gross profit increased by 8.6% from RMB511.8 million in FY2023 to RMB555.9 million in FY2024. The increase was primarily due to an increase in sales volume of various types of products mentioned above.

The Group's gross profit margin was 73.0%. In FY2024, the gross profit margin decreased by 3.9 percentage points as compared with 76.9% in FY2023, primarily due to the changes in the product sales structure.

Research and Development Costs

Research and development costs decreased by 41.6% from RMB165.1 million in FY2023 to RMB96.5 million in FY2024, primarily due to: (1) the conversion of related research and development costs into capitalized expenditures as a result of the entry of multiple R&D projects to the registrational clinical stage during the Reporting Period; (2) the improvement in operating efficiency due to the Group's implementation of a number of cost optimization initiatives.

Distribution Costs

Distribution costs increased by 19.6% from RMB110.7 million in FY2023 to RMB132.5 million in FY2024, primarily due to the gradual recovery of distribution activities in the PRC market and an expansion in overseas business distribution investments compared to previous year.

Administrative Expenses

Administrative expenses decreased by 0.5% from RMB56.1 million in FY2023 to RMB55.8 million in FY2024, primarily due to the improvement of efficiency in operating management.

Other Net Income

Other net income increased by 41.3% from RMB40.0 million in FY2023 to RMB56.6 million in FY2024, primarily due to: an increase in government grants of RMB10.9 million.

Finance Costs

Finance costs decreased by 5.3% from RMB3.7 million in FY2023 to RMB3.5 million in FY2024, with no significant change.

Impairment loss of investment in an associate

Impairment loss of investment in an associate decreased by from RMB30.2 million in FY2023 to nil in FY2024. In FY2023, the Group's impairment loss of investment in an associate came from Rapid Medical amounting to RMB30.2 million. The Group did not recognise further impairment losses for the year ended 31 December 2024.

Share of the Losses of an Associate

In FY2024, the Group's share of the losses of an associate came from Rapid Medical. The Group began to treat Rapid Medical as an associate under equity method from an accounting perspective since May 2021.

Income Tax Expenses

Our income tax expenses increased by 96.1% from RMB27.5 million in FY2023 to RMB53.9 million in FY2024, primarily due to an increase in operating profit before tax.

Non-HKFRS Measures

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

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

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

	Fiscal year		
	2024	2023	**Change**
	RMB'000	*RMB'000*	***%***
Net profit	**248,855**	134,581	84.9%
Add/(less):			
— Equity-settled share-based payment expenses	**12,321**	6,813	78.1%
— Impairment loss of investment in an associate	**—**	30,200	-100.0%
— Share of losses of an associate	**20,557**	23,844	-13.8%
Non-HKFRS adjusted net profit for the period	**281,733**	195,438	44.2%

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

(2) Impairment loss of investment in an associate came from the investment in Rapid Medical. The Group made impairment loss based on value in use of Rapid Medical as of 31 December 2023.

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

Inventories

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

Our inventory decreased from RMB201.0 million as of 31 December 2023 to RMB157.3 million as of 31 December 2024, primarily due to the effective enhancement of the Group's inventory turnover in FY2024.

Current Trade and Other Receivables

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

Our current trade and other receivables increased from RMB62.8 million as of 31 December 2023 to RMB177.0 million as of 31 December 2024, primarily due to an increase in trade receivables as a result of the growth of the business.

Trade and Other Payables

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

Our trade and other payables increased from RMB213.1 million as of 31 December 2023 to RMB213.4 million as of 31 December 2024, with no significant change.

Lease Liabilities

As of 31 December 2024, the Group recorded lease liabilities of RMB37.1 million, which were primarily in relation to the properties the Group leased for our office premises, manufacturing and R&D facilities. The Group recognizes lease liabilities with respect to all leases, except for short-term leases and leases of low value assets.

Capital Expenditure

During the year, the capital expenditure of the Group amounted to RMB51.0 million, representing an addition of intangible assets and property, plant and equipment. In particular, the intangible assets of the Group primarily represent the capitalized development costs.

Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries. As of 31 December 2024, certain portion of the Group's bank balances was denominated in U.S. dollars. The Group currently does not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances, trade receivables, trade and other payables, and other amounts denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as of 31 December 2024.

Significant Investment

As of 31 December 2024, the Group's significant investment was an investment in an associate company Rapid Medical at a cost of US$27.5 million (equivalent to RMB191.9 million). The issued and fully paid share capital of Rapid Medical is 22.1 million shares, 22.3% of which are held by the Group, and its principal business is the development, manufacture and sale of innovative devices for neuro-interventional procedures. As at 31 December 2024, the Group's interests in associates were all derived from Rapid Medical, amounting to RMB86.0 million, which accounted for 4.2% of the Group's total assets. For the year ended 31 December 2024, Rapid Medical recorded a loss of US$26.9 million (equivalent to RMB191.4 million), which was mainly due to the increase in R&D and sales activities expenses of Rapid Medical, and the Group recorded a share of losses of an associate of RMB20.6 million. We have been approved to use trademarks of Rapid Medical and became the exclusive agent of Rapid Medical's related products in Greater China, and we have leveraged Rapid Medical's sales network in the United States to facilitate our overseas business. As a strategic investor, we will hold our investment in Rapid Medical for the long term.

Contingent Liabilities

As of 31 December 2024, the Group did not have any contingent liabilities.

Capital Management

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

Liquidity and Financial Resources

The Group's cash and cash equivalents were approximately RMB622.6 million as of 31 December 2024, as compared to approximately RMB721.2 million as of 31 December 2023, primarily due to the net cash inflow from operating activities of approximately RMB284.4 million, net cash outflow from investing activities of approximately RMB160.5 million and net cash outflow from financing activities of approximately RMB226.3 million during the Reporting Period. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Borrowings and Gearing Ratio

Total borrowings of the Group, including interest-bearing borrowing as of 31 December 2024 and 31 December 2023 were nil. As of 31 December 2024, the gearing ratio of the Group (calculated as total interest-bearing borrowings and lease liabilities divided by total equity) decreased to 2.2%, as compared to 3.7% as of 31 December 2023.

Net Current Assets/Liabilities

The Group's net current assets as of 31 December 2024 were RMB1,108.5 million, as compared to net current assets of RMB1,083.3 million as of 31 December 2023, with no significant change.

Charge on Assets

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

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Future Plans for Material Investments or Capital Assets

As of 31 December 2024, the Group did not have any plans for material investments and capital assets.

OTHER INFORMATION

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

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 26 June 2024 (the "**AGM**"), the Directors were granted a general mandate to exercise the right to purchase on-market Shares not exceeding 10% of the aggregate number of issued Shares (excluding treasury shares) as at the date of the AGM (the "**Buy-back Mandate**"). During the Reporting Period, pursuant to the Buy-back Mandate, the Company bought back an aggregate of 7,292,000 Shares on the Stock Exchange at a total consideration of approximately HK$69,831,470, exclusive of commissions and other expenses.

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

Month of buy-back	Number of Share bought back	Consideration per Share		Total consideration paid for the buy-back	Status of the Repurchased Shares
		Highest price paid	Lowest price paid		
	HK$	*HK$*	*HK$*		
September 2024	1,150,000	8.22	7.71	9,141,700	Held as Treasury Shares
October 2024	4,399,000	10.50	9.02	44,127,520	Held as Treasury Shares
November 2024	1,743,000	9.98	8.86	16,562,250	Held as Treasury Shares

As of 31 December 2024,7,292,000 Repurchased Shares were not cancelled and were held by the Company as treasury shares (as defined in the Listing Rules) intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under the share scheme. During the Reporting Period, the Company did not sell or transfer any treasury shares.

During the Reporting Period, Trustee of the Share Award Scheme purchased 5,923,000 Shares on the Stock Exchange at the total consideration of HK$51,889,100 (equivalent to RMB47,912,000) and 7,292,000 Shares purchased by the Company as treasury shares of the Company at the total consideration of HK$69,831,470 (equivalent to RMB64,479,000) pursuant to the terms of the trust deed under the Share Award Scheme. Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there were no material events after the Reporting Period.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

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

Use of proceeds	Approximate percentage of total amount *(%)*	Amount of net proceeds allocated upon listing *(HK$ million)*	Utilized amount as at 1 January 2024 *(HK$ million)*	Unutilized amount as at 1 January 2024 *(HK$ million)*	Utilized amount during the Reporting Period *(HK$ million)*	Unutilized amount as at 31 December 2024 *(HK$ million)*	Expected timeline of full utilization
Research and development of therapeutic and access products for hermorrhagic stroke, cerebral atherosclerotic stenosis and AIS	30%	83.4	83.4	—	—	—	Fully utilized
Commercialization of the Company's products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS	20%	55.6	55.6	—	—	—	Fully utilized
Expansion of the Company's manufacturing facility to increase the scale of the Company's production	15%	41.7	41.7	—	—	—	Fully utilized
Expansion of the Company's global presence	20%	55.6	55.6	—	—	—	Fully utilized
Advancing the Company's product portfolio through strategic acquisitions, investment, cooperation or a combination of these tactics	10%	27.8	—	27.8	12.7	15.1	By the year ending 31 December 2025
Working capital and other general corporate purposes	5%	13.9	13.9	—	—	—	Fully utilized

Save as disclosed above, the Group has not utilized any other portion of the net proceeds and will gradually utilize the remaining net proceeds in accordance with the intended purposes as stated in the Prospectus. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently and remains subject to change based on future development of market conditions and actual business needs.

Scope of Work of KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

Compliance with Corporate Governance Code

The Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of the Shareholders. To accomplish this, the Company has adopted the CG Code and the associated Listing Rules after the Listing.

The Board reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in the CG Code during the Reporting Period.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Compliance with the Model Code of for Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Upon specific enquiry, all Directors confirmed that they had complied with the requirements as set out in the Model Code during the Reporting Period.

Review by the Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Fan Xin (Chairman), Dr. Xu Yi and Dr. Zhang Haixiao.

The Audit Committee has reviewed together with the management of the Company the accounting principles and policies adopted by the Company and the annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Publication of Annual Results and Annual Report

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.microportneurosci.com), and the annual report of the Group will be published in due course and will also be available at the websites above.

Annual General Meeting

The 2024 Annual General Meeting (the "**2024 AGM**") of the Company will be held on 27 June 2025. The notice of the 2024 AGM will be sent to shareholders at least 21 clear days before the 2024 AGM.

Final Dividend

The Board has resolved to recommend the payment of a final dividend of HK$0.11 (tax inclusive) per share (the "**Share**") for the year ended 31 December 2024 to the shareholders whose names appear on the register of members of the Company on Tuesday, 8 July 2025 and also to recommend the offer to the shareholders the right to select as an alternative, to receive such final dividend wholly by allotment of new Shares credited as fully paid in lieu of cash (the "**Scrip Dividend Scheme**"), subject to the approval of the shareholders on the payment of final dividend at the 2024 AGM and the granting by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued pursuant thereto.

Once the relevant resolution is passed at the 2024 AGM, the proposed final dividend is expected to be paid on or about Friday, 22 August 2025. Dividend warrants and share certificates for new shares to be issued under the Scrip Dividend Scheme will be dispatched by ordinary mail on or about Friday, 22 August 2025. The Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Shares save that they will not be entitled to the final dividend for the year ended 31 December 2024.

On the condition that the payment of the above final dividend is approved by the shareholders at the 2024 AGM, a circular containing details of the Scrip Dividend Scheme will be published on or about Wednesday, 23 July 2025.

Closure of Register of Members

(a) For determining the entitlement to attend and vote at the 2024 AGM

The register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 June 2025 (Hong Kong time), being the last registration date.

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

The proposed final dividend for the year ended 31 December 2024 is subject to approval by the shareholders at the 2024 AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 4 July 2025 to Tuesday, 8 July 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3 July 2025 (Hong Kong Time), being the last registration date.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

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

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"CG Code"	the corporate governance code as contained in Appendix C1 to the Listing Rules
"Company" or "we" or "us" or "our"	MicroPort NeuroScientific Corporation, an exempted company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2172)
"Director(s)"	director(s) of the Company
"FDA"	the United States Food and Drug Administration
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., our industry consultant
"Global Offering"	the global offering of the shares, details of which are set forth in the Prospectus
"Group"	the Company and its subsidiaries
"HKFRSs"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"KPMG"	KPMG, Certified Public Accountants
"Listing"	the listing of the shares on the Main Board of the Stock Exchange
"Listing Date"	15 July 2022, the date on which dealings in the shares on the Main Board of the Stock Exchange first commence
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"MFDS"	the Ministry of Food and Drug Safety in South Korea
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"NHSA"	National Healthcare Security Administration
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"PRC"	the People's Republic of China, for the purpose of this announcement, shall not include Hong Kong, Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus of the Company dated 29 June 2022
"Rapid Medical"	Rapid Medical Ltd., a company incorporated in the State of Israel with limited liability on 12 August 2008, which is primarily engaged in the development, manufacturing and sales of innovative devices for neuro-interventional procedures and is indirectly owned as to 22.28% by the Company
"Reporting Period"	for the year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the shares
"Share Award Scheme"	a share award scheme adopted by the Board meeting held on 26 August 2022
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed thereto under the Listing Rules

"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"%"	per cent

By Order of the Board
MicroPort NeuroScientific Corporation
Dr. Chang Zhaohua
Chairman and Non-Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises Mr. Xie Zhiyong and Mr. Wang Yiqun Bruce as the executive directors; Dr. Chang Zhaohua, Mr. Wang Lin, Ms. Wu Xia and Mr. Sun Qingwei as the non-executive directors; and Dr. Xu Yi, Dr. Zhang Haixiao and Mr. Fan Xin as the independent non-executive directors.