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**Shanghai MicroPort MedBot (Group) Co., Ltd.**

**上海微创医疗机器人(集团)股份有限公司**

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

**(Stock Code: 2252)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

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

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

### **FINANCIAL HIGHLIGHTS**

	<b>For the year ended 31 December</b>		<b>Change %</b>
	<b>2024 RMB'000</b>	<b>2023 RMB'000</b>	
Revenue	<b>257,249</b>	104,592	+146.0
Gross profit	<b>86,220</b>	14,694	+486.8
Loss before taxation	<b>(647,101)</b>	(1,023,530)	-36.8
Loss for the year	<b>(647,101)</b>	(1,023,530)	-36.8
Adjusted net loss for the year <sup>(note 1)</sup>	<b>(482,607)</b>	(869,130)	-44.5
Loss attributable to equity shareholders of the Company	<b>(642,406)</b>	(1,012,174)	-36.5
Loss per share — Basic and diluted (in RMB)	<b>(0.66)</b>	(1.06)	-37.7

*Note 1:* Adjusted net loss for the year is a non-HKFRS measurement, please refer to the section headed “Non-HKFRS Measures”.

For the year ended 31 December 2024, the Group recorded revenue of RMB257.2 million, representing an increase of 146.0% as compared to last year. Such increase was mainly due to the strong growth trend of sales in both domestic and overseas markets.

The Group recorded net loss of RMB647.1 million for the year ended 31 December 2024 as compared to RMB1,023.5 million in last year. The decrease of net loss is primarily driven by (i) the increase in gross profit which is in line with the revenue growth; (ii) the decrease in R&D costs resulting from the concentration on core R&D projects and the improvement on R&D efficiency; and (iii) the decrease in administrative expenses as a result of cost reduction and efficiency increase and optimisation of operational efficiency measures. The loss reduction impact of the above factors was partially offset by an impairment loss recorded during the Reporting Period in respect of an equity-accounted overseas investment held by the Group.

Benefiting from the successful implementation of revenue growth, strategic focus and cost reduction and efficiency increase measures, during the Reporting Period, the Group's net free cash outflow<sup>(note 2)</sup> decreased by 42% from RMB670 million for the year ended 31 December 2023 to RMB388 million for the year ended 31 December 2024.

*Note 2:* For free cash flow measurement, please refer to the section headed "Definitions".

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

(Expressed in Renminbi)

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>	2	<b>257,249</b>	104,592
Cost of sales		<u>(171,029)</u>	<u>(89,898)</u>
<b>Gross profit</b>		<b>86,220</b>	14,694
Other net loss	3	<b>(3,168)</b>	(13,342)
Selling and marketing expenses		<b>(207,934)</b>	(238,428)
Administrative expenses		<b>(55,282)</b>	(126,361)
Research and development costs		<b>(308,725)</b>	(569,175)
Net gain/(loss) on financial instruments carried at fair value through profit or loss (“FVPL”)		<u>138</u>	<u>(42,525)</u>
<b>Loss from operations</b>		<b>(488,751)</b>	(975,137)
Finance costs	4(a)	<b>(21,639)</b>	(18,590)
Share of losses of equity-accounted investees		<b>(20,244)</b>	(29,803)
Impairment loss on an equity-accounted investee		<u>(116,467)</u>	<u>—</u>
<b>Loss before taxation</b>	4	<b>(647,101)</b>	(1,023,530)
Income tax	5(a)	<u>—</u>	<u>—</u>
<b>Loss for the year</b>		<b><u>(647,101)</u></b>	<b><u>(1,023,530)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(642,406)</b>	(1,012,174)
Non-controlling interests		<u>(4,695)</u>	<u>(11,356)</u>
<b>Loss for the year</b>		<b><u>(647,101)</u></b>	<b><u>(1,023,530)</u></b>
<b>Loss per share</b>	6		
Basic and diluted (RMB)		<b><u>(0.66)</u></b>	<b><u>(1.06)</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*for the year ended 31 December 2024*

*(Expressed in Renminbi)*

	<b>2024</b>	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss for the year</b>	<b>(647,101)</b>	(1,023,530)
<b>Other comprehensive income for the year, net of nil tax</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations, net of nil tax	<u>(1,150)</u>	<u>2,171</u>
<b>Other comprehensive income for the year</b>	<u><b>(1,150)</b></u>	<u>2,171</u>
<b>Total comprehensive income for the year</b>	<u><b>(648,251)</b></u>	<u>(1,021,359)</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<u>(643,526)</u>	(1,009,986)
Non-controlling interests	<u>(4,725)</u>	<u>(11,373)</u>
<b>Total comprehensive income for the year</b>	<u><b>(648,251)</b></u>	<u>(1,021,359)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

		31 December 2024	31 December 2023
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	297,371	367,017
Intangible assets		3,972	9,537
Goodwill		1,482	1,482
Trade receivables	8	2,579	—
Equity-accounted investees		11,887	148,282
Financial assets measured at FVPL		67,054	66,916
Other non-current assets		38,148	40,625
		<b>422,493</b>	<b>633,859</b>
<b>Current assets</b>			
Inventories		151,481	229,505
Trade and other receivables	8	92,835	55,749
Pledged deposits		—	1,083
Cash and cash equivalents		612,230	507,711
		<b>856,546</b>	<b>794,048</b>
<b>Current liabilities</b>			
Interest-bearing borrowings	9	245,223	375,357
Trade and other payables	10	201,476	244,943
Contract liabilities		8,718	11,118
Lease liabilities		34,511	47,879
Provisions		13,529	5,979
		<b>503,457</b>	<b>685,276</b>
<b>Net current assets</b>		<b>353,089</b>	<b>108,772</b>
<b>Total assets less current liabilities</b>		<b>775,582</b>	<b>742,631</b>
<b>Non-current liabilities</b>			
Interest-bearing borrowings	9	389,312	99,700
Contract liabilities		12,527	3,905
Lease liabilities		22,281	72,507
Deferred income		93,147	64,682
Provisions		637	82
		<b>517,904</b>	<b>240,876</b>
<b>NET ASSETS</b>		<b>257,678</b>	<b>501,755</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Expressed in Renminbi)

		31 December 2024	31 December 2023
	Note	RMB'000	RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital	11	1,006,194	958,594
Reserves		<u>(727,992)</u>	<u>(439,114)</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>278,202</b>	<b>519,480</b>
<b>Non-controlling interests</b>		<b><u>(20,524)</u></b>	<b><u>(17,725)</u></b>
<b>TOTAL EQUITY</b>		<b><u><u>257,678</u></u></b>	<b><u><u>501,755</u></u></b>

## Notes

*(Expressed in Renminbi unless otherwise indicated)*

### 1 Material accounting policies

#### (a) *Statement of compliance*

Shanghai MicroPort MedBot (Group) Co., Ltd. (the “**Company**”) (上海微创医疗机器人(集团)股份有限公司) and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the research and development, manufacturing and sale of surgical robots.

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 (the “**Stock Exchange**”). Material accounting policies adopted by 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 the Group’s interest in equity-accounted investees.

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 equity securities; and
- 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 Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* (“**2020 amendments**”) and 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 provided additional disclosures about its non-current liabilities subject to covenants in accordance with the disclosure requirements of the 2022 amendments. 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 derives revenue principally from the sales of surgical robot systems, instruments and accessories, and provision of services through appointed distributors.

#### (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:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of medical devices and accessories — point in time	<b>252,410</b>	104,592
Service income — over time	<b>2,230</b>	—
Others — point in time	<b>2,172</b>	—
	<hr/>	<hr/>
	<b>256,812</b>	104,592
Revenue from other sources	<b>437</b>	—
	<hr/>	<hr/>
	<b>257,249</b>	<b>104,592</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	—	13,704
Customer B	—	10,893
Customer C	<b>55,798</b>	—
Customer D	<b>27,707</b>	—

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

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts was RMB19,128,000 (2023: RMB6,144,000). This amount represents revenue expected to be recognised in the future from rendering services. The Group will recognise the expected revenue in future when the service is rendered to the customers, which is expected to occur over the next 6 years.

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

**(b) *Segment reporting***

- (i) *Segment information*

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

(ii) *Geographical information*

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill and investments in equity-accounted investees (“**specified non-current assets**”). The geographical location of customers is based on the location at which the goods were delivered or services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of investments in equity-accounted investees.

	Revenues from		Specified	
	external customers		non-current assets	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The PRC (place of domicile)	<b>153,725</b>	83,385	<b>308,997</b>	360,403
United States	<b>5,612</b>	13,704	<b>5,715</b>	33,933
Europe	<b>36,076</b>	7,503	—	131,982
Africa	<b>23,281</b>	—	—	—
Asia (other than the PRC)	<b>27,549</b>	—	—	—
Australia	<b>2,012</b>	—	—	—
South America	<b>8,994</b>	—	—	—
	<b><u>257,249</u></b>	<b><u>104,592</u></b>	<b><u>314,712</u></b>	<b><u>526,318</u></b>

**3 Other net loss**

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income on financial assets measured at amortised cost	<b>2,197</b>	8,874
Government grants	<b>12,157</b>	19,484
Net foreign exchange (loss)/gain	<b>(534)</b>	201
Net loss in relation to the termination of leases (note 7)	<b>(8,098)</b>	(40,454)
Net loss on disposal of property, plant and equipment	<b>(8,074)</b>	(1,102)
Others	<b>(816)</b>	(345)
	<b><u>(3,168)</u></b>	<b><u>(13,342)</u></b>

#### 4 Loss before taxation

Loss before taxation is arrived at after charging:

(a) *Finance costs*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on interest-bearing borrowings and loans from related parties	17,060	11,436
Interest on lease liabilities	<u>4,446</u>	<u>6,972</u>
Total interest expense on financial liabilities not at fair value through profit or loss	21,506	18,408
Others	<u>133</u>	<u>182</u>
	<u><u>21,639</u></u>	<u><u>18,590</u></u>

(b) *Other items*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Amortisation of intangible assets	<u>5,836</u>	<u>2,833</u>
Depreciation charge		
— owned property, plant and equipment	73,563	60,863
— right-of-use assets	<u>38,445</u>	<u>48,063</u>
	<u><u>112,008</u></u>	<u><u>108,926</u></u>
Impairment loss on an equity-accounted investee	<u><u>116,467</u></u>	<u><u>—</u></u>

## 5 Income tax in the consolidated statements of profit or loss

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax	—	—
Deferred tax	—	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

Pursuant to the Corporate Income Tax (“CIT”) Law of the PRC, the Company and its PRC subsidiaries are liable to PRC CIT at a rate of 25%.

According to the new tax incentives policies promulgated by the State Tax Bureau of the PRC in March 2021, effective from 1 January 2021, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from the taxable income.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applied in the relevant countries.

The Group has not recognised deferred tax assets in respect of cumulative unused tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

(b) *Reconciliation between tax expense and accounting loss at applicable tax rates:*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss before taxation	<u>(647,101)</u>	<u>(1,023,530)</u>
Notional tax on loss before taxation, calculated at the rates applicable to loss in the countries concerned	(151,055)	(248,910)
Effect of non-deductible expenses	16,556	34,733
Effect of additional deduction on research and development costs	(14,178)	(57,131)
Effect of deductible temporary differences and tax losses not recognised	<u>148,677</u>	<u>271,308</u>
Actual tax expenses	<u>—</u>	<u>—</u>

**6 Loss per share**

(a) *Basic loss per share*

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB642,406,000 (2023: RMB1,012,174,000) and the weighted average number of ordinary shares of 966,917,000 shares in issue during the year (2023: 958,594,000 shares).

(b) *Diluted loss per share*

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The calculation of diluted loss per share amount for the years ended 31 December 2024 and 2023 has not included the potential effects of the warrants and share options issued by an equity-accounted investee of the Group, as they had anti-dilutive effects on the basic loss per share amount for the respective year. Accordingly, diluted loss per share for the years ended 31 December 2024 and 2023 are the same as basic loss per share of the respective years.

## 7 Property, plant and equipment

In 2024, the Group terminated certain leases for the use of manufacturing facilities and office building. The Group derecognised the right-of-use assets with a net book value of RMB17,586,000 (2023: RMB32,243,000) and the corresponding lease liabilities of RMB19,765,000 (2023: RMB35,378,000), and also wrote off the leasehold improvements with a net book value of RMB4,118,000 (2023: RMB38,484,000) in relation to these terminated leases. Accordingly, losses arising from the termination of leases (including the termination fee to the lessors) totalling RMB8,098,000 (2023: RMB40,454,000), were recognised in the consolidated statement of profit or loss (note 3).

## 8 Trade and other receivables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade debtors, net of loss allowance	33,068	4,969
VAT recoverable	41,850	25,786
Other debtors due from		
— third parties	4,867	6,561
— related parties	9,033	4,646
Prepayments	6,596	13,787
	<u>95,414</u>	<u>55,749</u>
<b>Representing:</b>		
Current portion	92,835	55,749
Non-current portion	<u>2,579</u>	<u>—</u>

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

### *Aging analysis*

As at 31 December 2024, the aging analysis of trade debtors, based on the invoice date and net of loss allowance, is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	<b>24,531</b>	4,657
1 to 2 months	—	312
2 to 3 months	<b>4,796</b>	—
Over 3 months but within 6 months	<b>3,741</b>	—
	<u><b>33,068</b></u>	<u>4,969</u>

### **9 Interest-bearing borrowings**

As at the end of the Reporting Period, the interest-bearing borrowings were repayable as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	<b>245,223</b>	375,357
After 1 year but within 2 years	<b>307,692</b>	99,700
After 2 years but within 5 years	<b>81,620</b>	—
	<u><b>634,535</b></u>	<u>475,057</u>



As of the end of the reporting period, the interest-bearing borrowings were secured as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Bank loans</b>		
— secured	<b>297,579</b>	—
— unsecured	<b>286,228</b>	475,057
	<b>583,807</b>	475,057
<b>Secured loans from a related party</b>	<b>50,728</b>	—
	<b>634,535</b>	475,057

As at the end of the Reporting Period, the bank facilities drawn down by the Group of RMB297,579,000 (2023: nil) were secured by certain patents held by the Group. The carrying amount of these patents is zero as they have not been capitalised as intangible assets.

Part of the Group's banking facilities are subject to the fulfilment of certain financial covenants. If the Group were to breach the covenants, the drawdown facilities would become payable on demand. As at the end of the Reporting Period, none of these covenants relating to drawdown facilities had been breached.

In June 2024, the Group entered into agreements with Shanghai MicroPort Tianniuyan Financial Leasing Co., Ltd. (上海微創天牛眼融資租賃有限公司, “**Tianniuyan**”, a related party of the Group), pursuant to which, the Group agreed to sell certain prototypes for the surgery system to Tianniuyan for a total consideration of RMB60,000,000, and Tianniuyan agreed to lease back these assets to the Group at a consideration of RMB66,000,000 by installments for a term of three years. The transaction was treated as loans from a related party.

## 10 Trade and other payables

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables due to		
— third-party suppliers	<b>75,504</b>	68,664
— related parties	<b>6,134</b>	5,587
	<hr/>	<hr/>
Total trade payables	<b>81,638</b>	74,251
Accrued payroll	<b>53,430</b>	78,661
Amounts due to related parties	<b>11,131</b>	17,259
Other payables and accrued charges	<b>55,277</b>	74,772
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	<b>201,476</b>	244,943
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All trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of the Reporting Period, the ageing analysis of the trade payables based on invoice date is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	<b>63,879</b>	48,015
Over 1 month but within 3 months	<b>10,677</b>	13,181
Over 3 months but within 6 months	<b>1,927</b>	6,831
Over 6 months but within 1 year	<b>639</b>	2,695
Over 1 year	<b>4,516</b>	3,529
	<hr/>	<hr/>
	<b>81,638</b>	74,251
	<hr/> <hr/>	<hr/> <hr/>

## 11 Capital, reserves and dividends

### (a) Dividends

The directors of the Company did not propose the payment of any dividend during the year ended 31 December 2024 (2023: nil).

### (b) Share capital and share premium

Details of the movement of the issued and fully paid share capital of the Company are as follows:

	2024		2023	
	No. of shares ( <i>'000</i> )	Amount <i>RMB'000</i>	No. of shares ( <i>'000</i> )	Amount <i>RMB'000</i>
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January	<b>958,594</b>	<b>958,594</b>	958,594	958,594
Shares issued under the placements	<b>47,600</b>	<b>47,600</b>	—	—
At 31 December	<b><u>1,006,194</u></b>	<b><u>1,006,194</u></b>	<b><u>958,594</u></b>	<b><u>958,594</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

In 2024, the pace of global economic recovery displayed a divergent trend, with uncertainties still lingering due to factors such as geopolitical conflicts and inflationary pressures. The Chinese economy, driven by policy support and enhanced endogenous momentum, continued to maintain a stable recovery trajectory, achieving new accomplishments in high-quality development.

As one of the most important innovation breakthroughs in the field of high-end medical devices in recent years, surgical robot has high clinical value, which can effectively improve the accuracy and stability of surgeries, shorten the postoperative recovery cycle of patients and reduce the occurrence of complications; also effectively shorten the learning curve of surgeons and reduce the radiation exposure of operators. The surgical robot market presents a rapid growth trend with the continuous development of the global surgical robot industry. As compared with the overseas surgical robot market, China's surgical robot industry is still in an early stage of development, and the penetration rate of robot-assisted surgery is relatively low. At the same time, China's vast population base, increasing public health awareness, the advantages of robot-assisted surgeries over traditional surgeries, and the fact that more and more physicians are becoming familiar with and proficient in operating robot-assisted surgeries will drive the continued expansion and the rapid increase in penetration rate of the overall market for surgical robots in China.

According to the relevant requirements of the “National Health Plan of the 14th Five-Year Plan” (《「十四五」國民健康規劃》), encouraging cutting-edge technologies and breakthroughs in the medical field will be one of the themes of China's economic development in the “14th Five-Year Plan”, and even longer period. Following implementation of the “14th Five-Year Plan”, policies to support rapid development of medical industry were introduced successively. Driven by both policy benefits and market demand, the demand for high-end medical equipment is expected to usher in a major breakthrough in independent innovation and commercialisation. In March 2023, the National Health Commission issued the Large Medical Equipment Configuration License Management Catalog (2023), and in June 2023, it promulgated the “Notice on Allocation and Planning of Large-scale Medical Device of the 14th Five-Year Plan (《「十四五」大型醫用設備配置規劃的通知》)”. As compared with the “13th Five-Year Plan”, the number of planned allocation certificate for laparoscopic surgical system in the “14th Five-Year Plan” (“**14th Five-Year Plan allocation certificate**”) increased significantly. The “14th Five-Year Plan” also emphasises technological innovation orientation and enterprise innovation elements, indicating the absolute leading position of innovation entities in the development of the medical device industry. According to statistics, as at the end of 2024, the issuance progress of allocation certificate under the 14th Five-Year Plan has surpassed the halfway mark, and more than two hundred additional

allocation certificates are expected to be issued successively in the future, which will also enable more hospitals to have the opportunity to equip themselves with laparoscopic surgical robots.

In the current stage, procurement of high-end medical device in China is mainly attributable to large hospitals. In the future, with the continuous implementation of high-quality development strategies in the industry and the national push to expand and evenly distribute premium medical resources, the demand for high-end medical equipment, including surgical robots, is expected to gradually emerge in lower-tier markets. Domestic leading brands are poised to leverage their superior quality, widely recognised clinical value, high cost-effectiveness, and integration with new technologies such as 5G communications and artificial intelligence, to accelerate market share acquisition in broader markets, thereby aiding the expansion and equitable distribution of premium medical resources and providing more high-end treatments of more comprehensive and higher quality for doctors and patients in China.

Meanwhile, regarding high-end medical equipment, exemplified by surgical robots, national and local governments vigorously implement open strategies such as the “Belt and Road” Initiative, encouraging enterprises to “go global” and participate in global market competition. In recent years, China’s domestic surgical robots have made major breakthroughs in many fields of core technology, as well as the integration and application of new technologies such as 5G communication and artificial intelligence. They will enter the list of “going global” medical device products and create implementable and replicable integrated solutions with smart and precise medical services for countries along the “Belt and Road”. According to the statistics of customs, in 2024, the export of medical device products in China increased by more than 7% year-on-year. More and more high-end medical equipment from China is going abroad, and “Intelligent Manufacturing in China” has been recognised by doctors and patients in more countries and regions around the world.

In March 2024, the State Council issued a notice on the Action Plan for Promoting Large-scale Equipment Renewal and Trade-in of Consumer Goods (《推動大規模設備更新和消費品以舊換新行動方案》) (the “**Action Plan**”), which specifies that by 2027, the scale of equipment investment in medical and other fields will increase by more than 25% as compared with 2023, emphasises the promotion of the iteration and upgrading of the equipment and informatisation facilities of medical and healthcare institutions, and encourages qualified medical institutions to accelerate the update and reconstruction of medical equipment such as surgical robots, which will bring unprecedented development opportunities for the domestic surgical robots industry. In July 2024, the National Development and Reform Commission and the Ministry of Finance issued a notice on Certain Measures to Further Support Large-Scale Equipment Renewal and Trade-in of Consumer Goods (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), proposing the allocation of approximately RMB300 billion in ultra-long-term special treasury bonds to bolster large-scale equipment renewal and trade-in of consumer goods.

According to certain rough statistics, currently, more than 30 provinces, autonomous regions and municipalities in China have introduced specific plans for the update of medical equipment. With the successive introduction and implementation of the provincial plans, as well as the continuous enhancement of domestic brands' technological innovation and product quality, the process of domestic substitution in the field of large-scale medical equipment will be accelerated.

As one of Shanghai's three key leading industries, the biopharmaceutical sector has become a crucial driver in forming new productive forces. In July 2024, the General Office of the Shanghai Municipal People's Government issued several opinions on supporting the full-chain innovative development of the biopharmaceutical industry, comprehensively covering critical aspects such as R&D, clinical trials, review and approval, application promotion, industrialisation, investment and financing, data resources, and internationalisation, providing comprehensive, specific, and actionable support for biopharmaceutical companies in Shanghai, including leading enterprises in the high-end medical device industry. To implement the Action Plan for the High-Quality Development of the Medical Equipment Industry (2023–2025) (《醫療裝備產業高品質發展行動計劃(2023–2025年)》) and further promote the high-quality development of Shanghai's medical robot industry, the Shanghai Municipal Economic and Informatisation Commission, the Science and Technology Commission of Shanghai Municipality, the Shanghai Municipal Health Commission, the Shanghai Municipal Medical Insurance Bureau, and the Shanghai Municipal Drug Administration have jointly developed the Shanghai Action Plan for Promoting the Development of the Medical Robot Industry (2023–2025) (《上海市促進醫療機器人產業發展行動方案(2023–2025年)》), which clarifies that one of the key tasks is to promote the development of overseas markets, supporting the “Belt and Road” initiative, encouraging local medical robot enterprises to utilise multilateral and bilateral cooperation mechanisms to provide higher quality high-end medical equipment and solutions to “Belt and Road” countries.

## **BUSINESS PROGRESS**

In 2024, the Group continued to adhere to a focused business strategy with the primary objective of driving sustainable revenue growth, and continuously and intensively enhanced its operational efficiency. During the Reporting Period, by virtue of its extensive multi-track layout, excellent product performance and industry-leading commercialisation strength, a number of the Group's marketed products achieved breakthroughs in commercialisation, which further consolidated and strengthened the Group's competitive edge in the industry in the domestic and oversea markets.

During the Reporting Period, the Group recorded a revenue of RMB257.2 million, representing a significant increase of 146% as compared with that of RMB104.6 million for the last year, mainly attributable to the fact that the Group's major products, Toumai and SkyWalker, were comprehensively commercialised in parallel in both domestic and overseas markets, and maintained a strong sales momentum. Meanwhile, the Group was able to effectively improve its cost and cash flow control level by focusing on strategies, optimising production processes, and enhancing operational management efficiency.

- **Cumulative comprehensive orders of product portfolio in the world exceeded 100 units, further consolidating the domestic leading position**
  - The Group's continuous leading technology advantages and commercialisation strength were strong engines driving the sustained revenue growth. Since the multi-disciplinary application of the Core Product, i.e. Toumai was approved by the NMPA in 2023, it has won the trust of doctors and gained high recognition from hospitals and the market by virtue of its excellent clinical value, forward-looking technological innovation capabilities and perfect training service system.
  - As a shaper and leader in China's domestic laparoscopic surgical robot industry, Toumai achieved new orders for 39 units worldwide in 2024, with commercial installations surpassing 30 units, bringing cumulative global commercial orders to more than 60 units so far. In the domestic market, Toumai's market share continued to rise, with its presence in top-tier provincial Grade IIIA hospitals and the top 100 hospitals nationwide increasing to over 60%; in the international market, Toumai, in just one year, not only expanded into emerging markets such as Asia, Africa, and Latin America, but also achieved a breakthrough in the high-end markets of Europe, securing commercial orders for more than 20 units, fully demonstrating its capability to compete with leading international surgical robot brands on the global markets.
  - In 2024, the flagship product SkyWalker fully leveraged the synergistic effects with the MicroPort Group, achieving a significant increase of installations year-on-year, with global cumulative orders now exceeding 40 units, covering medical institutions across countries in five continents, including China, the United States, Germany, Italy, Belgium, Greece, Australia, and Brazil. In the field of global commercialisation of domestic orthopedic surgical robots, it continues to maintain the first position. As at now, SkyWalker has cumulatively assisted in performing nearly 2,000 TKA surgeries.



- Since R-ONE, a vascular interventional robot deployed by the Group in the panvascular domain through international cooperation, was approved by the NMPA in December 2023, the Group has accelerated its promotion in hospitals. As the only coronary interventional surgical robot product currently listed for sale in the domestic market, R-ONE won the bid for five leading public hospitals in Shanghai, including Zhongshan Hospital, Fudan University during the Reporting Period, and achieved the first two commercial installations in the Chinese market during the Reporting Period.
- **Global certification efforts are accelerating, with the product’s capabilities gaining recognition from international authoritative regulatory bodies**
  - In May 2024, Toumai obtained CE certification (MDR) from the European Union, enabling its use in urological surgery, general surgery, thoracic surgery, and gynecological endoscopic surgery. Currently, Toumai has obtained certification from nearly 20 countries or regions. This demonstrates that Toumai’s stability, clinical effectiveness, safety, as well as its level of innovation and technological sophistication, have been recognised by multiple international authoritative regulatory bodies, laying a foundation for enhancing its competitiveness in the international market.
  - Toumai Single-port obtained registration approval from the NMPA in February 2025, further enhancing and diversifying the Group’s product portfolio. The Toumai series is progressively achieving compatibility across multi-port, single-port, and remote-integrated systems, which is expected to bolster the market competitiveness of the Group’s products.
  - SkyWalker has obtained listing approvals from regulatory authorities in nearly ten countries and regions, including China’s NMPA, the U.S. FDA, and the EU CE, achieving comprehensive coverage of developed markets and key emerging markets, thereby reshaping the global development landscape of the orthopedic surgical robot market.



- By successfully appearing and sharing experiences at international industry conferences and exhibitions, the Group has been able to rapidly build and enhance our brand recognition and academic influence in the international market. Through demonstrating our flagship products, remote surgery and innovative concepts, the Group, as a representative of domestic surgical robots, proved to international clinical experts the technical strength of “Intelligent Manufacturing in China”, helping more overseas medical experts, scholars and even patients to recognise and deeply understand the application level and development status of innovative medical technologies in the field of minimally invasive surgery in China. As our academic influence in the international field continues to increase, it will ultimately drive the huge potential for our products to be sold in overseas markets.
- **Continuing to spearhead the application of remote surgical technologies and pioneering the third-generation remote surgery era**
  - The Group is committed to promoting the sharing of high-quality medical resources and bringing more health and well-being to people in remote areas such as border areas through the combination of new quality productive forces represented by surgical robots and cutting-edge medical technologies. Credited to our comprehensive mastery and continuous development of the underlying technology, joint application with 5G technology has been realised on many surgical robot products of the Group, including Toumai, SkyWalker and R-ONE. To date, Toumai has assisted in completing over 300 remote surgeries in urology, general surgery, thoracic surgery, gynecology and paediatric surgery worldwide, with a 100% success rate, and setting 25 world records.
  - Based on the technological advantages of the Group’s various products and the practical experience in remote surgery accumulated both domestically and internationally, the Group has built the largest remote surgery network system in the world, which achieved full coverage of the domestic remote surgery network at multiple levels. In addition, it has gradually expanded its cross-national and cross-continental remote surgery coverage, striding forward towards the mid-to-high end of the global value chain, and empowering the medical treatment around the world with cutting-edge technology.

- The Group has taken the lead globally in overcoming two major “world-class challenges” — the large-scale application of remote surgery and the continuous application of remote surgery — bringing the technical application of “second-generation remote surgery” to maturity, achieving full coverage of both routine and remote highly complex surgeries in urological surgery, general surgery, thoracic surgery, gynecology, and pediatric surgery. Building on this foundation, the Group has pioneered the launch of “third-generation remote surgery,” namely robotic satellite remote surgery exploration, ushering remote surgery into a new era of integrated land, sea, air, and space operations, and realising truly seamless, all-weather, and full-regional coverage on a global scale.
- **Optimising operational management, significantly enhancing business efficiency**
  - The Group continued to implement the strategy of strategic focus by focusing resources on the performance optimisation and iteration, commercial expansion and production process optimisation of key and commercial-stage products (including Toumai and SkyWalker, etc.) to consolidate our strong momentum of commercialisation in both domestic and overseas markets, thereby effectively enhancing the Group’s competitive edge.
  - During the Reporting Period, we continued to enhance our production and supply chain management capabilities, and drove effective cost reduction of products to enhance their market competitiveness through continuous optimisation of product design and processing technology. At the same time, the Group carefully reviewed and sorted out its overall operations, and effectively implemented measures to optimise and enhance research and development efficiency, with a view to strengthening its lean operation capability. During the Reporting Period, the Group’s net loss narrowed by 36.8% year-on-year, thereby laying a good foundation for subsequent performance growth and profitability improvement.
  - During the Reporting Period, the Group made full use of internal and external funding resources through the implementation of more efficient cash flow management and control measures, resulting in the net free cash outflow decreasing by 42% from RMB670 million for the year ended 31 December 2023 to RMB388 million for the year ended 31 December 2024.

## **RESEARCH AND DEVELOPMENT AND PRODUCT PIPELINE**

After years of innovative R&D and industrial accumulation, we are the only surgical robot company in the world with a product portfolio covering the five major and fast-growing surgical specialties of laparoscopic, orthopedic, panvascular, natural orifice and percutaneous surgical procedures, and have more than ten products at the fast promotion stage of industrialisation projects.

During the Reporting Period, with our clear strategical focus and efficient operational management, the Group has put more research and development resources on the development, optimisation and upgrading of its products (including Toumai, our Core Product, and SkyWalker, our flagship product) in the early stage of commercialisation, to provide doctors and patients with more comprehensive, better and more innovative robotic surgical solutions as fast as possible. Leveraging on the Group’s strong innovation capabilities and strict implementation of the above strategies, the Group’s research and development as well as product pipelines have achieved satisfying progress during the Reporting Period.

The following table summarises our product portfolio as at the date of this announcement.

	Surgical Specialty	Product	Indicated Application	Medical device product classification	Development stage			
					Design Development	Design Validation	Clinical Trial/ Clinical Evaluation	Registration Application
Self Development	Laparoscopic Surgery	Toumai Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery, thoracic surgery and general surgery ▲●	III	[Progress bar]			
		Toumai Single-port Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery and general surgery ▲	III	[Progress bar]			
		DFVision 3D Electronic Laparoscope	Laparoscopic surgeries for abdominal, thoracic and pelvic organs ▲●	II	with real-time fluorescence imaging function [Progress bar]			
				II(a)	obtained EU CE, ANVISA and other certifications from 16 countries/regions <sup>1</sup> [Progress bar]			
	Orthopedic Surgery	SkyWalker Orthopedic Surgical Robot	Total knee arthroplasty ▲●	III	[Progress bar]			
				II(b)	obtained FDA, EU CE and other certifications from eight countries/regions <sup>2</sup> [Progress bar]			
			Total knee arthroplasty and Total hip arthroplasty ▲	III	[Progress bar]			
			Unicompartmental knee arthroplasty	III	[Progress bar]			
	Natural Orifice Surgery	Trans-bronchial Surgical Robot	Trans-bronchial diagnosis & treatment	III	[Progress bar]			
	International Collaboration	Panvascular Surgery	R-ONE Vascular Interventional Robot	Coronary angioplasty ▲	III	[Progress bar]		
Percutaneous Surgery		iSR'obot Mona Lisa Robotic Transperineal Prostate Biopsy System	Transperineal prostate biopsy ▲	III	[Progress bar]			

Products entered into Green Path ▲ Products approved by the NMPA ● Products with approval for launch overseas

1. Including: Brazil, Ecuador, Taiwan, Malaysia, Thailand, Philippines, Morocco, South Africa, Turkey, Jordan, Serbia, Uzbekistan, Belarus, European Union, Switzerland, United Kingdom  
2. Including: United States, Europe, Brazil, Australia, India, Japan, United Kingdom, Canada

## **Toumai Laparoscopic Surgical Robot — Our Core Product**

Toumai, the Core Product of the Company, is a laparoscopic surgical robot designed and developed by the Group for a wide range of surgical procedures, which enables complex surgeries to adopt a minimally invasive approach. The agility of robotic arms allows greater precision in operations, enhances the safety of surgery and reduces surgeon fatigue. Seated comfortably at the console, a surgeon views an immersive 3D HD image of the surgical field and manipulates the surgical instruments inside the patient's body by controlling the robotic arms. Toumai provides surgeons with a range of motions analogous to those of human wrists, while filtering out the tremors inherent in human hands.

- **Continued to lead domestic brands, and started to bear fruit from overseas market layout**

Since obtaining NMPA approval for marketing for multi-disciplinary application in 2023, Toumai has won the trust of doctors and gained high recognition from hospitals and the market by virtue of its excellent clinical value, forward-looking technological innovation capabilities and perfect training service system. During the Reporting Period, Toumai completed 19 commercially installed units in the Chinese market. As at the date of this announcement, Toumai's domestic commercially installed units have exceeded 30, ranking first in the domestic laparoscopic surgical robot market share, and the share of provincial top Grade IIIA hospitals and national top 100 hospitals has increased to more than 60%, which confirms Toumai's absolute leading edge in domestic laparoscopic surgical robots, and lays a sound foundation for Toumai's continuous large-scale commercial applications.

In May 2024, Toumai successfully obtained the CE Mark from EU and is the first to be introduced to the international mainstream market. It is applicable to laparoscopic surgeries in urology, general surgery, thoracic surgery and gynecology, making it the first and only domestic laparoscopic surgical robot with the CE Mark from EU. That represents the international market's full recognition of its leading technical strengths and product performance, laying an important foundation for Toumai's future commercialisation and exploration of large-scale clinical applications in the European market and even the global market. This also marks the official arrival of the Chinese surgical robot comprehensive intelligent surgical solution that can prolong and reshape lives in the minimally invasive surgery field across the globe, creating a new era for the internationalisation of domestic surgical robot industry. Up to date, Toumai has obtained certification from nearly 20 countries or regions around the world. Toumai's stability, clinical effectiveness and safety, as well as its innovation level and technological content will be certified by more and more international authoritative regulatory agencies.

During the Reporting Period, Toumai completed commercial installation and sales of 11 units in overseas markets. The Group will continue to integrate resources at home and abroad and develop a global presence, compete with industry peers from all over the world, and lead innovative breakthroughs in domestic laparoscopic surgical robots in multi-disciplinary clinical applications, remote technology, and international market development, so that Chinese smart manufacturing can benefit patients around the world as soon as possible.

- **Attained perfection for persistent improvement and continued to enhance Toumai's large-scale surgical capabilities**

Through large-scale development of clinical surgeries, Toumai's excellent product performance and sound stability have been fully verified, and its awareness and recognition among hospitals and surgeons have been rapidly enhanced. In terms of human clinical applications, Toumai continued to maintain its number one position among domestic brands. During the Reporting Period, Toumai's commercial clinical surgery volume rapidly accumulated, continually achieving remarkable results in multiple consecutive surgeries and becoming the first to pass the threshold of large-scale application of domestic laparoscopic surgical robots. Up to date, there were more than ten hospitals with single-center surgeries exceeding 100 after the commercial installation of Toumai. Among them, Shanghai Pulmonary Hospital conducted nearly 500 commercial clinical surgeries in less than a year.

With the large-scale and routine clinical application of Toumai, its innovation, stability, safety, and effectiveness have been validated in large samples and diversified clinical trials, benefiting an increasing number of patients with high-quality medical treatment enabled by surgical robot technology. Up to now, more than 300 surgical operations have applied in Toumai's clinical application. The scale of clinical surgery volume continues to maintain the first position of national brands, fully realising the full coverage of multiple specialties and diverse procedures, and successfully completing several "ceiling" level high-difficulty surgeries within the industry, laying a solid foundation for continuous commercial expansion and rapid increase in surgical volume.

At the same time, since its debut in the international vision, through industry exhibitions around the world, Toumai has demonstrated its high-level clinical performance and technical level to top overseas clinical experts, and shared the exploration experience of MedBot in the field of remote surgery. During the 2024 annual meeting of the Society of Robotic Surgery (SRS), a globally renowned academic conference, more than 1,700 top experts from all over the world attended the conference to discuss the latest technologies and clinical applications of surgical robots. Hundreds of experts test-drove Toumai, and they unanimously evaluated the overall performance of Toumai to rank among the top in the world.

- **Breaking the geographical limitation and further expanding the application of remote surgery**

As a global leader in technological innovation and clinical applications in the field of remote surgery, we are committed to effectively realising the standardisation, normalisation and commercialisation of remote robotic surgery. Helping to realise the flow of quality medical resources to lower-tier cities to benefit patients in extensive remote areas is one of the key directions for the Group's continuous research and active progress. During the Reporting Period, the Group completed the world's only large-scale, multi-regional, full-department indication coverage and long-distance clinical application exploration of complex surgeries, breaking limitations of the original medical model. As at the date of this announcement, Toumai has taken the lead in exploring over 300 5G remote human clinical surgeries in the world, with a 100% success rate and setting 25 world records.

The Group's breakthrough innovation in the field of remote surgery applications and its forward-looking research and leading exploration in international cutting-edge fields such as remote surgery and smart surgery also continuously attracted more and more top overseas surgical robot experts, who have operated Toumai to complete many cross-border and overseas remote surgeries:

- At the 49th session of Arab Health and the first session of SRS Telesurgery Consensus Conference held in early 2024, our 5G remote surgery technology went abroad, as Toumai completed the world's first transnational 5G ultra-remote simulated surgery verification across 7,000 kilometres, and successfully implemented 5G ultra-remote simulated surgery verification across the Atlantic Ocean and ultra-remote animal experiments across the Pacific Ocean. It fully demonstrated to authoritative experts and scholars from Asia, Europe, the United States and other countries and regions that China's independently developed laparoscopic surgical robots have extraordinary technical strength and extremely stable and reliable performance, and breakthrough clinical applications.



- A famous Moroccan surgical expert used Toumai to successfully perform a remote prostate cancer radical surgery for a patient in Casablanca, Morocco, 12,000 kilometers away from Shanghai, China. This surgery, spanning Asia and Africa with a two-way communication distance exceeding 30,000 kilometers, set a new world record for the longest-distance remote human surgery to date.
- Toumai successfully assisted Chinese surgical experts to implement the world’s first robot satellite remote surgery, completing two consecutive liver cancer tumor resection satellite remote surgeries. This is an upgrade of robotic remote surgery technology and a leap in application level, marking a milestone breakthrough in remote surgery control technology based on satellite communications. Remote surgery has officially entered the “third generation of remote surgery”, a new era of robotic satellite remote surgery, which is of revolutionary milestone significance to the development of remote surgery technology.

As at the date of this announcement, Toumai remote laparoscopic surgery system has completed the submission of registration and is under the NMPA review.

**Warning under Rule 18A.08(3) of the Listing Rules: We cannot assure that our Core Product may ultimately be successfully commercialised. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.**

### **Toumai Single-port Laparoscopic Surgical Robot (“Toumai Single-port”)**

Toumai Single-port Laparoscopic Surgical Robot independently developed by the Group featured by a unique single-arm structure with self-developed intellectual property rights, flexible movement, as well as a convenient set-up. Toumai Single-port is the only single-arm single-port surgical robot in China and the second in the world with a mechanical fixed point, whose device in snake design can achieve seven increments of adjustment levels within a narrow space, which is more sophisticated than multi-arm and multi-port robots. Toumai Single-port adopts a highly integrated single-port design, which is not only convenient to install and operate, but also demonstrates remarkable effectiveness and safety, and shows significant advantages in many aspects such as surgical accuracy, procedure duration, bleeding volume, postoperative recovery time and aesthetics.

Toumai single-port was officially approved for marketing by NMPA in February 2025, which, together with Toumai multi-port, DFVision and Toumai remote laparoscopic surgery system, formed comprehensive solutions for integrated laparoscopic intelligent surgery, achieving compatibility and complementarity.

### **DFVision 3D Electronic Laparoscope**

DFVision is a 3D electronic laparoscope independently developed by the Group, which can be used for examination and imaging in laparoscope surgeries, to observe, diagnose, take photos of or treat in organs such as abdominal cavity and thoracic cavity. Through the application of high-resolution imaging objective lens and electronic lens structure, it presents full HD two-way images, provides the operator with the 3D sense of surgical field of vision and natural depth of field, to satisfy the anatomical demand of high precision and high stereoscopic level in clinical application, which is of great significance to the precise freeing, suturing and knotting during surgery. It can reduce the operation time, reduce surgical errors, improve the quality of surgery, and increase the efficiency of surgery. It breaks through the limitations of the traditional two-dimensional laparoscopic surgery, making it applicable to surgeries in different departments including urological surgery, general surgery, thoracic surgery and gynecological surgery.

DFVision obtained the NMPA approval in June 2021 and realised sales in second half of 2021. As the Group's high-end vision platform that connects the technical equipment with underlying algorithms and surgical robot products, DFVision's performance and technical level have been further improved. In July 2024, 3D electronic thoracoabdominal endoscopy system with real-time fluorescence imaging function independently developed by the Group was approved by NMPA, which can greatly reduce the difficulty of surgery, shorten the operation time, promote the improvement of the intelligence level and safety of robotic surgery. The system, together with Toumai, Toumai single-port and Toumai distal surgical systems, will create comprehensive solutions for integrated laparoscopic intelligent surgery, and ultimately benefit the majority of patients.



## SkyWalker Orthopedic Surgical Robot

SkyWalker has the platform-based, standardised, precise and personalised features. Its preoperative planning system establishes three-dimensional models of knee joints and hip joints based on the patient's preoperative CT scan data, and generates personalised prosthetic implant surgical solutions based on the patient's physiological and anatomical characteristics. During the operation, a self-developed highly dexterous and lightweight robotic arm is used, and precise osteotomy and grinding are completed through man-machine collaboration. After the operation, the alignment correction of the lower limbs is significantly better than traditional surgery, improving surgical accuracy and efficiency. SkyWalker can precisely position during the operation, precisely perform knee osteotomy and acetabular grinding, and precisely restore the patient's lower limb alignment. It can achieve more precise and efficient osteotomy, bone grinding and prosthetic installation than traditional hip and knee replacement, avoid damage caused by intramedullary positioning in traditional surgery, reduce the risk of dislocation or surgical failure caused by implantation position of the acetabular cup, decrease surgical complications, and help patients recover quickly after surgery. As the instruments for hip grinding, acetabular cup installation and knee joint osteotomy are basically the same as those used in traditional surgery, it can greatly shorten the learning curve of doctors and facilitate their rapid proficiency.

In 2023, SkyWalker (being used for total knee replacement surgery and total hip replacement surgery) obtained the registration certificate for launch issued by NMPA, becoming the first domestic hip and knee integrated orthopaedic surgery robot equipped with self-developed robotic arm and approved for launch. In terms of overseas market expansion, SkyWalker (being used for total knee replacement surgery) has managed to obtain marketing approval of authoritative regulatory agencies in eight countries and regions, including the 510(k) clearance from the FDA, the CE Mark from EU, the certification from Brazil ANVISA, the certification from Australia TGA, the certification from CDSCO of India successively. It has basically achieved full coverage of developed country markets and important emerging markets, and reconstructed a new development pattern for the global orthopedic surgical robot market.

In terms of clinical application and promotion, with its advantages of customised planning and precise surgical operation, SkyWalker can reduce wounds of patients and avoid over-reliance on physicians' skills and experience in traditional joint replacement surgery. It can optimise surgical results and benefit the patients. Leveraging the Group's extensive and targeted marketing promotion and physicians' training for SkyWalker, as well as the effective synergy and full utilisation of good brand reputation and solid market foundation of MicroPort Group in overseas orthopaedic market, SkyWalker rapidly converted its achievement upon its commercialisation. During the Reporting Period, SkyWalker's overseas territory has gradually expanded to cover countries in five continents, and its cumulative global orders exceeded 40 units, with significant increase in the new installed capacity year-on-year.

SkyWalker is committed to providing more excellent clinical solutions for joint replacement for doctors and patients around the world. By continuously meeting the clinical practice in the mainstream countries of the world's high-end medical equipment, as well as the clinical needs of the mature markets, we have won the wider recognition of the clinical staff in various countries, which will also provide continuous impetus for the continuous improvement of SkyWalker's performance and the creation of a more forward-looking competitive advantage. As at the date of this announcement, SkyWalker has completed nearly 2,000 TKA procedures worldwide, with clinical applications covering orthopedics, joint surgery departments of nearly 70 hospitals in China and overseas.

### **Trans-bronchial Surgical Robot (“Trans-bronchial Surgical Robot”)**

The Robot-assisted Bronchoscopy Navigation System independently developed by the Group is a non-invasive natural orifice transluminal robotic platform. The system features an ultra-smooth, ultra-thin snake-shaped robotic catheter, which can access hard-to-reach and narrow lesions through human's natural orifice without making any wound on the body. It has significant meaning in early diagnosis and treatment of small pulmonary nodule and other cancer.

As at the date of this announcement, Trans-bronchial Surgical Robot has been submitted for registration and is under the NMPA review.

### **R-ONE Vascular Interventional Surgical Robot**

R-ONE, introduced by Shanghai Cathbot, a joint venture established in China by the Company and Robocath in France, is an innovative robotics product in the field of pan-vascular. R-ONE is a vascular intervention control system based on master-slave control technology, which is designed to assist cardiovascular interventional physicians in conducting percutaneous coronary intervention (“PCI”) surgeries to locate lesions precisely, optimise the delivery of balloons and stent catheters, thereby standardising the surgical process, improving the surgical accuracy, and reducing surgical complications. Furthermore, doctors can sit at the anti-radiation console to complete remote control, effectively reducing the exposure time under the radiation while accurately operating the operation.

R-ONE has accelerated its in-hospital rollout since the approval of NMPA in December 2023. Leveraging the high degree of synergy with the cardiovascular business of MicroPort Group, R-ONE has already obtained sales orders of multiple units in the domestic market and achieved the first two units of commercial installation in the China market during the Reporting Period.

## **iSR’obot Mona Lisa Robotic Transperineal Prostate Biopsy System**

Mona Lisa, a product of Shanghai Intbot, a joint venture company jointly established by the Company and Biobot in China, is an innovative robotics product in the field of percutaneous puncture of the Group. Mona Lisa allows physicians to conduct biopsy sampling more precisely and easily: before the procedure, physicians can conduct surgical planning and interactive adjustment through intelligent software; in the course of procedure, a powerful elastic MRI-ultrasound fusion algorithm can guide physicians immediately, allowing target sites to be easily and accurately sampled regardless of whether they are located in the prostate sharp, base bottom or peripheral belt. The innovative two-point needling approach can minimise the interference of the bones, reduce the incisions of patients, and achieve full prostate coverage; after the procedure, Mona Lisa can generate a complete report containing 3D images and clinical data.

Mona Lisa has been commercialised since it was approved by the NMPA in 2023. It forms an integrated solution for diagnosis and treatment of prostate cancer with the Company’s Core Product, Toumai, and facilitates the improvement of diagnosis and treatment models for prostate diseases. As the first prostate puncture robot obtained the approval in the field of urology in China, Mona Lisa can improve the positive detection rate of patients, reduce manual error and omission diagnostic rate, assist clinical physicians to complete biopsy puncture surgeries more accurately and efficiently, and at the same time reduce the pain of patients. The product provides more medical options and better conditions for patients requiring prostate biopsy puncture, which will fill the gap in the domestic market for robot assisted puncture products.

## **CUTTING-EDGE TECHNOLOGY**

With the continuous progress of technologies, such as big data, artificial intelligence, human-computer interaction technology, 5G communication, etc., surgical robots will lead the intelligent transformation in the medical field continuously, making surgery more accurate, smarter, safer, more affordable and more minimally-invasive. During the Reporting Period, while deeply engaged in the R&D of five core underlying technologies of surgical robots, the Group persisted in an innovation-driven approach, committed to meeting the demand for robotic surgery.

The technology of 5G remote surgeries is one of our key R&D directions that we continuously tackle and focus on, which reflects our implementation of and response to the guidance on the construction of regional medical communities under the “Healthy China” strategy. Free from the constraint of physical distance, it is a powerful tool for resolving the grassroots’ difficulties in seeking healthcare services, and represents our pragmatic approach to our belief of “Make surgery easier, safer and less invasive”. The Group is committed to assisting doctors to create integrated solutions for intelligent and precise medical care that can be implemented and replicated, promoting robot-assisted surgery towards inclusiveness, and enhancing the influence of China’s innovative medical technology and remote surgery

technology in neighbouring countries and even in the world. Based on the comprehensive mastery of the underlying technology, the Group's multi-track surgical robot products, such as Toumai, SkyWalker and R-ONE, have achieved the joint application with 5G technology, and have successfully achieved a large number of clinical practices of ultra-remote robot-assisted surgery at home and abroad, which has won wide attention and praise from experts at home and abroad.

The Group is the first in the industry to propose the "second generation remote surgery" technology concept, the core of which is the multi-network integration technology compatible with 5G and conventional hospital networks. This technology achieves one-to-multiple and multiple-to-multiple remote interconnection and control at low cost, successfully overcoming the two major challenges of large-scale application and continuous application of remote surgery, and clearing obstacles for the full normalisation and commercial clinical application of remote surgery. Based on this technology, we continued to promote global innovation in remote surgery. Since completed the world's first 5G ultra-remote surgery in June 2022, we have assisted in over 300 multi-department remote surgeries under different environments in multiple countries, with a success rate of 100%. We also pioneered the world's first global remote verification test, the world's first vehicle-mounted mobile robot remote surgery, the world's first ultra-remote lung tumor resection surgery, the world's first ship-based robot remote surgery, and carried out the world's farthest remote surgery of 12,000 kilometers and the first ultra-remote surgery in the Middle East. On this basis, during the Reporting Period, the Group pioneered the exploration of "the third generation of remote surgery", namely robotic satellite remote surgery, so that remote surgery has entered a new era of integration of land, sea, air and space, achieving seamless coverage around the clock in all regions on a global scale.

Based on the diversified layout of its multi-field products as well as its solid technical accumulation and rich clinical experience in the field of remote surgery, the Group has constructed the largest remote surgery network system in the world, with a view to realising the full coverage of the multilevel remote surgery network covering the domestic provinces, cities and counties, and even realising instant connectivity of global surgery networks and deep connection of global medical resources in the near future, ushering in a new era of global medical collaboration.

## **RESEARCH AND DEVELOPMENT**

We have fully mastered the five core underlying technologies of surgical robots (i.e. robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging). Through years of solid accumulation in the five technical fields, the Group has been able to establish an innovative surgical robot platform and maintain the ability to develop new products continuously.

At present, the Group has two China R&D centres respectively in Shanghai and Shenzhen. The Group also made full advantages of medical and engineering integration, and has reacted promptly to clinical needs. We have vigorously carried out multi-centre clinical trials led by clinicians, promoted industrial upgrading and product iteration, and realised the transformation of underlying research results. Our Shanghai Engineering Research Centre of Minimally Invasive Surgical Robots (上海微創手術機器人工程技術研究中心) is the first provincial surgical robot engineering centre. It created an open service platform covering research and development, verification, clinical and industrialisation support, aiming at promoting cooperation throughout the industry chain, including scientific research institution under medical device testing organisations. The platform cooperated with the institutions to establish standards for surgical robots and construct experimental testing capabilities for surgical robots.

## **CAPABILITY OF COMMERCIALISATION**

The Group has established a well-trained and fully responsible consultant marketing team to provide hospitals with comprehensive services, such as training, surgery support, maintenance, as well as equipment adjustment and testing and so on. During the Reporting Period, the Group has promoted establishment of a targeted training system, helping the Group to continuously improve its product marketing system, further optimise service capabilities and continuously enhance brand influence. To date, the Group has established accumulated nearly 40 clinical application and training centres for Toumai and nearly 20 for SkyWalker, across the world. During the Reporting Period, the Group conducted more than 1,600 training sessions for Toumai, with a total of more than 2,000 participants, including more than 160 overseas surgeon trainees, which covered more than 40 countries in Asia, Europe, Africa and Latin America, to continuously cultivate outstanding robotic surgery technical talents, and enhance communication with physicians and education to patients, so as to build its brand reputation, laying a solid foundation for further enhancing the recognition of the Group's innovative products, as well as their subsequent large-scale sales.

We have also collected ample feedback from doctors through trainings and communication activities, thereby providing critical clinical support for the continuous upgrading of the Group's products and improving product's functions. At the same time, we continued to conduct large-scale clinical validation surgeries based on real clinical application scenarios and needs. The Group has achieved conductive transformation reflected in sales results with the efficient implementation of various and comprehensive marketing, physician training and clinical validation activities.



MedBot Mobile Demonstration & Training Centre (微創機器人移動培訓展示平台) developed by the Group is equipped with Toumai and SkyWalker surgical robot systems. During the Reporting Period, through continuous promotion and application of those systems, we promoted the surgical robot technology of “Intelligent Manufacturing in China” across the country, providing a platform for more healthcare professionals to access and experience surgical robots without having to travel long distances, which would help alleviate current shortage of domestic surgical robot training resources, and accelerate the popularisation of affordable robotic surgeries.

## **MANUFACTURING AND SUPPLY CHAIN**

The Group’s internal manufacturing and supply chain team is responsible for managing our manufacturing, supply and transportation. We currently have two production bases in China, located in Shanghai and Suzhou, respectively. We established a multi-level supply chain system covering precision parts, consumables, core components and system integration and have achieved production capacity at scale for a number of marketed surgical robots and its complementary consumables. The Group engaged in system integration and hierarchical assembly and testing of core components through its subsidiary, Shanghai MicroPort Shuzhi Technology Co., Ltd. (上海微創樞知科技有限公司), and expedited the research and development of core parts prototype and the products iteration through its subsidiary, Jiaxing Weizhuo Technology Co., Ltd. (嘉興微琢科技有限公司). Through strategic and refined procurement management as well as the effective measures, the Group continuously optimises sampling and product iteration efficiency and improves product delivery rate.

## **HUMAN RESOURCES AND PERSONNEL TRAINING**

After years of accumulation, we have a surgical robot industrialisation team that involves in the full cycle of surgical robot development covering R&D, clinical trial and registration, supply chain management and commercialisation and marketing. As at 31 December 2024, the Group had nearly 450 employees. The Company evaluated, identified and motivated scientific and technological talents through its effective talent selection mechanism, and has added more than 100 outstanding talents to the pool through continuous expansion of external talent graph. The Group’s internal talent growth platform stayed closely aligned with our business. On the basis of the existing diversified course system comprising basic knowledge, management knowledge, professional knowledge and project experience sharing, the Group has added new overseas training camp projects tailored to the needs of the overseas business, placing importance on overseas case studies and practical courses on overseas skills to provide a strong talent pool for the globalisation of the business.

## INTELLECTUAL PROPERTY

As at 31 December 2024, we have filed 1,333 patents application worldwide, of which 509 patents have been granted in China or overseas, including 338 Chinese patents and 171 overseas patents. The remaining 824 patents are still under application, covering cutting-edge areas such as clinical applications, automated surgery and AI technology. In 2024, the Group was granted 109 new patents, including 33 overseas patents for inventions, completing the overseas deployment of core technologies to provide guarantee for product launching overseas. According to the branding, marketing and compliance protection strategy, we have completed the layout of domestic and foreign trademarks, and accumulated 313 trademark registrations, having established the trademark system of launched products and corporate brands.

## OUTLOOK

With the growing recognition of the advantages of surgical robots by the public, the continuous improvement of global medical infrastructure, the active guidance and support of the Chinese government for innovative medical devices, we expect the market of surgical robots to grow sustainably. Facing the fast-growing demand for surgical robots, we will adhere to the management credo of “Eyes For Greatness, Hands On Details” and firmly implement a positive and efficient business strategy, including but not limited to the following:

### **1. Continue to strengthen product portfolio to build a multi-specialty surgical platform**

We will continue fulfilling our commitment to meeting the frontier demand for minimally-invasive surgery. By integrating the cutting-edge research and robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging, we provide comprehensive intelligent surgical solutions to prolong and reshape the lives of patients. Based on the five major and fast-growing surgical specialties, we will adhere to our strategic focus, optimise and upgrade existing products continuously through independent development and external cooperation, actively promoting the development of innovative products, as well as the application of surgical robots in more clinical fields.

### **2. Accelerate the commercialisation, and enhance the market penetration**

With the continuous surgical robot products launch, we will establish more training and education centres for surgical robots, strengthen communication with doctors and patients, improve clinical application experience, standardise robot operation processes and standards, accelerate the popularisation of surgical robots, empower the total solution of high quality medical robots assisted surgery to lower-tier medical institutions all over China, and realise our belief of “Make surgery easier, safer and less invasive”.

### **3. Continue to promote globalisation strategy**

We will build a globalised medical robots total solution innovation platform and integrate potential resources to improve the commercialisation and supply chain capacity of the Group overseas, paving the way for launching more of our surgical robot products in overseas markets in the future. We plan to cooperate with the top hospitals and well-known research institutions all over the world to enhance our soft power in the industry to cooperate with the implementation of the globalisation strategy.

## **FINANCIAL REVIEW**

### **Overview**

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

### **Revenue**

The Group recorded revenue of RMB257.2 million for the year ended 31 December 2024, representing an increase of 146.0% as compared to RMB104.6 million for the year ended 31 December 2023, which is mainly attributable to the strong growth of sales in both domestic and overseas markets:

- (1) For the domestic market, the Company has made intensive efforts to maintain the Toumai as the first in terms of the market share of similar products, while the R-ONE has also gained high recognition in the market and achieved a new breakthrough in commercialisation after approval for launch; and
- (2) For overseas markets, in the first year of Toumai's overseas market exploration, it not only expanded the emerging markets such as Asia, Africa and Latin America, but also achieved sales breakthroughs in high-end markets in Europe, with overseas commercialisation orders exceeding 20 units and more than 10 commercially installed units; the overseas sales of SkyWalker continued to maintain rapid growth, with global orders exceeding 20 units.



## **Gross Profit and Gross Profit Margin**

Gross profit increased by 486.8% from RMB14.7 million for the year ended 31 December 2023 to RMB86.2 million for the year ended 31 December 2024, which was due to the increase in sales of various major product categories. The gross profit margin increased from 14% for the year ended 31 December 2023 to 34% for the year ended 31 December 2024, which was attributable to the Group's continuous cost reduction in production, as well as refined inventory management resulting in a decrease in the impact of impairment on inventory during the Reporting Period.

## **Selling and Marketing Expenses**

Selling and marketing expenses decreased by 12.8% from RMB238.4 million for the year ended 31 December 2023 to RMB207.9 million for the year ended 31 December 2024. The decrease was attributable to the increase in the efficiency of commercial promotion as a result of the adjustment of sales strategy.

## **Administrative Expenses**

Administrative expenses decreased by 56.3% from RMB126.4 million for the year ended 31 December 2023 to RMB55.3 million for the year ended 31 December 2024. The reduction of administrative expenses was primarily due to the decrease in labor costs as a result of the streamlining of the management functional team upon completion of measures for optimisation of operational efficiency, as well as the decrease in other administrative expenses.

## **Research and Development Costs**

Research and development costs decreased by 45.8% from RMB569.2 million for the year ended 31 December 2023 to RMB308.7 million for the year ended 31 December 2024. The decrease was primarily due to the concentration on the R&D of product pipeline near the stage of commercialisation and the improvement on R&D efficiency.

The following table sets out the breakdown of the research and development costs of the Group for the periods indicated:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Staff costs	<b>178,914</b>	350,370
Cost of materials and consumables	<b>32,002</b>	80,284
Contracting costs	<b>23,260</b>	49,733
Depreciation and amortisation	<b>40,026</b>	47,664
Clinical trial expenses	<b>9,714</b>	15,183
Others	<b>24,809</b>	25,941
	<hr/>	<hr/>
<b>Total</b>	<b><u>308,725</u></b>	<b><u>569,175</u></b>

#### **Net Gain/(Loss) on Financial Instruments Carried at FVPL**

For the year ended 31 December 2024, the Group recorded a net gain of RMB0.1 million on financial instruments carried at FVPL, due to the combined effect of a further decrease in the fair value of the NDR investment of RMB10.8 million, and the increase in the fair value of the Biobot investment of RMB10.9 million. For the year ended 31 December 2023, the Group recorded a net loss of RMB42.5 million.

#### **Finance Costs**

The finance costs of the Group increased from RMB18.6 million for the year ended 31 December 2023 to RMB21.6 million for the year ended 31 December 2024, primarily due to increased interest on bank loans.

## **Share of Losses of Equity-Accounted Investees**

Share of losses of equity-accounted investees decreased by 32.1% from RMB29.8 million for the year ended 31 December 2023 to RMB20.2 million for the year ended 31 December 2024. Our equity-accounted investees are still in research and development or early commercialisation stage, and recorded net loss during the Reporting Period.

## **Impairment Loss on an Equity-Accounted Investee**

The Group made full provision for impairment of its investment in Robocath of RMB116.5 million during the year ended 31 December 2024, due to the decrease in the recoverable amount of the Group's equity investment in Robocath. The Group observed that the recoverable amount of the investment in Robocath was affected by Robocath's delayed commercialisation process and recent financial performance. The Group conducted an impairment test by comparing its recoverable amount with the carrying amount, and made the above impairment provision.

## **Non-HKFRS Measures**

To supplement our consolidated statement of profit or loss and other comprehensive income which is presented in accordance with HKFRSs, we also use adjusted net loss as a non-HKFRS measure, which is not required by HKFRS, or presented in accordance with IFRS. We believe that the presentation of non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful data to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items that do not affect our ongoing operating performance. Such non-HKFRS measure allows investors to consider metrics used by our management in evaluating our performance. However, 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 measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

For illustrative purpose only, the following table sets out the adjusted net loss and its reconciliation to loss for the periods indicated:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the year	<b>(647,101)</b>	(1,023,530)
Add:		
Share-based payment expenses <sup>(1)</sup>	<b>48,165</b>	111,875
Changes in the fair value of financial instruments <sup>(2)</sup>	<b>(138)</b>	42,525
Impairment loss on an equity-accounted investee <sup>(3)</sup>	<b>116,467</b>	—
Adjusted net loss for the year	<b><u>(482,607)</u></b>	<b><u>(869,130)</u></b>

*Notes:*

- (1) Share-based payment expenses are regarded as non-cash items, arising from granting shares or share options to certain employees of the Group, the amount of which may not solely correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities.
- (2) The change in fair value of financial instruments represents the fair value changes of the shares of NDR and of Biobot held by the Group.
- (3) The impairment loss on an equity-accounted investee was due to the decrease in the recoverable amount of the equity investment of Robocath held by the Group.

## **Inventories**

Inventories of the Group consist of raw materials, finished goods, work-in-process, semi-finished goods and low value consumables. The inventories of the Group amounted to RMB151.5 million as at 31 December 2024. We are of the view that our inventories are mostly moving items that are suitable for sale. We also regularly monitor inventory level for slow-moving and obsolete items, and as of 31 December 2024, the Group provided an inventory impairment of RMB15.4 million (2023: RMB29.0 million) due to product upgrades and optimisation.

## **Lease Liabilities**

As at 31 December 2024, the Group's lease liabilities was RMB56.8 million, which were primarily related to the Group's leasing of properties for office premises, manufacturing and R&D. The decrease in lease liabilities is due to the fact that we terminated certain leases during the Reporting Period in connection with our optimisation of operational efficiency.

## **Capital Expenditure**

Our capital expenditure amounted to RMB42.1 million during the Reporting Period, mainly including the payments for property, plant and equipment.

## **Contingent Liabilities**

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

## **Employees and Remuneration Policies**

As at 31 December 2024, the Group had nearly 450 employees. During the Reporting Period, the staff cost recognised as expenses of the Group amounted to RMB317.7 million (2023: RMB561.2 million). The decrease in staff costs was mainly due to the decrease in the number of employees from 2023 to 2024.

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held in independently administrated funds managed by the relevant governments.

The Board will review and determine the remuneration and compensation packages of the Directors and senior management and will receive recommendations from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL MANAGEMENT**

### **Cash Position**

The cash and cash equivalents of the Group increased from RMB507.7 million as at 31 December 2023 to RMB612.2 million as at 31 December 2024, primarily due to the effective promotion of the placing of H shares and debt financing, which injected funds for the operation and development of the Group. Meanwhile, the growth in the Group's revenue and the improved efficiency in the utilisation of financial resources resulted in net cash consumption being lower than financing inflows.

### **Capital Management**

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

### **Exposure to Foreign Exchange Fluctuation**

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. It is exposed to currency risk primarily from (i) purchases which give rise to payables that are denominated in a foreign currency; (ii) sales which give rise to receivables that are denominated in a foreign currency, and (iii) financing activities that are in Hong Kong dollars. Currently, it does not have a foreign currency hedging policy. However, the management would monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### **Borrowings and Gearing Ratio**

As at 31 December 2024, the total interest-bearing borrowings of the Group amounted to RMB634.5 million, increased by RMB159.5 million as compared to RMB475.1 million as at 31 December 2023. As at 31 December 2024, the Group's debt-to-asset ratio was 80%, as compared to 65% as at 31 December 2023.

## **Net Current Assets**

The Group's net current assets as at 31 December 2024 were RMB353.1 million, as compared to RMB108.8 million as at 31 December 2023. Such increase was mainly attributable to the improvement in net current assets as a result of the completion of the H-share placings of the Group and repayment of part of the short-term bank borrowings.

## **Charge on Assets**

As at 31 December 2024, the Group had pledged certain patents for the purpose of securing bank loans with a carrying value of RMB297.6 million. Details refer to note 9 to this announcement.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND USE OF NET PROCEEDS**

### **Initial Public Offering on the Stock Exchange**

Net proceeds from the Listing (including the full exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately HK\$1,682.6 million (equivalent to approximately RMB1,375.4 million). All the net proceeds from the Listing were remitted to the PRC and completed the foreign exchange settlement procedures in January 2022.

The original plan for utilisation of the net proceeds raised from the Listing and its changes has been disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the announcements dated 29 June 2023 and 28 June 2024. The above changes have increased the investment in the areas of continuous optimisation and enhancement of Toumai, exploration of cutting-edge functions and international market expansion, focusing and tilting resources on key businesses, driving effective cost reduction of products through continuous optimisation of product design and processing technology, enabling the Group to allocate its proceeds more efficiently, thereby enhancing the performance of the products and competitiveness in the market, and expanding market coverage, which is conducive to the better realisation of the Group's long-term sustainable development. The Board considered that the above changes are in line with the business strategies of the Group and will not have any material impact on the operations and business of the Group and are in the best interests of the Company and the Shareholders as a whole.

The following table sets out details of the net proceeds during the Reporting Period:

	Revised allocation of the net proceeds following the change <sup>(1)</sup> <i>(HK\$ million)</i>	Amount of unutilised net proceeds as at 1 January 2024 <sup>(2)</sup> <i>(HK\$ million)</i>	Actual use of net proceeds for the year ended 31 December 2024 <i>(HK\$ million)</i>	Amount of unutilised net proceeds as at 31 December 2024 <i>(HK\$ million)</i>
A. For Toumai	793.13	114.41	114.41	—
— ongoing R&D activities of Toumai	511.74	85.41	85.41	—
— the commercialisation of Toumai	281.39	29.00	29.00	—
B. For orthopedic surgical robots	304.35	46.50	46.50	—
— ongoing R&D of SkyWalker	179.26	32.79	32.79	—
• for application expansion to other joint replacement procedures	107.54	17.10	17.10	—
• for continuous refinements and upgrades	71.72	15.69	15.69	—
— commercialisation of SkyWalker	97.69	13.61	13.61	—
— research and development of other orthopedic surgical robots	27.40	0.10	0.10	—
C. For the Group's other product candidates	240.74	4.90	4.90	—
— (i) the development of our other pipeline products in other surgical specialties, including our trans- bronchial surgical robot and TAVR surgical robot and (ii) the development of new robotic technologies and products to replenish our pipeline products	235.56	—	—	—
— the development and commercialisation of the surgical robots under our collaboration with international partners, including R-ONE with Robocath, ANT with NDR and Mona Lisa with Biobot	5.18	4.90	4.90	—
D. Enhance our manufacturing capacities and supply chain management capabilities	90.23	6.10	6.10	—



	Revised allocation of the net proceeds following the change <sup>(1)</sup> (HK\$ million)	Amount of unutilised net proceeds as at 1 January 2024 <sup>(2)</sup> (HK\$ million)	Actual use of net proceeds for the year ended 31 December 2024 (HK\$ million)	Amount of unutilised net proceeds as at 31 December 2024 (HK\$ million)
E. Expand our product portfolio with innovative robotic technologies and products	85.89	—	—	—
F. Working capital and general corporate purposes	168.26	8.46	8.46	—
Total	<u>1,682.60</u>	<u>180.37</u>	<u>180.37</u>	<u>—</u>

*Notes:*

1. Details of the change in the use of part of the unutilised net proceeds from the Listing have been disclosed in the announcement of the Company dated 28 June 2024.
2. The amount of unutilised net proceeds as at 1 January 2024 was restated as if the change had taken place at 1 January 2024.

Save for the above, the Directors were not aware of any material change to the planned use of proceeds during the Reporting Period. All the proceeds have been utilised as at the date of this announcement.

## Placing of New H Shares under General Mandate

### *June 2024 Placing*

On 26 June 2024, the Company and a placing agent entered into the placing agreement, in relation to the placing of 12,900,000 new H Shares at the placing price of HK\$9.10 per H Share to no less than six places under general mandate of the Company (the “**June 2024 Placing**”), which represented a discount of approximately 19.47% to the closing price of HK\$11.30 per H Share as quoted on the Stock Exchange on the date of the placing agreement. The 12,900,000 new H Shares for the June 2024 Placing have an aggregate nominal value of RMB12,900,000 based on a nominal value of RMB1.00 per Share. The completion of the June 2024 Placing took place on 5 July 2024. A total of 12,900,000 H Shares have been successfully placed at the Placing Price of HK\$9.10 per H Share to no less than six places. The gross proceeds is approximately HK\$117.39 million, and the net proceeds, after deducting such fees, costs and expenses, is approximately HK\$114.08 million, representing a net placing price of approximately HK\$8.84 per placing share.

The Directors consider that the June 2024 Placing can raise capital for continuous optimisation and iteration and future large-scale commercialisation in the global market of the products of the Group while broadening the Shareholders and capital base of the Company. The Directors are of the view that the June 2024 Placing would strengthen the financial position of the Group and provide more efficient funding support to the Group. The Company intends to apply the net proceeds from the June 2024 Placing in the following manner: (i) 40% for the development of core business and formulation of business ecosystem, including but not limited to overseas product registration and corresponding improvement works, overseas and local commercialisation of the Group’s products, academic promotion, medical trainings and after-sale services; (ii) 30% for the continuous improvement, optimisation and upgrade on products; and (iii) 30% for replenishing working capital and general corporate purposes.

As at 31 December 2024, the Company applied the proceeds from the June 2024 Placing as follows:

Specific use of net proceeds	Net proceeds raised <sup>1</sup> (HK\$ million)	Utilised net proceeds in 2024 (HK\$ million)	Unutilised net proceeds as at 31 December 2024 (HK\$ million)	Expected timetable for utilising the unutilised net proceeds <sup>2</sup>
Development of core business and formulation of business ecosystem, including but not limited to overseas registration and corresponding improvement works, overseas and local commercialisation of the Group's products, academic promotion, medical trainings and after-sale services	45.64	6.85	38.79	By the end of 2025
Continuous improvement, optimisation and upgrade on products	34.22	7.82	26.4	By the end of 2025
Replenishing working capital and general corporate purposes	34.22	1.39	32.83	By the end of 2025
<b>Total</b>	<u>114.08</u>	<u>16.06</u>	<u>98.02</u>	

*Notes:*

1. The figure of net proceeds raised in the table above may not add up to the relevant totals due to rounding of the figures to two decimal places.
2. The Company intends to apply the remaining net proceeds in accordance with (i) the timetable specified above; and (ii) the manner disclosed in the Company's announcement dated 5 July 2024.

## *December 2024 Placing*

On 2 December 2024, the Company and a placing agent entered into the placing agreement, in relation to the placing of 34,700,000 new H Shares at the placing price of HK\$7.85 per H Share to no less than six places under general mandate of the Company (the “**December 2024 Placing**”), which represented a discount of approximately 19.98% to the closing price of HK\$9.81 per H Share as quoted on the Stock Exchange on the date of the placing agreement. The 34,700,000 new H Shares for the December 2024 Placing have an aggregate nominal value of RMB34,700,000 based on a nominal value of RMB1.00 per Share. The completion of the December 2024 Placing took place on 10 December 2024. A total of 34,700,000 H Shares have been successfully placed at the Placing Price of HK\$7.85 per H Share to no less than six places. The gross proceeds is approximately HK\$272.40 million, and the net proceeds, after deducting such fees, costs and expenses, is approximately HK\$266.31 million, representing a net placing price of approximately HK\$7.67 per placing share.

The Directors of the Company consider that the December 2024 Placing can raise capital for continuous optimisation and iteration and future large-scale commercialisation in the global market of the products of the Group while broadening the Shareholders and capital base of the Company. The Directors are of the view that the December 2024 Placing would strengthen the financial position of the Group and provide more efficient funding support to the Group. The Company intends to apply the net proceeds from the December 2024 Placing in the following manner: (i) 70% for the development of the Group’s core business, including but not limited to research and development for product performance enhancement and optimisation upgrade, and overseas and local commercialisation of the Group’s products; and (ii) 30% for replenishing working capital and general corporate purposes.

As at 31 December 2024, the Company applied the proceeds from the December 2024 Placing as follows:

<b>Specific use of net proceeds</b>	<b>Net proceeds raised<sup>1</sup></b> <i>(HK\$ million)</i>	<b>Utilised net proceeds in 2024</b> <i>(HK\$ million)</i>	<b>Unutilised net proceeds as at 31 December 2024</b> <i>(HK\$ million)</i>	<b>Expected timetable for utilising the unutilised net proceeds<sup>2</sup></b>
Development of core business, including but not limited to research and development for product performance enhancement and optimisation upgrade, and overseas and local commercialisation of the Group's products	186.42	—	186.42	By the end of 2026
Replenishing working capital and general corporate purposes	79.89	—	79.89	By the end of 2026
<b>Total</b>	<u><u>266.31</u></u>	<u><u>—</u></u>	<u><u>266.31</u></u>	

*Notes:*

1. The figure of net proceeds raised in the table above may not add up to the relevant totals due to rounding of the figures to two decimal places.
2. The Company intends to apply the remaining net proceeds in accordance with (i) the timetable specified above; and (ii) the manner disclosed in the Company's announcement dated 10 December 2024.

## **SCOPE OF WORK OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, 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.

## **CORPORATE GOVERNANCE PRACTICES**

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 Part 2 of 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.

## **AUDIT COMMITTEE**

As at the date of this announcement, the Audit Committee consists of two independent non-executive Directors, namely Mr. Chung Wai Man (chairperson) and Dr. Li Minghua, and one non-executive Director, namely, Mr. Chen Xinxing. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

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 for the year ended 31 December 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as the guidelines for the Directors' and Supervisors' dealings in the securities of the Company. Following specific enquiries to all of the Directors and Supervisors, all the Directors and Supervisors have confirmed their compliance with the required standards set out in the Model Code during the Reporting Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

During the Reporting Period and up to the date of this announcement, the Group had complied with the applicable laws, regulations and regulatory requirements of the places where the Group operates in all material respects.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There was no other significant investments or material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Company during the Reporting Period.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

## **PUBLIC FLOAT**

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

## **ANNUAL GENERAL MEETING**

The Company will further determine the date, time and venue of the 2024 AGM. Details of the 2024 AGM, the book closure period for the 2024 AGM together with a notice convening the 2024 AGM will be published and despatched in the manner as required by the Listing Rules and the articles of association of the Company as soon as possible.

## **FINAL DIVIDEND**

The Directors do not recommend a final dividend for the Reporting Period.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.medbotsurgical.com>). The Company has adopted an arrangement for the electronic dissemination of corporate communications. The 2024 annual report of the Company will be published on the above websites in due course.

## **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 announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“2024 AGM”	the annual general meeting of the Company for 2024 to be convened and held in such manner to be determined by the Company
“ANVISA”	Brazilian Health Regulatory Agency
“Audit Committee”	the audit committee of the Board
“Biobot”	Biobot Surgical Pte. Ltd., a company established in Singapore with limited liability on 28 August 2007
“Board”	the board of Directors
“CG Code”	the corporate governance code contained in Appendix C1 to the Listing Rules



“Company” or “we” or “us” or “our”	Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微创医疗机器人(集团)股份有限公司), a company incorporated in the People’s Republic of China, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 2252)
“Core Product” or “Toumai”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this announcement, our Core Product refers to, Toumai® (圖邁®) Laparoscopic Surgical Robot (registered name in China)
“DFVision”	DFVision® (蜻蜓眼®) 3D Electronic Laparoscope (registered name in China)
“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB
“EU”	European Union
“FDA”	the U.S. Food and Drug Administration
“Free Cash Flow”	the sum of net cash used in operating activities, net cash used for purchase of property, plant and equipment and intangible assets, and net cash used for payment of lease rentals and deposits
“Green Path”	the special approval procedure for innovative medical devices of the NMPA
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the main board of the Stock Exchange and such Domestic Shares converted into H Shares upon the Domestic Shares been approved for full circulation under the full circulation scheme

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the H Shares on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MicroPort”	MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 14 July 2006 whose shares are listed on the Main Board of the Stock Exchange (stock code: 853)
“MicroPort Group”	MicroPort and its subsidiaries
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Mona Lisa”	iSR’obot Mona Lisa Robotic Transperineal Prostate Biopsy System (registered name in China)
“National Health Commission”	National Health Commission of the PRC
“NDR”	NDR Medical Technology Private Limited, a company incorporated in Singapore with limited liability on 20 October 2014
“NMPA”	National Medical Products Administration of the PRC
“PRC” or “China”	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 21 October 2021

“R&D”	research and development
“R-ONE”	R-ONE Vascular Interventional Surgical Robot
“Reporting Period”	the year ended 31 December 2024
“Robocath”	Robocath S.A.S, a company incorporated in France with limited liability on 9 October 2009
“Shanghai Cathbot”	Cathbot (Shanghai) Robot Co., Ltd. (知脈(上海)機器人有限公司), a company established in the PRC with limited liability on 19 March 2021 which is owned as to 51% by the Company and 49% by Robocath
“Shanghai Intbot”	Shanghai Intbot Robotics Co., Ltd. (上海介航機器人有限公司), a company established in the PRC with limited liability on 12 March 2021 which is owned as to 40% by the Company, 56.5% by Biobot and 3.5% by Shanghai Lingmin Enterprise Consultation Center LLP (上海羚敏企業管理諮詢中心(有限合夥))
“Share(s)”	ordinary share(s) of the Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares
“SkyWalker”	SkyWalker® Orthopedic Surgical Robot (registered name in China)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“TGA”	Therapeutic Goods Administration

“UKCA” United Kingdom Conformity Assessed

“United States” or “US” the United States of America

“%” per cent

By order of the Board  
**Shanghai MicroPort MedBot (Group) Co., Ltd.**  
**Mr. Sun Hongbin**  
*Chairman*

Shanghai, China, 27 March 2025

*As at the date of this announcement, the executive Directors are Dr. He Chao and Ms. Fang Cong, the non-executive Directors are Mr. Sun Hongbin, Mr. Chen Xinxing and Mr. Chen Chen, and the independent non-executive Directors are Dr. Li Minghua, Mr. Yao Haisong and Mr. Chung Wai Man.*