LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

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

(Stock Code: 2291)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

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

The annual results of the Group for the year ended December 31, 2024 have been reviewed by the Audit Committee and audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the independent auditor of the Company.

FINANCIAL HIGHLIGHTS

- Revenue increased by 44.4% from RMB326.6 million for the year ended December 31, 2023 to RMB471.6 million for the year ended December 31, 2024.

- Gross profit increased by 46.7% from RMB289.1 million for the year ended December 31, 2023 to RMB424.0 million for the year ended December 31, 2024.

- Research and development expenses decreased by 6.6% from RMB62.1 million for the year ended December 31, 2023 to RMB58.0 million for the year ended December 31, 2024.

- Net profit attributable to shareholders of the parent company increased by 62.2% from RMB151.4 million for the year ended December 31, 2023 to RMB245.6 million for the year ended December 31, 2024.

- The Board recommends the payment of a final dividend of RMB0.62 per Share (tax inclusive) for the year ended December 31, 2024 (a final dividend of RMB0.57 per Share (tax inclusive) for the year ended December 31, 2023).

Notes:

(1) According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)" published by the Stock Exchange in December 2010, PRC incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the China Accounting Standards for Business Enterprises (the "**CASBE**") and PRC audit firms approved by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are allowed to adopt the Auditing Standards for Certified Public Accountants of China in providing services to such issuers. In order to improve working efficiency and lower disclosure costs and audit costs, on April 8, 2024, the Board has approved to change the overseas financial report disclosure standards of the Group from the International Financial Reporting Standards to the CASBE. The annual general meeting was held and approved the corresponding changes to the Articles of Association on May 23, 2024. For details, please refer to the Company's announcement dated April 8, 2024 and the circular of the Company dated April 19, 2024. The Group has disclosed its financial reports according to the CASBE and relevant regulations since 2024. The Group's financial statements and annual results for the year ended December 31, 2024 have been prepared under the CASBE, and the relevant comparative figures for 2023 have been appropriately adjusted pursuant to the CASBE. Figures for the corresponding period of 2023 used in the section headed "Management Discussion and Analysis" in this announcement were restated.

(2) Certain amounts and percentage figures included in this announcement have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

BUSINESS REVIEW

As a leader in the heart disease interventional medical devices industry in China, we have been focusing on the research and development, manufacture and commercialization of heart disease interventional medical devices. We have over 20 years of industry experience in the traditional metal medical devices, and we are successfully practicing degradability of medical devices, and at the same time, the Company is exploring the frontier fields of the cardiac mechanical circulatory support, atrial septal puncture and other medical devices, and committed to providing safe, effective, innovative and comprehensive medical solutions in terms of breadth and depth.

As of the date of this announcement, we had a total of 29 marketed occluders, heart valves and accessory products, four products under registration review and preparation for registration, and 28 product candidates in various stages of research and development such as occluders, heart valves and procedural accessories and mechanical circulatory support. The following chart summarizes the development status of our product portfolio up to the date of this announcement:

Product		Pre-clinical	Clinical Trial	Registration	Commercialization
Atrial septal defect ("**ASD**") occluder	**MemoPart®** ASD occluder (double-rivet)				Commercialized
	MemoPart® ASD occluder (single-rivet)				Commercialized
	MemoCarna® oxide coating ASD occluder with single-rivet				Commercialized
				CE registration review in progress	
	MemoSorb® biodegradable ASD occluder ★				Commercialized
Ventricular septal defect ("**VSD**") occluder	**MemoPart®** VSD occluder (double-rivet)				Commercialized
	MemoPart® VSD occluder (single-rivet)				Commercialized
	MemoCarna® oxide coating VSD occluder with single-rivet				Commercialized
				Obtained the CE certificate	
	MemoSorb® fully-degradable occluder systems ★				Commercialized
		Preparation for initiating of overseas clinical trials			

Product		Pre-clinical	Clinical Trial	Registration	Commercialization
Patent ductus arteriosus ("**PDA**") occluder	MemoPart® PDA occluder (double-rivet)				Commercialized
	MemoPart® PDA occluder (single-rivet)				Commercialized
	MemoCarna® oxide coating PDA occluder				Commercialized
				CE registration review in progress	
	MemoSorb® biodegradable PDA occluder	Clinical preparation stage			
Patent foramen ovale ("**PFO**") occluder	MemoPart® PFO occluder (double-rivet/single-rivet)				Commercialized
	MemoSorb® oxide coating PFO occluder			Mass clinical	
	MemoSorb® biodegradable PFO occluder ★				Commercialized
	NeoSorb® bioabsorbable PFO occluder			Mass clinical	
Left atrial appendage ("**LAA**") occluder	MemoLefort® LAA occluder system				Commercialized
	Bio-Lefort® biodegradable LAA occluder ★			Mass clinical	
Aortic and peripheral occluders	Biodegradable aortic occluder ★		Animal test		
	Embolization occluder		Animal test		
	Peripheral hydrogel spring coil		Animal test		
	Biodegradable vascular plug	Design stage			
	Cross-linked reinforcement system of abdominal aortic aneurysm	Design stage			
Aortic valve products	ScienCrown® transcatheter aortic valve replacement ("**TAVR**") system ★				Commercialized
			CE animal tests		
	ScienMelon® artificial heart valve with polymer leaflets for transcatheter implantation ★		Animal test		
	ScienChute® transcatheter aortic valve stenosis therapy system	Design stage			
	ScienChute® paulsed acoustical generator	Design stage			
	Transcatheter aortic valve system (regurgitation indication TAVR)		Animal test		
Mitral valve products	MemoChord® transapical mitral valve repair system (chordal) ("**TMVCRS**")		FIM		
	MemoClip-A® transapical mitral valve clip repair ("**TMVr-A**") system ★			Mass clinical	
	MemoClip-F® transfemoral mitral valve clip repair ("**TMVr-F**") system	Clinical preparation stage			
	Transcatheter mitral valve replacement ("**TMVR**") system		Animal test		

Product		Pre-clinical	Clinical Trial	Registration	Commercialization
Atrial septal puncture and procedural accessories	RF-Lance® radiofrequency puncture devices ★				Commercialized
	RF-Lance® disposable radiofrequency atrial septal puncture needles ★				Commercialized
	Disposable atrial septal puncture system				Commercialized
	MemoPart® interventional delivery system				Commercialized
	GuiBend® integrated interventional delivery system				Commercialized
	GuiFinder® occluder delivery system				Commercialized
	GuiFlex® integrated interventional delivery sheath				Commercialized
	Gruiser® interventional delivery system				Commercialized
	G-Cruiser® interventional delivery system				Commercialized
	MemoPart® snare				Commercialized
	Multiple-loop snare				Commercialized
	SimoMelon® balloon dilatation catheter for aortic valve ★				Commercialized
	Disposable introducing sheath				Commercialized
	Thrombus protection device	Clinical preparation stage			
	StarCross® disposable delivery sheath		Preparation for registration materials		
	Vascular closure device system		Mass clinical		
	Transvalvular guide wires				Commercialized
	Super stiff guidewire			NMPA registration review in progress	
	Interventional guide wires			Preparation stage for registration materials	
	Biodegradable LAA delivery system			Registration review stage	

Product		Pre-clinical	Clinical Trial	Registration	Commercialization
Interatrial shunt device	Interatrial shunt device I	FIM			
	Interatrial shunt device II (biodegradable)	Animal test			
	FireyDeva® interatrial shunt device III (radiofrequency ablation shunt device)	Animal test			
	FireyDeva® radiofrequency ablation device (device)	Animal test			
Mechanical circulatory support products	Transcatheter left ventricular support device ★	Animal test			
	Coronary protection left ventricular support system ★	Design stage			
	Small diameter transcatheter left ventricular support system ★	Design stage			
Hypertensive device treatment products	Pulmonary artery radiofrequency ablation catheter	Design stage			
	Ultrasonic greater splanchnic nerve ablation catheter	Animal test			

Note:

★: Key projects of the Company

The business segments of the Company maintained a sound development trend, achieving stable growth in its revenue. For the year ended December 31, 2024, the Company achieved revenue of RMB471.6 million, representing a year-on-year increase of 44.4% from the year ended December 31, 2023; net profit attributable to shareholders of the parent company of the Company of RMB245.6 million for the year ended December 31, 2024, representing a year-on-year increase of 62.2% from the year ended December 31, 2023; net cash flows generated from operating activities of RMB222.5 million for the year ended December 31, 2024, representing a year-on-year increase of 35.5% from the year ended December 31, 2023. As of December 31, 2024, the total assets of the Group were RMB2,083.0 million, representing an increase of 4.8% from the beginning of the year, and the net assets were RMB1,997.0 million, representing an increase of 3.7% from the beginning of the year.

CHD Occluder Products

As at the date of this announcement, the Group owned 11 commercially available CHD occluder products, among which, MemoCarna® III oxide coating single-rivet occluder series products have fast become the backbone of the CHD occluder products business after its approval for marketing in 2020. Upon the MemoSorb® IV fully-degradable occluder systems obtaining its approval for marketing in 2022, it was pleasing to see that MemoSorb® IV biodegradable ASD occlude products obtained the NMPA medical device registration certificate on August 14, 2024. These two kinds of products have rapidly commercialized and become the Group's flagship products in the CHD field. Leveraging on the long-term technology accumulation, we have maintained our leading position in the field of CHD interventional therapy through technology upgrading, products iteration and original technology. Medical devices for CHD are the Company's key fundamentals, and on this basis, the Company has been able to enter a new phase of rapid growth in its various businesses through extended development.

In line with our technological philosophy of "No Implantation for Intervention", the Group continued to promote the research and development of biodegradable technology, and strived to realize the application of degradable technology in more medical device products.

PFO and LAA Occluder Products

Our first generation cardioembolic stroke prevention products, being LAA occluder and PFO occluder products, were successfully commercialized in 2020 and 2012, respectively.

Our second generation cardioembolic stroke prevention product candidates have applied our biodegradable technology creatively, of which, the second generation MemoSorb® biodegradable PFO occluder product was approved for marketing in September 2023. The PFO surgeries have a larger and better market prospects and show a sign of rapid growth in recent years. Coupled with the Company's innovative biodegradable material technology, the products have gained widespread attention and high popularity in the market upon their launch, and have achieved excellent sales results after marketing and clinical application over a year. During the Reporting Period, the sales revenue of the biodegradable PFO occluder accounted for nearly one-third of the total revenue of the Company, thus becoming another blockbuster product of the Group in the implementation of the philosophy of "No Implantation for Intervention". It was also a typical example of the Company's innovative products with significant commercialization results. The Company's another important application of the biodegradation technology in cardioembolic stroke area, Bio-Lefort® biodegradable LAA occluder product candidate has successfully completed its pre-clinical type inspection and animal test stages as planned and officially entered the stage of multi-center clinical trial enrollment.

Aortic and Peripheral Occluders

The Company has established a presence in the aortic and peripheral fields, with products including biodegradable aortic occluder, embolization occluder and peripheral occlusion-related products. The aortic dissection rupture occluder is an innovative application of biodegradable technology to treat distal rupture of the aortic dissection. Through minimally invasive interventional surgery, the aortic dissection rupture can be precisely sealed, preventing the expansion or rupture of the dissection and at the same time preserving the blood flow of the important blood vessels and improving the blood supply of the remote organs; it also reduces the post-surgical complications and minimizes the risk of the surgery. The embolization occluder is specifically designed to deal with endoleak after endoluminal repair of abdominal aortic aneurysms. It adopts a self-expanding structure with dense mesh weaving (密網編織自膨結構), which can maintain full expansion in the meandering and complex space, efficiently fill the aortic aneurysm, promote thrombosis, effectively reduce the size of the tumor capsule and avoid the risk of rupture. At present, both products have completed type inspection and animal tests, and will progress into the clinical trial stage in the near future. Currently, there is no targeted treatment device for aortic dissection rupture and postoperative II endoleak after aortic aneurysm repair in the market, and both products are global innovations. The biodegradable aortic occluder combines cardiac occluder technology and biodegradable technology, and it is expected to overcome the international challenge of distal rupture of the aortic dissection treatment with accurate occlusion, material innovation and high clinical efficiency as its core competitiveness. The embolization occluder is designed for large abdominal aortic aneurysms, which has the advantages of high pressure-to-compression ratio, high filling efficiency, excellent sheath performance, and simple operation. The two products provide patients with safer and less invasive treatment options.

Heart Valve Product Candidates

The Company's products in heart valve field mainly covered aortic valve and mitral valve products. Our ScienCrown® received registration approval from the NMPA in December 2024. ScienCrown® valve has distinct structural differences from the previously marketed self-expanding valve and balloon dilation valve. As a short stent self-expanding valve, it is featured with smooth pre-bending over the arch, release coaxial, stable expansion, good support and 100% recovery under working condition of artificial valve, etc., which could address the pain points of clinical demand in an optimal manner and greatly shorten the surgeon's learning curve, thus bringing a new standard of care to patients and providing a better clinical experience in valve performance and prognosis. Through differentiated competition methods, the Company expects that it will bring safer and better products to clinical-end and also generate greater revenue to the Company, which will greatly change the competitive layout of the Company in the field of domestic structural heart disease. In addition, we are developing a transcatheter aortic valve system for patients with simple aortic regurgitation. The product adds a clamped positioning design to the valve based on the prototype of ScienCrown® TAVR system which is suitable for dual indications of valvular insufficiency and stenosis, and adds a bending function based on the pre-bending feature of the original delivery system to improve operational performance of clamped positioning design. The product has completed animal tests and type inspection currently and it planned to carry out clinical trials by the end of 2025. Our transapical mitral valve clip system is currently in the final stage of clinical trial enrollment with satisfactory follow-up results. We will accelerate the enrollment of subsequent phase II clinical trials, and we plan to submit a registration application to the NMPA in the first half of 2025. We conducted independent innovation and optimization in the product design and also drew on the extensive experience from clinicians in respect of transcatheter mitral valve clip system, enabling the design and performance of the product much more acclimated to Chinese patients and the usage habits of Chinese physicians. It is currently in the pre-clinical preparation stage and is about to initiate the clinical trials. Our self-developed TMVR system has completed the implantation in the animal and the follow-up of six months after surgery, with satisfactory results, and it is about to progress into the stage of type inspection simultaneously.

As an important part of structural heart disease, the field of heart valve therapy is booming in China, and after years of market cultivation, the domestic market has begun to enter the harvest period. With the technological precipitation of aortic valve products that have entered the early stage of commercialization and the accumulation of market resources for related products, the Company will also continue to make efforts in this field and launch more and better product solutions as early as possible.

Mechanical Circulatory Support Products

The Company has expanded into the field of mechanical circulatory support ("**MCS**") devices, which are designed to provide temporary or long-term support to patients requiring cardiac assisted power. The portfolio of our MCS device product line covers both short- and long-term products, which are designed to assist or replace the pumping function of the ventricles. The portfolio of our MCS device product line includes transcatheter ventricular support system, high-risk percutaneous coronary interventions ("**PCI**") ventricular support system, expandable trochanteric ventricular support system and wholeheart support system. In particular, the transcatheter left ventricular support system suitable for left ventricular support is in the pre-clinical type inspection stage, and mass animal tests have been carried out. Supporting peelable sheaths and other interventional accessories with self-developed materials have been designed and entered type inspection stage and bioassay stage. Small diameter transcatheter left ventricular support system and high-risk PCI coronary protection left ventricular support system for patients requiring low-flow support or high-risk PCI patients will progress into the stage of type inspection in the near future. The Company is an early pioneer in the field of MCS in the PRC, which is still emerging in the PRC with a bright market prospect. With the Company's profound research and development capability and technology accumulation in active medical device field, the Company will provide patients in the field with the most optimal medical solutions and is confident that it will become one of the most core and valuable participants in the field.

Pathway Products

Pathway products mainly include CHD occluder products and procedural accessories for heart valve and also include atrial septal radiofrequency puncture products and others.

RF-Lance® radiofrequency puncture devices and RF-Lance® disposable radiofrequency atrial septal puncture needles have been approved for marketing in the PRC in April and July 2024, respectively. The approvals of these two products further enrich the Company's product lines, and the Company has become one of the high-quality suppliers with the most comprehensive product lines in the field of structural heart disease in China.

Occluder related accessory products are important component parts of occlusion surgery. As at the date of this announcement, the Group has owned nine commercially available occluder related procedural accessories, and in line with the increasing commercialization level of occluder products, the accessory products have also achieved considerable revenue. Our Snare II product has obtained a registration certificate and has been launched for sale in the second half of 2023.

The Company owned seven types of valves related procedural accessories, including, among others, balloon dilatation catheter for aortic valve, super stiff guidewire, thrombus protection device and vascular closure device system. In particular, the balloon dilatation catheter for aortic valve has received registration approval from the NMPA at the end of 2024; the super stiff guidewire has been submitted for registration in the fourth quarter of 2024 and is expected to be approved for marketing in the fourth quarter of 2025; we have completed the animal test and type inspection for vascular closure device system, entering clinical trial stage. The product has an innovative design structure, which can reduce vascular complications and provide physicians with excellent ease-to-use experience.

OUTLOOK

Looking forward, we will continue to be committed to providing safe, effective, innovative and comprehensive medical solutions for patients in pan heart disease related fields.

We will continue to explore and develop new technologies and focus on the core technologies and product development targeting structural heart diseases to enrich our product portfolio to cover a full range of treatment options for various fields of structural heart disease. Furthermore, we will continue to promote technology in a number of aspects, including design and concept innovation, material innovation, structural design innovation, production process optimization, to further enhance the innovation, functionality and reliability of our products. Meanwhile, we firmly believe that biodegradable technology is one of the important technology applications for medical device products in the future, and will greatly stimulate the structural changes in the domestic medical market and drive the overall transformation and upgrade of the medical device industry as widely applied to our occluder product and other product candidates, which positions us well to capitalize on the significant market opportunities, to further explore existing market and expand into incremental market.

In the CHD interventional devices field, we will leverage our significant market advantages established with more than 20 years of in-depth development to continue to increase the speed of iteration of our innovative products and drive rapid business growth. Meanwhile, we will also continue to promote the research and development process of our biodegradable occluder product candidates.

In the cardioembolic stroke prevention field, we will explore the research and development of new PFO occlude products and LAA occlude products, while we will continue to promote the commercialization of our marketed products. In particular, the biodegradable PFO product achieved excellent sales results during the Reporting Period. The Company will further enhance interaction and communication with surgeons, strengthen quality control of products and marketing promotion, and endeavor to broaden its sales channels in terms of depth and breadth, with a view to further opening up the market for the product over the next few years, so as to enable more patients to enjoy the quality experience and convenience brought by innovative medical device products through surgical treatments and regain healthy living. We believe, upon application of the biodegradable technology to such field, we are well positioned to capitalize on and share the significant potential in the domestic fast-growing and low-penetration market and enable more doctors and patients to enjoy our innovative products and quality services by leveraging our early-mover advantages, excellent product features, and well-established sales channels, which will put us in a superior market competitive position in such field.

In the valve stenosis and reflux therapy field, we will rely on our existing technology platform for valve products, further consolidate and strengthen our technological advantages, continue to promote concept of "Tool Box", and focus on the development of valve products with great medical demand and promising market while covering the full product line of valves. Among them, we will accelerate the progress of research and development of the TMVr-F system and the TMVR system for the treatment of mitral valve regurgitation disease, in order to achieve full coverage of mitral valve disease treatment and address the increasing clinical demand from patients and physicians. We will accelerate the advancement of iterative new products based on ScienCrown® transcatheter aortic valve system for Conformité Européenne ("**CE**") Certificate registration clinical trials, the special dry valve of such iterative products, upon processing by adopting the self-developed technology, has the advantages of stronger anti-calcification ability, better hemodynamic effect and longer service life. We are also developing a transcatheter aortic valve system for patients with simple aortic regurgitation, which will complement the ScienCrown® transcatheter aortic valve replacement system to provide optimal treatment for patients with different types of TAVR disease.

Cardiac mechanical circulatory support is a life support technology, and has become an important "bridge" treatment for patients with acute cardiac event and end-stage heart failure after decades of development, which also has more extensive clinical application. It is estimated that approximately 13.7 million patients in China and more than 64 million patients globally suffered from cardiac underpower, and about 50% of them will die within five years after diagnosis. The global market scale of MCS devices is expected to grow at a compound annual growth rate of 10% or above from 2021 to 2028, with a market value expected to reach approximately USD3.4 billion in 2025. The Company, as a cardiovascular intervention medical devices company with strong spirit of technological innovation, has been dedicated to expanding into the blue ocean market of MCS and protective PCI. The Company is developing a series of product candidates, which may help patients, after marketing, improve their quality of life and survival rate. Meanwhile, as a multidisciplinary composite technology, such products will fully demonstrate our technological accumulation, ensure that the Company continues to seize the technological highland in medical devices field, and ensure the progressive development of the Company's future product lines and the sustainable development of the Company's business.

In the structural cardiology pathway products field, we are developing and producing a number of products, and four pathway products have obtained certificates during the Reporting Period. In particular, the Company is one of the early developers of our vascular closure device candidates, and there is no vascular closure device approved for marketing in the PRC. It is estimated that the market size of vascular closure devices in the PRC will have a greater growth, in particular, aortic valve intervention technology has the most mature market and the largest number of patients are those with mitral regurgitation. The market for mitral valve and tricuspid valve interventions will gradually expand, and the demand for large-caliber vascular closure devices will also increase in line with the development of technology. The Company will accelerate the research and development of vascular occluder device products to meet and lead the market demand.

The atrial septal puncture technique is one of the key techniques in cardiac intervention therapy. Compared with traditional puncture techniques, radiofrequency puncture has higher success rate and safety, and the learning curve of surgeons is shorter, so such products are expected to quickly complete the replacement of mechanical needles. Currently, the atrial septal puncture technique has been used for mitral valve repair, LAA occluder, and other procedures to obtain left heart access by transfemoral access. According to the statistics, there are more than 300,000 surgeries using puncture techniques in the United States every year, and the potential treatment population in China is more than 10 million with an extra low penetration rate. The domestic market for such surgery has yet to be further developed with considerable market prospect in the future.

We will strengthen our marketing team building, explore potential marketing channels, continue to expand our sales network in China and continue to build our good reputation and word-of-mouth among doctors and patients. We will continue to strive to promote product brand awareness and influence in the industry and academia, and solidify and strengthen our communication, exchange and interaction with research institutions, hospitals, doctors and KOLs to obtain valuable feedback from them. We will also collect and dive deep into more market data and information, continuously improve and optimize the product design and production process and enhance the service capability of the sales terminal, so as to better serve the doctors and patients with better products and more considerate sales service capability, and strive to become one of the important leaders in marketing and sales service in the PRC.

In terms of overseas business, we will actively expand our overseas sales channels with global insight. With a rigorous, pragmatic and sincere attitude and way of working, we will endeavor to explore the market potential of the existing products and increase the market penetration rate of the existing products, and build up a good international reputation of our products, to enhance recognition of Chinese brands and made in China in the global market. We will keep abreast with the development trend, clinical demand and market competition layout in overseas markets in a timely manner, and formulate a plan for overseas clinical trial and registration in a reasonable manner, to advance the commercialization process of innovative products such as biodegradable occluder series and valve series in overseas markets in due course, which is conducive to a better and sustainable development of the Company's overseas business so as to better implement the Company's internationalization strategy.

FINANCIAL REVIEW

Revenue

Our revenue is mainly derived from the sales of medical devices through distributors and direct sales.

Our revenue increased by 44.4% from RMB326.6 million for the year ended December 31, 2023 to RMB471.6 million for the year ended December 31, 2024. The following table sets forth a breakdown of our revenue by major products for the years ended December 31, 2023 and 2024.

	Year ended December 31,				
	2024		2023		Change
	RMB	***%***	*RMB*	*%*	*%*
CHD occluder products	**245,850,241.76**	**52.2**	230,199,061.62	70.4	6.8
Pathway products	**81,268,685.33**	**17.2**	66,549,437.25	20.4	22.1
PFO and LAA occluder products	**143,923,449.46**	**30.5**	28,979,731.95	8.9	396.6
Other products	**601,231.29**	**0.1**	894,718.14	0.3	-32.8
Total	**471,643,607.84**	**100.0**	326,622,948.96	100.0	44.4

CHD occluder products

For the years ended December 31, 2023 and 2024, more than half of our revenue was generated from sales of CHD occluder products. Revenue generated from sales of CHD occluder products increased by 6.8% from RMB230.2 million for the year ended December 31, 2023 to RMB245.9 million for the year ended December 31, 2024, representing 70.4% and 52.2% of our revenue in the corresponding periods, respectively. Revenue generated from sales of CHD occluder products was able to achieve steady growth, which was primarily attributable to the fact that our original occluder products maintained steady sales, and our new product, biodegradable ASD occluder, after obtaining a medical device registration certificate from the NMPA in August 2024, together with the earlier certified VSD occluder, successfully applied the biodegradable technology to the CHD occluder products, which was successfully commercialized and was changing the market structure of the sub-sector industry, resulting in a satisfactory revenue.

Pathway products

Revenue generated from sales of pathway products increased by 22.1% from RMB66.5 million for the year ended December 31, 2023 to RMB81.3 million for the year ended December 31, 2024, representing 20.4% and 17.2% of our revenue in the corresponding periods, respectively. Our pathway products primarily include interventional delivery systems and snares mainly related to CHD occluder products. Revenue generated from sales of interventional delivery systems was the largest source of our revenue generated from sales of pathway products. The increase was primarily attributable to an increase in the sales volume of our various occluder products, which increased the sales volume of our related procedural accessories accordingly. Further, our new product degradable interventional delivery system obtained the Class III medical device registration certificate from the NMPA in 2023, achieving greater revenue together with degradable products during the Reporting Period. We also intend to gradually introduce other occluder related procedural accessories and heart valve related procedural accessories.

PFO and LAA occluder products

Revenue generated from sales of PFO and LAA occluder products increased by 396.6% from RMB29.0 million for the year ended December 31, 2023 to RMB143.9 million for the year ended December 31, 2024, representing 8.9% and 30.5% of our revenue in the corresponding periods, respectively. The significant increase in revenue of these products was primarily attributable to the successful market entry of our new product biodegradable PFO occluder, resulting in considerable sales revenue for the year ended December 31, 2024.

Other products

For the years ended December 31, 2023 and 2024, revenue generated from the sales of other products was RMB0.9 million and RMB0.6 million, representing 0.3% and 0.1% of our revenue in the corresponding periods, respectively. The sales of other products primarily included vascular plug and products with relatively low applicability or importance.

Operating cost

Our operating cost increased by 26.9% from RMB37.5 million for the year ended December 31, 2023 to RMB47.6 million for the year ended December 31, 2024. Our operating cost primarily consisted of (i) raw materials and consumables; (ii) labor costs; (iii) amortization of intangible assets; (iv) depreciation of property, plant and equipment; (v) transportation costs; (vi) utilities and office expenses; and (vii) others.

The following table sets forth our cost of sales by nature in absolute amounts and as percentages of our total cost of sales for the years ended December 31, 2023 and 2024.

	Year ended December 31,				
	2024		2023		Change
	RMB	***%***	*RMB*	*%*	*%*
Raw materials and consumables	**14,536,718.62**	**30.5**	14,607,519.43	38.9	-0.5
Labor costs	**15,163,366.63**	**31.8**	10,856,391.96	28.9	39.7
Amortization of intangible assets	**12,596,574.98**	**26.5**	7,448,112.13	19.8	69.1
Depreciation of property, plant and equipment	**2,118,539.53**	**4.4**	2,036,124.69	5.5	4.0
Transportation costs	**1,370,296.38**	**2.9**	1,220,485.53	3.3	12.3
Utilities and office expenses	**1,041,060.74**	**2.2**	993,582.06	2.6	4.8
Others	**787,104.13**	**1.7**	368,590.50	1.0	113.5
Total	**47,613,661.01**	**100.0**	37,530,806.29	100.0	26.9

Our raw materials and consumables costs represented nitinol products and sheathes and other metal and plastic components used during the manufacturing process. Raw materials and consumables costs for the year ended December 31, 2024 amounted to RMB14.5 million, which remained stable as compared to RMB14.6 million for the year ended December 31, 2023.

Our labor costs increased by 39.7% from RMB10.9 million for the year ended December 31, 2023 to RMB15.2 million for the year ended December 31, 2024, which was primarily attributable to the increase in output and sales volume of various products, resulting in an increase in the number and remuneration of manufacturing staff.

Our amortization of intangible assets increased by 69.1% from RMB7.4 million for the year ended December 31, 2023 to RMB12.6 million for the year ended December 31, 2024, which was primarily attributable to the commencement of amortization on the patents and medical device registration certificates of certain products in the second half of 2023 as they obtained their respective NMPA approvals, resulting in an increase in our amortization of intangible assets.

For the years ended December 31, 2023 and 2024, our depreciation of property, plant and equipment remained basically stable at RMB2.0 million and RMB2.1 million, respectively.

Our transportation costs increased by 12.3% from RMB1.2 million for the year ended December 31, 2023 to RMB1.4 million for the year ended December 31, 2024, which was primarily attributable to the general increase in sales volume of various products in 2024, resulting in an increase in our transportation costs.

For the years ended December 31, 2023 and 2024, our utilities and office expenses remained basically stable at RMB1.0 million.

Our other costs primarily included testing fees for production environment and fees for sterilization, with relatively small cost amounts, representing 1.0% and 1.7% of the main business costs for the years ended December 31, 2023 and 2024, respectively.

Gross profit

Our gross profit increased by 46.7% from RMB289.1 million for the year ended December 31, 2023 to RMB424.0 million for the year ended December 31, 2024. The increase in our gross profit was in line with the growth in our overall revenue.

Taxes and surcharges

Our taxes and surcharges primarily included (i) urban maintenance and construction tax; (ii) education surcharge; (iii) local education surcharge; (iv) property tax; (v) stamp duty; and (vi) land use tax. Our taxes and surcharges increased by 18.5% from RMB4.7 million for the year ended December 31, 2023 to RMB5.6 million for the year ended December 31, 2024, which was primarily attributable to a general increase in sales volume of various products of the Company, resulting in increases in urban maintenance and construction tax, education surcharge, local education surcharge and stamp duty.

Selling expenses

Our selling expenses primarily included (i) labor costs; (ii) travel and transportation fees; (iii) market fees; (iv) exhibition fees; (v) business entertainment fees; and (vi) business promotion fees. Our selling expenses increased by 56.8% from RMB45.4 million for the year ended December 31, 2023 to RMB71.1 million for the year ended December 31, 2024, which was primarily attributable to (i) an increase of RMB12.7 million in labor costs as a result of the Company's strategic development needs to expand the marketing team and increase marketing personnel; and (ii) a total increase of approximately RMB10.8 million in various fees such as market fees, travel and transportation fees and business promotion fees due to the successful commercialization of certain new products of the Company in the second half of 2023 and the year 2024.

Administrative expenses

Our administrative expenses primarily consisted of (i) labor costs; (ii) consulting service fees; (iii) share-based payment; (iv) auditor's remuneration; (v) depreciation and amortization expenses; (vi) travel and transportation expenses; and (vii) office expenses, etc. Our administrative expenses decreased by 15.4% from RMB42.1 million for the year ended December 31, 2023 to RMB35.6 million for the year ended December 31, 2024. This was primarily attributable to a decrease in consulting service fees of RMB1.4 million and a decrease in auditor's remuneration of RMB1.5 million, primarily due to (i) the expiry of certain listing-related intermediary contracts in 2023 following the successful listing of the Company on the Stock Exchange at the end of 2022; (ii) a significant decrease in commercial printer service fees of the Company in 2024 in response to the Stock Exchange's electronic communication requirement at the end of 2023; and (iii) the engagement of new auditor of the Company in 2024.

Research and development expenses

Our research and development expenses primarily consisted of (i) labor costs; (ii) materials, power and manufacturing inspection fees; (iii) depreciation and amortization expenses; (iv) design and clinical trial fees; (v) share-based payment; (vi) outsourced research and development expenses; and (vii) other expenses. Our research and development expenses decreased by 6.6% from RMB62.1 million for the year ended December 31, 2023 to RMB58.0 million for the year ended December 31, 2024, primarily due to (i) a decrease in labor costs of RMB1.1 million; (ii) a decrease in materials, power and manufacturing inspection fees of RMB3.8 million; and (iii) a decrease in design and clinical trial fees of RMB0.8 million, as a result of the relatively large number of research and development projects for type inspection or animal studies in 2023, which resulted in a higher amount of related expenses in 2023 when compared to 2024, partially offset by the increase in other expenses such as travel expenses and conference expenses.

Financial expenses

Our financial expenses primarily consisted of (i) interest expenses; (ii) interest income; (iii) exchange gains or losses; and (iv) handling charges. Our financial expenses decreased by 175.3% from RMB-8.7 million for the year ended December 31, 2023 to RMB-23.9 million for the year ended December 31, 2024, primarily due to (i) an increase in interest income of RMB7.4 million during the Reporting Period as compared to the corresponding period last year due to the increase in available funds of the Company and the benefit of reasonable financial planning, which was offset against financial expenses incurred; and (ii) a decrease in exchange losses of RMB7.8 million during the Reporting Period as compared to the corresponding period last year as affected by the change in exchange rate.

Loss on impairment of credit

Our loss on impairment of credit primarily represented provision for impairment of accounts receivable and other receivables during the Reporting Period. We recorded loss on impairment of credit of RMB-6.0 million for the year ended December 31, 2023, and RMB7.0 million for the year ended December 31, 2024, primarily due to the significant increase in the balance of accounts receivable as a result of the significant increase in the Company's business results, which increased the provision for impairment recognised on accounts receivable.

Income tax expenses

Our income tax expenses increased by 87.1% from RMB21.7 million for the year ended December 31, 2023 to RMB40.5 million for the year ended December 31, 2024, which was primarily attributable to the increase in taxable income as a result of the increase in the Company's business results.

Net profit

As a result of the foregoing, our net profit for the Reporting Period increased by 62.2% from RMB151.4 million for the year ended December 31, 2023 to RMB245.6 million for the year ended December 31, 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The primary uses of cash are to fund the daily operations of the business of the Group. For the year ended December 31, 2024, the Group principally used cash generated from its operating and financing activities and net proceeds from the Global Offering to meet its demand of capital expenditures and working capital. Going forward, the Company believes that its liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities and other funds raised from the capital markets from time to time. As of December 31, 2024, the Group had not used any financial instruments for hedging purposes.

Cash flows

As of December 31, 2024, our cash and cash equivalents were denominated in RMB, HK dollar, USD and Euro dollars. Our total cash and cash equivalents decreased by 7.5% from RMB1,212.0 million as of December 31, 2023 to RMB1,121.3 million as of December 31, 2024, which was primarily attributable to the net cash generated from operating activities of RMB222.5 million and the net cash used in investing activities of RMB117.2 million (which mainly represented expenditures for capitalization of research and development and purchase of equipment during the Reporting Period), the net cash used in financing activities of RMB196.9 million (which mainly represented expenditures for the payment of final dividend for 2023 during the Reporting Period) and the change in exchange gains on cash and cash equivalents, a combination of which caused a decrease in the balance of cash and cash equivalents at the end of the Reporting Period.

Borrowings

As of December 31, 2023 and 2024, we had no outstanding balance of borrowings or unutilized banking facilities.

Net current assets

Our net current assets decreased by 1.7% from RMB1,356.5 million as of December 31, 2023 to RMB1,333.0 million as of December 31, 2024. Our net current assets position as of the above dates was mainly attributable to our cash at bank and on hand, accounts receivable, inventories, prepayments, other receivables and financial assets held-for-trading, partially offset by our accounts payable, contract liabilities, other payables, employee benefits payable, taxes payables and lease liabilities due within one year. The decrease in our net current assets was primarily attributable to an increase in the closing balance of accounts payable of RMB12.5 million as of December 31, 2024, an increase in taxes payables of RMB8.6 million, an increase in accounts receivable of RMB37.6 million and a decrease in the prepayments of RMB21.9 million as a result of the development of the Company's business, a combination of which caused a slight decrease in the net current assets.

Material Acquisitions and Disposals and Significant Investments

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2024.

Pledge of Assets

As of December 31, 2024, we did not pledge any of our assets.

Future Plans for Material Investments or Capital Asset

Save as disclosed in the section headed "Use of Net Proceeds from Listing" in this announcement and the section headed "Future Plans and Use of Proceeds" in the Prospectus, we did not have detailed future plans for material investments or capital assets.

Capital Expenditure

Our total capital expenditure decreased by 1.5% from approximately RMB86.7 million for the year ended December 31, 2023 to approximately RMB85.4 million for the year ended December 31, 2024. Our capital expenditure primarily included our purchase of equipment, purchase of intangible assets and payment for research and development expenses of capitalization. We funded these expenditures with cash generated from our operating and financing activities.

Capital Commitments

Our capital commitments increased from approximately RMB0.2 million as of December 31, 2023 to approximately RMB19.2 million as of December 31, 2024, primarily in connection with purchase of equipment, licensing of product technologies and right of commercialization of products.

Contingent Liabilities

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

Foreign Exchange Risk Management

Our functional currency is RMB. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. We expose ourselves to foreign exchange risk because certain of our accounts payable, accounts receivable and cash at bank and on hand are denominated in foreign currencies. We will mitigate such a risk by constantly reviewing the economic situation and foreign exchange risk, and applying hedging measures when necessary.

Employee and Remuneration Policy

As of December 31, 2024, we had 314 full-time employees (December 31, 2023: 219), all of whom were based in China. The total staff costs for the year ended December 31, 2024 (including staff remuneration, bonuses, welfare cost and social insurance fees etc.) amounted to approximately RMB104.4 million (including those capitalized staff costs of approximately RMB17.1 million).

We primarily recruit our employees through recruitment agencies, internal referrals and online recruiting channels, including our corporate website, job search websites and social networking platforms. We have adopted training protocols, pursuant to which we provide on-board and regular continuing training for our employees. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives.

Indebtedness

The following table sets forth the breakdown of our lease liabilities as of the dates indicated:–

	December 31, 2024	December 31, 2023
	RMB	*RMB*
Lease liabilities	**1,513,992.96**	959,773.15

Key Financial Ratios

The following table sets forth our key financial ratios for the years indicated:–

	December 31, 2024	December 31, 2023
Liquidity ratio		
Current ratio	**16.8 times**	23.9 times
Gearing ratio	**4.1%**	3.0%

(1) The current ratio is calculated based on current assets divided by current liabilities as of the end of the year.

(2) The gearing ratio is calculated based on the Group's total liabilities divided by total assets as of the end of the year.

CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	**As at December 31, 2024**	As at December 31, 2023
Current assets:			
Cash at bank and on hand		**1,125,405,765.25**	1,267,171,281.00
Settlement reserve			
Lending funds			
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	*IV*	**70,327,733.16**	32,686,279.66
Receivable financing			
Prepayments		**20,033,452.39**	41,979,622.28
Insurance premium receivable			
Reinsurance premium receivable			
Reserves for reassurance contracts receivable			
Other receivables		**1,907,952.60**	1,350,143.68
Financial assets purchased under agreements to resell			
Inventories		**87,241,588.03**	69,422,490.46
Including: Data resource			
Contract assets			
Assets held for sale			
Non-current assets due within one year		**107,974,139.89**	
Other current assets		**4,531,884.50**	3,158,604.58
Total current assets		**1,417,422,515.82**	1,415,768,421.66

Assets	*Note*	**As at December 31, 2024**	As at December 31, 2023
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments			
Other non-current financial assets			
Investment properties		**7,451,830.95**	22,256,121.32
Fixed assets		**116,567,671.35**	105,971,995.01
Construction in progress			212,264.15
Productive biological assets			
Oil and gas assets			
Right-of-use assets		**4,051,871.92**	2,835,726.45
Intangible assets		**250,636,543.43**	77,546,760.73
Including: Data resource			
Development expenses		**137,060,996.47**	204,096,775.71
Including: Data resource			
Goodwill		**48,281,830.04**	48,281,830.04
Long-term deferred expenses		**190,417.80**	847,980.43
Deferred income tax assets		**12,787,218.28**	13,278,570.64
Other non-current assets		**88,580,534.26**	95,841,770.03
Total non-current assets		**665,608,914.50**	571,169,794.51
Total assets		**2,083,031,430.32**	1,986,938,216.17

The notes to the financial statements are an integral part of the financial statements.

Liabilities and owners' equity	Note	As at December 31, 2024	As at December 31, 2023
Current liabilities:			
Short-term borrowings			
Loans from central bank			
Placements from banks and other financial institutions			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	*V*	**31,393,102.65**	18,876,454.29
Advances from customers			
Contract liabilities	*VI*	**15,068,531.19**	12,593,113.83
Securities sold under agreements to repurchase			
Deposits from customers and interbanks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee benefits payable		**9,104,354.88**	6,800,957.29
Taxes payable		**18,798,067.87**	10,163,127.91
Other payables	*VII*	**7,668,902.54**	9,051,099.01
Fee and commission payable			
Reinsured accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year		**2,056,734.65**	1,381,236.54
Other current liabilities		**332,670.74**	364,876.36
Total current liabilities		**84,422,364.52**	59,230,865.23

Liabilities and owners' equity	*Note*	**As at December 31, 2024**	As at December 31, 2023
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		**1,513,992.96**	959,773.15
Long-term payable			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities		**45,675.04**	
Other non-current liabilities			
Total non-current liabilities		**1,559,668.00**	959,773.15
Total liabilities		**85,982,032.52**	60,190,638.38
Owners' equity:			
Share capital		**346,749,997.00**	346,749,997.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		**1,331,533,364.64**	1,309,143,939.67
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve			
Provision for general risks			
Retained earnings		**318,766,036.16**	270,853,641.12
Total equity attributable to shareholders of the Company		**1,997,049,397.80**	1,926,747,577.79
Non-controlling interests			
Total owners' equity		**1,997,049,397.80**	1,926,747,577.79
Total liabilities and owners' equity		**2,083,031,430.32**	1,986,938,216.17

The notes to the financial statements are an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	For the year ended December 31, 2024	2023
I. Total operating revenue		**471,643,607.84**	326,622,948.96
Including: Operating revenue	*VIII*	**471,643,607.84**	326,622,948.96
Interest income			
Premium earned			
Income for handling charges and commissions			
II. Total operating costs		**194,043,861.39**	183,145,045.50
Including: Operating cost	*VIII*	**47,613,661.01**	37,530,806.29
Interest expense			
Handling charges and commissions			
Refunded premiums			
Net amount of compensation payout			
Net amount withdrawn for insurance contract reserves			
Policy dividend expense			
Reinsured expenses			
Taxes and surcharges		**5,613,247.49**	4,738,425.95
Selling expenses		**71,130,174.49**	45,374,898.53
Administrative expenses		**35,643,857.45**	42,125,250.71
Research and development expenses		**57,992,081.78**	62,073,744.53
Financial expenses		**-23,949,160.83**	-8,698,080.51
Including: Interest expenses		**164,644.43**	144,476.54
Interest income		**22,246,423.26**	14,816,254.99

Item	Note	For the year ended December 31, 2024	2023
Add: Other income		**8,886,369.48**	12,104,997.43
Investment income (loss expressed with "-")		**6,593,536.61**	10,762,990.89
Including: Income from investment in associates and joint ventures			
Gains from derecognition of financial assets measured at amortised cost			
Exchange gain (loss expressed with "-")			
Net exposure hedging benefits (loss expressed with "-")			
Gains from change in fair value (loss expressed with "-")			
Loss on impairment of credit (loss expressed with "-")		**-6,976,721.81**	5,981,205.22
Loss on impairment of assets (loss expressed with "-")			
Gains from disposal of asset (loss expressed with "-")		**32,653.96**	
III. Operating profit (loss expressed with "-")		**286,135,584.69**	172,327,097.00
Add: Non-operating income			864,000.00
Less: Non-operating expenses		**44,211.61**	154,409.35
IV. Total profit before tax (total loss expressed with "-")		**286,091,373.08**	173,036,687.65
Less: Income tax expense	*IX*	**40,531,479.75**	21,657,881.67
V. Net profit (net loss expressed with "-")		**245,559,893.33**	151,378,805.98
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss expressed with "-"		**245,559,893.33**	151,378,805.98
2. Net profit from discontinued operations (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")		**245,559,893.33**	151,378,805.98
2. Net profit attributable to non-controlling interests (net loss expressed with "-")			

Item	Note	For the year ended December 31, 2024	2023
VI. Net other comprehensive income after tax			
Net other comprehensive income after tax attributable to shareholders of the Company			
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss			
1. Change in remeasurement of defined benefit plans			
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of credit risks of the Company			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss			
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss			
2. Change in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Exchange differences arising from translation of foreign currency financial statements			
7. Others			
Net other comprehensive income attributable to non-controlling interests after tax			
VII. Total comprehensive income		**245,559,893.33**	151,378,805.98
Total comprehensive income attributable to shareholders of the Company		**245,559,893.33**	151,378,805.98
Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	*X*	**0.71**	0.44
(II) Diluted earnings per share (RMB/share)	*X*	**0.71**	0.44

The notes to the financial statements are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in RMB Yuan unless otherwise stated)

I. BASIC INFORMATION OF THE COMPANY

LEPU ScienTech Medical Technology (Shanghai) Co., Ltd (Hereinafter referred to as "the Company" or "the Group") was established as a joint-stock company in January 2021 and subsequently listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2022. As an investment holding company, the Company and its subsidiaries are principally engaged in manufacturing and sales of interventional treatment series occluders for defective congenital heart disease (缺損性先天性心臟病介入治療系列封堵器) and the research and development of biological valve (生物瓣膜) for heart disease.

As of December 31, 2024, the Company's cumulative issued share capital totaled 346,749,997 shares.

Social credit code: 91310000MA1FL7PF84.

Registered address: Room 201, Building 41, No.258 Xinzhuan Road, Xinqiao Town, Songjiang District, Shanghai.

Parent company: Lepu Medical Technology (Beijing) Co., Ltd.

The financial statements have been approved by the board of Directors of the Company on 28 March 2025.

II. BASIS OF PREPARATION FOR THE FINANCIAL STATEMENTS

(1) Basis of preparation

The Group prepares financial statements on a going concern basis, based on actual transactions and events, in accordance with the relevant provisions of China Accounting Standard for Business Enterprises issued by the Ministry of Finance, the application guidelines for China Accounting Standards for Business Enterprises, the interpretation of China Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as "China Accounting Standards for Business Enterprises"), as well as the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

(2) Going concern

There are no material matters affecting the Group's ability to continue as a going concern, and there are no material concerns about the Group's ability to continue as a going concern in the next 12 months.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Statement of compliance with the China Accounting Standards for Business Enterprises

The financial statements of the Company for the years ended December 31, 2024 are in compliance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely present the consolidated and company's financial position of the Group as at December 31, 2024, and of the consolidated and company's financial performance and cash flows for the years then ended.

The Group has adopted the financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") commonly adopted in Hong Kong since its listing. According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong《(有關接受在香港上市的內地註冊 成立公司採用內地的會計及審計準則以及聘用內地會計師事務所 的諮詢總結》)" published by the Hong Kong Stock Exchange in December 2010, from the beginning of the fiscal year, the Group prepared the financial statements in accordance with China Accounting Standard for Business Enterprises and relevant provisions issued by the Ministry of Finance. The impacts of change from international accounting standards to Chinese accounting standards on the shareholders' equity and net profit of the Group are as follows:

	Net profit		**Net asset**	
Item	**For the year ended December 31, 2024**	For the year ended December 31, 2023	**As at December 31, 2024**	As at December 31, 2023
According to the Chinese accounting standards	**245,559,893.33**	151,378,805.98	**1,997,049,397.80**	1,926,747,577.79
According to international accounting standards	**N/A**	151,528,713.31	**N/A**	1,926,675,345.63
Difference		-149,907.33		72,232.16

(2) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in significant accounting policies

(1) Implementation of "Accounting Standards for Business Enterprises Interpretation 17"

On October 25, 2023, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation 17 (Cai Kuai No. [2023]21, hereinafter referred to as "Interpretation 17").

① in respect of the classfication of current liabilities and non-current liabilities

Interpretation 17 clarifies that:

– If the enterprise does not have the substantive right to postpone the repayment of the liabilities to more than one year after the balance sheet date on the balance sheet date, the liabilities shall be classified as current liabilities.

– For the liabilities arising from the corporate loan arrangement, the right of the enterprise to defer the repayment of the liabilities for more than one year after the balance sheet date may depend on whether the enterprise complies with the conditions specified in the loan arrangement (hereinafter referred to as the "contractual conditions"). Only the contractual conditions that should be followed on or before the balance sheet date should be considered, and the contractual conditions that should be followed by the enterprise after the balance sheet date should not be considered.

– Liability settlement when dividing the liquidity of liabilities means that the enterprise releases liabilities by transferring cash, other economic resources (such as goods or services) or the enterprise's own equity instruments to the counterparty. If the terms of the liability cause the enterprise to pay off by delivering its own equity instruments under the circumstance selected by the counterparty, if the enterprise classifies the above option as an equity instrument in accordance with the "Accounting Standards for Business Enterprises 37 – Presentation of Financial Instruments" and recognizes it separately as an equity component of a compound financial instrument, the clause does not affect the liquidity division of the liability.

The interpretation provisions will be implemented from January 1, 2024. When an enterprise first implements the interpretation provisions, it shall adjust the information of the comparable period in accordance with the interpretation provisions.

The implementation of this provision did not have a material impact on the Group's financial position and results of operations.

② Disclosure on supplier finance arrangements

Interpretation 17 requires an enterprise to disclose information related to supplier financing arrangements in an aggregate manner when making note disclosures, so as to help users of the statement assess the impacts of these arrangements on the enterprise's liabilities, cash flows and liquidity risk exposure of the enterprise. The impact of supplier finance arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure requirement applies only to supplier finance arrangements. A supplier finance arrangement is a transaction that has the following characteristics: one or more financing providers provide funds to pay the enterprise the amount due to the supplier, and it is agreed that the enterprise will repay the financing provider on or after the date when the supplier receives the payment according to the terms and conditions of the arrangement. Compared with the original payment due date, the supplier finance arrangement extends the payment period of the enterprise or advances the payment period of the enterprise's suppliers.

The interpretation provisions will come into force on January 1, 2024. When an enterprise implements the interpretation provisions for the first time, it does not need to disclose relevant information for comparable periods and some opening information.

The implementation of this provision did not have a material impact on the Group's financial position and results of operations.

③ Accounting treatment of sale and leaseback transactions

Interpretation 17 stipulates that when the lessee makes subsequent measurement of the lease liability formed by the sale and leaseback, the method of determining the lease payment or the changed lease payment shall not cause it to recognize the gain or loss related to the right of use obtained by the leaseback. When an enterprise implements this provision for the first time, it shall make retrospective adjustments to the sale and leaseback transactions carried out after the first implementation date of the Accounting Standards for Business Enterprises 21 – Leases.

The interpretation provisions will come into force on January 1, 2024, allowing enterprises to implement them in advance from the year of issuance. The Group will implement the requirement from January 1, 2024.

The implementation of this provision did not have a material impact on the Group's financial position and results of operations.

(2) Implement the "Interim Provisions on the Accounting Treatment of Enterprise Data Resources"

On August 1, 2023, the Ministry of Finance issued the "Interim Provisions on the Accounting Treatment of Enterprise Data Resources" (Cai Kuai No. [2023]11), which is applicable to the accounting treatment of data resources recognized as intangible assets or inventories and other assets in compliance with the relevant provisions of the Accounting Standards for Business Enterprises, as well as those legally owned or controlled by enterprises, the accounting treatment of data resources that are expected to bring economic benefits to the enterprise but do not meet the asset recognition conditions but are not recognized, and puts forward specific requirements for the disclosure of data resources.

The regulations will come into force on January 1, 2024, and enterprises should adopt the prospective application method. Expenses related to data resources that have been expensed and included in profit or loss before the regulations are implemented will not be adjusted.

The implementation of this provision did not have a material impact on the Group's financial position and results of operations.

(3) Implement the provisions of "Accounting Standards for Business Enterprises Interpretation No. 18" as to "Accounting For Warranty-Type Quality Assurance that is Not A Single Performance Obligation "

The Ministry of Finance issued Interpretation 18 of Accounting Standards for Business Enterprises (Cai Kuai No. [2024]24, "Interpretation 18") on December 6, 2024. The interpretation is effective from the date of issuance and allows enterprises to implement it earlier from the year of issuance.

Interpretation No. 18 stipulates that when accounting for estimated liabilities arising from warranty-type quality assurances that do not fall into a single performance obligation, according to the relevant provisions of "Accounting Standards for Business Enterprises 13 – Contingencies," and according to the determined estimated liabilities amount, debit the "main business cost," "other business costs" and other subjects, credit the "estimated liabilities" items, and correspondingly present in the "operating costs" in the income statement and the "other current liabilities," "non-current liabilities due within one year," "estimated liabilities" and other items in the balance sheet.

When an enterprise implements the content of the interpretation for the first time, if it is included in the "selling expenses" when the warranty-type quality assurance is originally accrued, it shall make retrospective adjustments in accordance with the changes in accounting policies.

The implementation of this provision did not have a material impact on the Group's financial position and results of operations.

2. Changes in significant accounting estimates

None.

IV. ACCOUNTS RECEIVABLE

1. Ageing analysis of accounts receivable:

The aging analysis of accounts receivable based on their invoice dates is as follows:

Ageing	**As at December 31, 2024**	As at December 31, 2023
Within 1 year	**80,628,030.36**	36,322,324.40
1-2 years	**311,886.00**	311,693.93
2-3 years	**311,693.93**	63,431.86
3-4 years	**63,431.86**	11,630.30
4-5 years	**11,630.00**	25,822.65
Over 5 years	**3,941,578.65**	3,915,756.30
Sub-total	**85,268,250.80**	40,650,659.44
Less: Provision for bad debts	**14,940,517.64**	7,964,379.78
Total	**70,327,733.16**	32,686,279.66

Note: The Group generally does not offer any official contractual credit terms to its customers and will closely monitor the settlement pattern of respective customers. For certain individual customers with long-term relationship with the Group and have good credit history in the past, the Group may allow them to settle the related receivable balances within a discretionary period ranging from 30 days to 360 days.

2. Accounts receivable by method of bad debt provision

Type	As at December 31, 2024					As at December 31, 2023				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage (%)	Carrying Value	Amount	Percentage (%)	Amount	Percentage (%)	Carrying Value
Provision for bad debts made on an individual basis										
Provision for bad debts made on a grouping basis by credit risk characteristics	**85,268,250.80**	**100**	**14,940,517.64**	**17.52**	**70,327,733.16**	40,650,659.44	100.00	7,964,379.78	19.59	32,686,279.66
Including:										
Expected credit loss of grouping basis	**78,010,032.47**	**91.49**	**14,940,517.64**	**19.15**	**63,069,514.83**	37,536,635.87	92.34	7,964,379.78	21.22	29,572,256.09
Related party of grouping basis	**7,258,218.33**	**8.51**			**7,258,218.33**	3,114,023.57	7.66			3,114,023.57
Total	**85,268,250.80**	**100**	**14,940,517.64**		**70,327,733.16**	40,650,659.44	100.00	7,964,379.78		32,686,279.66

V. ACCOUNTS PAYABLE

The aging analysis of accounts payable based on their entry dates is as follows:

Item	As at December 31, 2024	As at December 31, 2023
Within one year	**29,552,201.54**	17,387,701.17
1-2 years	**1,070,796.19**	1,341,821.54
2-3 years	**623,173.34**	
Over 3 years	**146,931.58**	146,931.58
Total	**31,393,102.65**	18,876,454.29

Note: Credit periods granted to the Group by suppliers range from 30 days to 120 days.

VI. CONTRACT LIABILITIES

Item	As at December 31, 2024	As at December 31, 2023
Within one year	**13,430,997.04**	12,593,113.83
1-2 years	**1,637,534.15**	
Total	**15,068,531.19**	12,593,113.83

VII. OTHER PAYABLES

Item	As at December 31, 2024	As at December 31, 2023
Interest payable		
Dividends payable		
Other payable	**7,668,902.54**	9,051,099.01
Total	**7,668,902.54**	9,051,099.01

1. Other payable

Item	As at December 31, 2024	As at December 31, 2023
Current payments	**5,410,768.28**	8,416,671.42
Guarantee deposit	**469,800.27**	64,800.00
Others	**1,788,333.99**	569,627.59
Total	**7,668,902.54**	9,051,099.01

VIII. OPERATING REVENUE AND OPERATING COST

1. Breakdown of operating revenue and operating cost

	For the year ended December 31,			
	2024		2023	
Item	Revenue	Cost	Revenue	Cost
Principal business	**471,140,165.05**	**47,209,133.03**	325,895,568.72	37,084,703.05
Other businesses	**503,442.79**	**404,527.98**	727,380.24	446,103.24
Total	**471,643,607.84**	**47,613,661.01**	326,622,948.96	37,530,806.29

2. Information on the breakdown of operating revenue and operating cost

Item	For the year ended December 31, 2024 Operation revenue	2024 Operating cost	2023 Operation revenue	2023 Operating cost
Classification by product:				
Congenital heart disease occluder products	**245,850,241.76**	**15,394,905.28**	230,199,061.62	14,323,091.93
Pathway products	**81,268,685.33**	**23,644,792.33**	66,549,437.25	18,585,757.91
Patent foramen ovale and left atrial appendage occlader products	**143,923,449.46**	**7,329,074.54**	28,979,731.95	4,150,507.54
Others	**601,231.29**	**1,244,888.86**	894,718.14	471,448.91
Total	**471,643,607.84**	**47,613,661.01**	326,622,948.96	37,530,806.29

IX. INCOME TAX EXPENSE

1. Breakdown of income tax expense

Item	For the year ended December 31, 2024	2023
Current income tax expenses	**39,994,452.35**	19,218,725.88
Deferred tax expenses	**537,027.40**	2,439,155.79
Total	**40,531,479.75**	21,657,881.67

X. EARNINGS PER SHARE

1. Basic earnings per share

Basic earnings per share is calculated by dividing the combined net profit attributable to shareholders of ordinary shares of the parent company by the weighted average number of ordinary shares of the Company in issue:

Item	For the year ended December 31, 2024	2023
Combined net profit attributable to shareholders of ordinary shares of the parent company	**245,559,893.33**	151,378,805.98
Weighted average number of ordinary shares of the Company in issue	**346,749,997.00**	346,749,997.00
Basic earnings per share		
Including: Basic earnings per share from continuing operations	**0.71**	0.44
Basic earnings per share from discontinued operations		

2. Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended December 31, 2024 and 2023.

XI. SUPPLEMENTARY INFORMATION ON THE INCOME STATEMENT BY NATURE OF EXPENSES

Operating costs, selling expenses, administrative expenses, research and development expenses in the income statement, categorized by nature, are presented below:

Item	For the year ended December 31, 2024	2023
Raw materials and consumables used	**53,317,119.75**	37,248,779.47
Changes in finished goods and work-in-process inventories	**-28,255,554.07**	-8,671,172.83
Labor costs	**84,478,809.18**	76,560,811.05
Product testing, preclinical trials and animal research expenses	**16,838,084.55**	15,963,475.66
Depreciation and amortization expense	**21,552,537.23**	15,049,384.52
Marketing and consulting services	**25,233,164.04**	18,055,402.92
Utilities and office expenses	**2,091,049.67**	2,963,291.42
Travel expenses	**7,926,649.73**	5,464,138.62
Transportation costs	**3,156,943.74**	2,750,530.47
Professional fees	**7,435,134.18**	7,318,468.54
Auditors' remuneration	**1,273,584.91**	2,733,312.31
Others	**17,332,251.82**	11,668,277.92
Total	**212,379,774.73**	187,104,700.06

XII. EVENTS AFTER THE BALANCE SHEET DATE

(1) Important non-adjustment matters

None.

(2) Distribution of profits

According to the resolution on March 28, 2025, the board of directors has decided to recommend the declaration and distribution of a final dividend of RMB0.62 per share (approximately RMB214.9850 million in total) for the year ended December 31, 2024 (2023: RMB197.6475 million), subject to approval by the shareholders of the Company at the upcoming annual general meeting to be held on Thursday, May 22, 2025. The proposed dividends have not been reflected as payable dividends in these consolidated financial statements, but will be reflected as transfers for the year ending December 31, 2025 of the Company.

XIII. OTHER IMPORTANT MATTERS

1. Segment Information

(1) Basis of determination of reportable segments and accounting policies

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resource and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

The chief operating decision-maker assessed the performance of the reportable operating segments mainly based on segment revenue, cost of sales, research and development expenses of each reportable operating segment. Thus, segment result would present revenue, cost of sales, research and development expenses and gross profit for each reportable operating segment, which is in line with chief operating decision-maker's performance review.

The Group's reportable segments are as follows:

Occluder business is primarily operated by Shanghai Shape Memory Alloy Co.,Ltd., which is engaged in the business of research, development and sales of interventional treatment series occluders for defective congenital heart disease.

Heart valve business is primarily operated by the Beijing Branch of Shanghai Shape Memory Alloy Co.,Ltd., which is currently engaged in the business of research and development of heart valve medical devices.

There were no separate segment assets and segment liabilities information provided to the chief operating decision-maker, as chief operating decision-maker does not use this information to allocate resources to or evaluate the performance of the operating segments.

2. Financial information for reportable segments

Item	For the year ended December 31, 2024		
	Occluder segment	Heart valve segment	Total
Main business income	471,140,165.05		471,140,165.05
Main business cost	47,209,133.03		47,209,133.03
Gross profit	423,931,032.02		423,931,032.02
R&D expenses	31,247,783.01	26,744,298.78	57,992,081.78
Segment profit	392,683,249.01	-26,744,298.78	365,938,950.24
Unallocated Items			
Other business income			503,442.79
Other business costs			404,527.98
Taxes and surcharges			5,613,247.49
Selling Expenses			71,130,174.49
Administrative expenses			35,643,857.45
Finance costs			-23,949,160.83
Other income			8,886,369.48
Investment income			6,593,536.61
Credit impairment loss			-6,976,721.81
Gains from disposal of asset			32,653.96
Operating profit			286,135,584.69
Non-operating expenses			44,211.61
Total profit			286,091,373.08

Item	For the year ended December 31, 2023		
	Occluder segment	Heart valve segment	Total
Main business income	325,895,568.72		325,895,568.72
Main business cost	37,084,703.05		37,084,703.05
Gross profit	288,810,865.67		288,810,865.67
R&D expenses	21,001,916.79	41,071,827.74	62,073,744.53
Segment profit	267,808,948.88	-41,071,827.74	226,737,121.14
Unallocated Items			
Other business income			727,380.24
Other business costs			446,103.24
Taxes and surcharges			4,738,425.95
Selling Expenses			45,374,898.53
Administrative expenses			42,125,250.71
Finance costs			-8,698,080.51
Other income			12,104,997.43
Investment income			10,762,990.89
Credit impairment loss			5,981,205.22
Operating profit			172,327,097.00
Non-operating income			864,000.00
Non-operating expenses			154,409.35
Total profit			173,036,687.65

Note: For the years ended December 31, 2024 and 2023, R&D expenses capitalized as intangible assets and excluded from the above segment information were approximately RMB82,563,813.09 and RMB79,837,987.93, respectively.

No individual customer contributed more than 10% of the Group's total revenue for the years ended December 31, 2024 and 2023.

OTHER INFORMATION

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period.

As at December 31, 2024, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

On March 28, 2025, the Board proposed a declaration and payment of a final dividend for the year ended December 31, 2024. Further details are disclosed in "Final Dividend" in this announcement and Note XII to the consolidated financial statements.

There are no other material subsequent events undertaken by the Group after December 31, 2024 and up to the date of this announcement.

USE OF NET PROCEEDS FROM LISTING

The Shares of the Company were listed on the Stock Exchange on November 8, 2022 (the "**Listing Date**"). The Company's net proceeds received from the Global Offering (after deducting the estimated underwriting commissions and other fees and expenses payable by the Company in connection with the Global Offering) were approximately HK$567.3 million.

The following table sets forth the planned use and actual use of the net proceeds from the Global Offering:

Use of proceeds	**Net proceeds from the Global Offering** *(HK$ million)*	**Unutilized amount as of January 1, 2024** *(HK$ million)*	**Utilized amount from January 1, 2024 to December 31, 2024** *(HK$ million)*	**Unutilized amount as of December 31, 2024** *(HK$ million)*	**Expected timeline for fully utilizing the unutilized amount[(1)]**
To fund our research and development activities	287.6	206.7	66.5	140.2	Before December 31, 2027
For our sales and marketing activities	137.9	122.7	18.9	103.8	Before December 31, 2027
To expand our production capacity and strengthen our manufacturing capabilities	28.4	22.8	3.9	18.9	Before December 31, 2027
To fund potential strategic investments and acquisitions	56.7	56.7	13.0	43.7	Before December 31, 2027
For our working capital and general corporate purposes	56.7	56.7	10.8	45.9	Before December 31, 2027
Total	567.3	465.6	113.1	352.5	

Note:

(1) The expected timeline for fully utilizing the unutilized amount disclosed above is based on the best estimates made by the Board pursuant to the latest information up to the date of this announcement.

As disclosed on pages 485 to 492 of the Prospectus, based on the current business plan, the Company intended to implement the use of proceeds from the Global Offering in the five financial years from 2023 to 2027. The Board currently expects full utilization of the net proceeds raised from the Global Offering by December 31, 2027, subject to changes in light of the Company's evolving business needs and changing market conditions.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance.

Throughout the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, except for the deviation from the below code provision.

Pursuant to code provision C.2.1 in the CG Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Chen Juan (陳娟) is currently serving as the chairwoman of the Board as well as the chief executive officer of the Company. She has been primarily involved in developing overall corporate and business strategies of our Group and making significant business and operational decisions of our Group. Our Directors consider that vesting the roles of both the chairwoman of the Board and the chief executive officer of the Company in Ms. Chen is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (1) decision to be made by our Board requires approval by at least a majority of our Directors; (2) Ms. Chen and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that she acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board, which consists of one executive Director, three non-executive Directors and three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board, and senior management levels.

The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the transactions of securities of the Company by its Directors, supervisors and the relevant employees who would likely possess inside information of the Company. Specific enquiry has been made to all Directors and supervisors of the Company and all of them have confirmed that they have complied with the Model Code during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

The Company has applied for and the Stock Exchange has approved waiver from strict compliance with Rule 8.08(1) of the Listing Rules. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the required public float under the Listing Rules and the public float waiver at any time during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely Ms. Chan Ka Lai Vanessa (chairperson) and Mr. Zheng Yufeng, and one non-executive Director, namely Mr. Zhu Guanfu.

The Audit Committee has reviewed the consolidated financial statements and this annual results announcement of the Group for the year ended December 31, 2024, reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

SCOPE OF WORK OF BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP

The figures in respect of the Group's consolidated balance sheet and consolidated income statement and the related notes thereto for the year ended December 31, 2024 as set out in this annual results announcement have been agreed by the Group's auditor, BDO China Shu Lun Pan Certified Public Accountants LLP, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO China Shu Lun Pan Certified Public Accountants LLP in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by BDO China Shu Lun Pan Certified Public Accountants LLP on this annual results announcement.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the "**2024 AGM**") will be held on Thursday, May 22, 2025. The notice of the 2024 AGM will be published on the website of the Company (http://www.scientechmed.com) and the HKEXnews website of the Stock Exchange (www.hkexnews.hk) in due course.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB0.62 per Share (tax inclusive) for the year ended December 31, 2024 (approximately RMB215.0 million in aggregate), which is subject to the approval by the Shareholders at the 2024 AGM, the final dividend will be paid in Hong Kong dollars. The exchange rate for the final dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Renminbi to Hong Kong dollars as announced by the PBOC during the five business days preceding the date of approval of the final dividend at the 2024 AGM. Subject to the Shareholders' approval at the 2024 AGM, the proposed final dividend will be distributed on or before Thursday, July 31, 2025 to Shareholders whose names appear on the register of members of the Company on Friday, May 30, 2025 (2023 final dividend: RMB0.57 per Share).

CLOSURE OF REGISTER OF MEMBERS

In relation to the 2024 AGM

For ascertaining Shareholders' right to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Monday, May 19, 2025 to Thursday, May 22, 2025, both days inclusive, during which period no transfer of Shares will be effected.

In order to be eligible to attend and vote at the forthcoming 2024 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the H share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, May 16, 2025 for registration. The record date for ascertaining Shareholders' right to attend and vote at the 2024 AGM is Thursday, May 22, 2025.

In relation to the final dividend

In addition, in order to determine the entitlement of the Shareholders to receive the final dividend, the register of members of the Company will be closed from Wednesday, May 28, 2025 to Friday, May 30, 2025, both days inclusive.

In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, May 27, 2025 for registration. The record date for entitlement to the proposed final dividend is Friday, May 30, 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This announcement was published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.scientechmed.com). The 2024 annual report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

"2024 AGM"	the forthcoming annual general meeting of the Company to be held on Thursday, May 22, 2025
"ASD"	atrial septal defect, a remnant opening, or a defect, between the left and right atria resulting from the abnormal development, absorption and fusion of the atrial septum during embryonic development
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CHD"	congenital heart disease, the formation of the heart and blood vessels during embryonic development or abnormal development or failure to close the channels that should be automatically closed after birth, resulting in abnormalities in the solid structure or function of the blood vessels in the heart or thoracic cavity
"Company"	LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (樂普心泰醫療科技(上海)股份有限公司), a joint stock limited liability company established in the PRC on January 29, 2021 and whose Shares are listed on the Main Board of the Stock Exchange
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"FIM"	First in man
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	refers to International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
"KOLs"	key opinion leaders, who are professionals that influence their peers' medical practice, including but not limited to prescribing behavior
"LAA"	left atrial appendage, a long, narrow and curved blind-end structure extending forward and downward along the anterior wall of the left atrium, which has active diastolic and secretory functions
"Lepu Medical"	Lepu Medical Technology (Beijing) Co., Ltd.# (樂普(北京)醫療器械股份有限公司), a company listed on the ChiNext Board of the Shenzhen Stock Exchange, stock code: 300003, one of our Controlling Shareholders
"Listing Date"	November 8, 2022, being the date on which the Shares of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (樂普心泰醫療科技(上海)股份有限公司) were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), formerly known as the China Food and Drug Administration
"PBOC"	the People's Bank of China
"PDA"	patent ductus arteriosus, a remnant opening of the ductus arteriosus, which fails to close normally in one year after birth
"PFO"	patent foramen ovale, a remnant opening of the fetal foramen ovale, which fails to close normally in one year after birth

"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus issued by the Company on October 27, 2022 in connection with the Hong Kong public offering of the Shares
"Reporting Period"	twelve months from January 1, 2024 to December 31, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of Share(s)
"Shares"	ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TAVR"	transcatheter aortic valve replacement, a catheter-based technique to implant a new aortic valve in a minimally invasive procedure that does not involve open-chest surgery to correct severe aortic stenosis
"TMVR"	transcatheter mitral valve repair, which provides a newer, minimally invasive option for treating the most common form of mitral valve leakage for people who cannot undergo open-heart surgery. It is implanted via a tri-axial transcatheter technique and involves suturing together the anterior and posterior mitral valve leaflets

"TMVr-F"	transfemoral mitral valve clip repair, a catheter-based technique to repair the mitral valve in an interventional therapy that does not involve open-chest surgery
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"VSD"	ventricular septal defect, a defect, or a hole, in the septum between the left and right ventricles of the heart, which may lead to abnormal blood circulation and pulmonary hypertension and other complications in severe cases
"%"	per cent

By order of the Board
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
樂普心泰醫療科技(上海)股份有限公司
Ms. Chen Juan
Chairman of the Board and Executive Director

Shanghai, the People's Republic of China
March 28, 2025

As at the date of this announcement, the Board comprises Ms. Chen Juan as executive Director, Ms. Zhang Yuxin, Mr. Fu Shan and Mr. Zhu Guanfu as non-executive Directors, and Ms. Chan Ka Lai Vanessa, Mr. Zheng Yufeng, and Mr. Zheng Junwei as independent non-executive Directors.

\# *For identification purposes only*

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.".*