Lifetech SCIENTIFIC

LifeTech Scientific Corporation
先健科技公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01302

Environmental, Social and Governance Report 2024

CONTENTS

CHAIRMAN'S STATEMENT

Dear stakeholders,

On behalf of the board (the "Board") of directors (collectively, the "Directors", and each a "Director") of LifeTech Scientific Corporation (the "Company" or "LifeTech"), I am pleased to present the Environmental, Social and Governance ("ESG") report (the "Report") of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024.

SUSTAINED BUSINESS GROWTH, NUMEROUS RESEARCH & DEVELOPMENT BREAKTHROUGHS

In 2024, the Company steadily advanced in a complex and ever-changing market environment, continuously consolidating its leading position in the domestic market while accelerating its expansion into international markets. In the field of research and development, the Company significantly increased its investment, with multiple products receiving regulatory approval and successfully launching in the market. Meanwhile, several innovative products have completed pre-market clinical trials. Additionally, the Company's three independently developed innovative medical devices (namely Aortic Stent Graft System, Aortic Arch Stent Graft System, and Thoracoabdominal Artery Stent Graft System) have submitted registration applications during the year. These innovative products had previously passed the special review application of the National Medical Products Administration ("NMPA"), and Aortic Stent Graft System successfully obtained official registration approval in February 2025. In 2024, our innovative interventional treatment technologies were recognized with the National Technology Invention Second Prize and the Shanghai Science and Technology Progress First Prize, the project "Development and Domestic and International Promotion of Innovative Endovascular Devices" was awarded the First Prize of the Chinese Medical Science and Technology Award. The Group was also honored with titles such as "Smart Materials Industry Technology Innovation Alliance Unit", "2024 Outstanding Enterprise for Overseas Expansion in the Medical Device Industry", and "Top 10 Enterprises with Added Value in Specialized and Sophisticated Industries". These achievements not only affirm our past efforts, but also highlight our leading position and innovative capabilities in the industry, inspiring us to continue advancing and breaking new ground in the medical field through technological innovation.

IMPROVING PRODUCT QUALITY, SEEKING GLOBAL OPPORTUNITIES

We have always adhered to the strategy of innovation and internationalization, continuously expanding our overseas sales territory while deeply cultivating the Chinese market. After years of development, China has become the second-largest medical device market globally. Driven by multiple factors such as GDP growth, rising social consumption levels, accelerating population aging, urbanization, and upgrading of consumption structure, the Chinese medical device industry is expected to continue to maintain steady growth. Meanwhile, the gradual recovery of the global economy after the COVID-19 pandemic, coupled with humanity's relentless pursuit of health and well-being, will continue to drive the expansion of the global medical device industry's market space. The opportunities facing the medical device industry in the future will far outweigh the challenges, and the prospects are promising.

We will firmly grasp the development opportunities and aim to maintain a global leading position in terms of product quality and technological innovation; continue to improve and strengthen our quality management and gain customers' trust in our products; gain the market's trust in technology through continuous investment in research and development and the cultivation of innovative talents; gain the trust of shareholders and employees by building a business platform for common development and shared success; and spare no effort to enhance the competitiveness and brand awareness of our products, bringing healthy lives to more patients from more countries around the world.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude for the continued support from our stakeholders and their valuable feedback, pushing forward the Group's sustainability journey. Also, I thank our employees' dedicated efforts for excellence and success, driving the Group to provide quality products, attain accomplishment in research, development and innovation, as well as maintain the Group's sustained growth. Their unwavering support and dedication have enabled the Group to forge ahead and grow stronger in this challenging period. After years of development, China has become the second largest medical device market in the world. In terms of development space, the total industrial output value and sales of the medical device industry in China are expected to maintain a steady growth. Based on our solid foundation and our efforts in sustainable development, we will strive to explore new opportunities to achieve sustainable business development and create value for various stakeholders.

XIE Yuehui
Chairman

LifeTech Scientific Corporation

ABOUT THE REPORT

This Report is the ninth ESG Report issued by LifeTech since 2016. The Report presents the policies, measures and performance of the Group in environmental, social and governance aspects, to enable stakeholders to understand the Group's direction, strategy and progress in sustainable development issues. The Report is compiled in both Chinese and English, and has been uploaded to the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Group's website (www.lifetechmed.com).

The Group values the opinions of our stakeholders. If you have any questions or suggestions about this Report, please feel free to contact the Group by email (ir@lifetechmed.com) or through the following means:

Place of Business in Hong Kong: 31/F, 148 Electric Road, North Point, Hong Kong

Correspondence Address: LifeTech Scientific Building, No.22, Keji 12th Road South, Nanshan District, Shenzhen

Post code: 518063

Tel: +86-755-86026250

REPORTING STANDARD

This Report is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange.

REPORTING PRINCIPLES

The Report follows the four major reporting principles of the ESG Reporting Guide - materiality, quantitative, balance and consistency, and we have taken them as the important basis for preparing the Report.

- Materiality: During the year, LifeTech continued to maintain active and effective communication with stakeholders to understand and identify whether or how the Group's major business, operating conditions and sustainable development strategies have been affected. We also continuously paid attention to the performance and challenges of ESG which were significant to the Group and its stakeholders, and authorised partners and engaged professional consultants to help the Company to organise a one-off stakeholder survey on ESG issues to understand the importance of sustainability to our operations and stakeholders.
- Quantitative: The Group follows guidelines in the "How to prepare an ESG Report", "Appendix II: Reporting Guide for Environmental KPIs" and "Appendix III: Reporting Guide for Social KPIs" of the Stock Exchange to compile data for all specific key performance indicators ("KPIs") and reference calculation methods, and discloses the sources of conversion factors used in such calculation.
- Balance: The Group complies with this reporting principle in the preparation of the Report, and impartially discloses the Company's performance during the reporting period. Where necessary, appropriate presentation, pictures and charts are used in the Report to present the performance of the Group to avoid misleading or affecting the readers' decision or judgment.
- Consistency: The Group confirms that the Report is prepared in the same way as in previous years. The Group uses consistent methodologies to summarise the environmental and social performance of 2024 from its official documents, statistics, as well as management and operation data collected in accordance with its policy.

ABOUT THE REPORT

REPORTING SCOPE AND PERIOD

The Report discloses the Group's sustainability performance for the year from 1 January 2024 to 31 December 2024 (the "Reporting Period"), and covers the Group's main business, namely the development, manufacturing and trading of medical devices. The Company has production facilities in China during the year, the scope of the Report focuses on the Group's principal place of business and headquarters located in High-tech Industrial Park, Nanshan District, Shenzhen as well as the principal place of business in Songshan Lake Park, Dongguan. In addition, the disclosure of overseas operating locations is added in the employment section of this Report.

BOARD STATEMENT

The Board is the highest responsible and decision-making institution for ESG matters. It bears the ultimate responsibility for ESG strategies and reporting of the Group, and monitors the ESG matters that may affect the Group's business or operation, shareholders and other stakeholders. During the annual Board meeting, the Board reviews the sustainability performance and reporting results during the year, and ensures that ESG (including climate-related) matters are incorporated into key governance processes. The Board of the Group will identify risks through the annual reporting process and improve ESG oversight at the Board level. The environmental and social risks identified and managed include the Group's environmental policies and performance, the Group's legal compliance and the impact of climate-related risks on the business.

The Board and the Directors hereby warrant that there are no false records, misleading statements or material omissions contained in this Report and they will bear liabilities for the authenticity, accuracy and completeness of the contents herein. This Report provides detailed information on the progress and effectiveness of the Group's ESG work in 2024 and was approved by the Board on 28 March 2025.

SUSTAINABLE DEVELOPMENT GOVERNANCE

ESG GOVERNANCE STRUCTURE

The Group's ESG governance structure consists of the Board, the Environmental, Social and Governance Committee (the "ESG Committee") under the Board and the ESG Taskforce, which is responsible for the overall oversight of the Group's ESG practices and initiatives. To align the expectations and requirements of regulators, the Group keeps abreast of national and international standard trends and maintains a timely and effective feedback mechanism to incorporate relevant standards and requirements into the ESG governance system.

The Chairman of our ESG Committee is Mr. XIE Yuehui (Chairman and Chief Executive Officer), and he oversees the ESG-related matters on behalf of the Board. The ESG Committee is comprised of senior management members appointed by the Board and serves as the central coordinating body for ESG matters across all departments and operations.

Board	• To decide major ESG-related matters of the Group and monitor the progress and effectiveness of major ESG matters, including identification and response to ESG and climate risks, implementation of ESG optimisation, disclosure of ESG and climate-related information, and communication with stakeholders; • To decide and monitor the development and update of the Group's ESG-related policies and strategies; • To decide and monitor the development and update of the Group's overall ESG goals; • To assess and determine the nature and extent of risks, that the Group is willing to accept in achieving its strategic objectives, and establish and maintain appropriate and effective risk management and internal control systems • To review the performance indicators on a regular basis and discuss the effectiveness of the ESG program with the ESG Committee.

ESG Committee	• To review, confirm and evaluate the Group's ESG standard, priorities and targets, such as identifying key ESG issues, setting emission control targets, resource and waste utilization targets, etc; • To monitor, review and evaluate the actions taken by the Group in furtherance of the ESG priorities and objectives, including coordination with the Company's business departments, such as the establishment of sustainable production lines in collaboration with the relevant professional departments, development of environmentally friendly products, and ensure its operations and practices are in line with the relevant priorities and objectives; • To monitor and review emerging sustainability issues, as well as national and international standards trends that may affect the Group's business operations and performance, such as major international ESG trends in legislation, regulation, litigation and public opinion; • To monitor and evaluate the impact of the Group's ESG performance on its stakeholders, manage climate-related risks and opportunities, and propose corrective action plans when necessary; • To review, evaluate, advise and lead the preparation of the Group's public communications, disclosures and publications on ESG matters (including but not limited to the disclosure of ESG Report in the Company's Annual Report), maintain the integrity of the Report and ensure compliance with relevant disclosure requirements on ESG matters; • To develop, monitor and review the Group's overall climate-related strategies and approaches; • To report the ESG work results to the Board on a regular basis.
ESG Taskforce	• To execute the Group's ESG policies and strategies, and implement the department's management and optimisation requirements for related ESG and climate matters; • To report the ESG work results to the ESG Committee on a regular basis.

The Group has established an ESG governance system comprising the Board, the ESG Committee, the ESG Taskforce and the business departments to manage ESG-related matters of the Group from top to bottom, comprehensively control the ESG risks faced by the Group, and disclose the ESG situation to the stakeholders in the Report. In the future, the Group will continue to promote a top-down organisational culture of sustainability and facilitate the positive cycle of integrating sustainability into business processes.

STRATEGIC DIRECTIONS

The Group continues to deeply explore the Chinese market and clearly implement and cooperate with the Outline of the Plan for Healthy China 2030 in the following four directions:

- Switching focus from "disease treatment" to "people's health": to implement social health prevention through charity activities in response to sudden health problems (stroke risk) caused by ageing population and extreme temperature differences;
- Providing customers with the first guarantee of health: to ensure that employees who provide customer service or are responsible for the sales process make "customer health and product safety" as their top consideration and guarantee;
- Improving the competitiveness of the medical device industry: to cooperate with university research laboratories and young people to cultivate talents in the area of medical equipment development and industry innovation; and
- Improving grassroots service capabilities: to step up cooperation with grassroots medicine and medical centres, and continue to expand our reach in the grassroots markets.

STAKEHOLDER ENGAGEMENT

Stakeholders' voices and opinions are crucial for the Group's sustainable development strategies and priorities. The Group has established a communication mechanism covering all stakeholders to understand their expectations and requirements for the Group through multiple effective channels, protect their right to know and participate, and integrate the expectations of stakeholders into the Group's operations, so as to work together with stakeholders to promote sustainable development.

Categories	Issues of concern	Communication and response methods
Shareholders and investors	• Board Diversity • Compliance operations • Anti-corruption • Anti-monopoly and unfair competition • Information security and privacy protection	Issue periodic reports and announcements General meeting Investor email
Employees	• Employee remuneration and benefits • Employee training and development • Occupational health and safety • Protection of employee rights and interests • Diversity and equal opportunities	Internal office system Regular communication Performance evaluation Training Team building activities Labour union
Customers	• Product quality • Customer service • Complaints management • Information security and privacy protection • Compliance operations • Supplier management • Distributor and agent management	Customer service channels Customer satisfaction survey Management policy Contract and agreement Examination and evaluation Daily communication

Categories	Issues of concern	Communication and response methods
Commercial partners	• Supplier management • Distributor and agent management • Product quality • Customer service • Anti-monopoly and unfair competition • Compliance operations	Contract and agreement Field inspection Research via questionnaire Examination and evaluation Daily communication
Government and regulatory departments	• Compliance operations • Anti-corruption • Anti-monopoly and unfair competition • Product quality • Medical waste discharge management • Energy, resource use and management	Information disclosure and submission Visit reception Award selection Supervision and inspection
Media	• Product quality • Customer service • Complaints management • Information security and privacy protection • Supplier management • Distributor and agent management • Social welfare • Responding to climate change	Daily communication and response Company official website news disclosure Interviews Award selection
Industry associations, hospitals and universities	• R&D and technological innovation • Product quality • Supplier management • Compliance operations • Anti-corruption • Industry cooperation and ecosystem building	Academic seminars Live surgical communication Industry exhibition Industry-education-research activities

MATERIALITY ASSESSMENT

The Group encourages shareholders, investors, management, employees and partners to participate fully in stakeholder surveys and engages professional advisors to conduct materiality assessments through the following steps, so as to identify the Group's material issues and disclose the results of materiality assessments in an open and transparent manner.

1. Identify sustainable development issues

According to business substance, the requirements of the Listing Rules, international reporting standards and the industry's latest updates in sustainable development, we have established a list that contains 22 material issues.

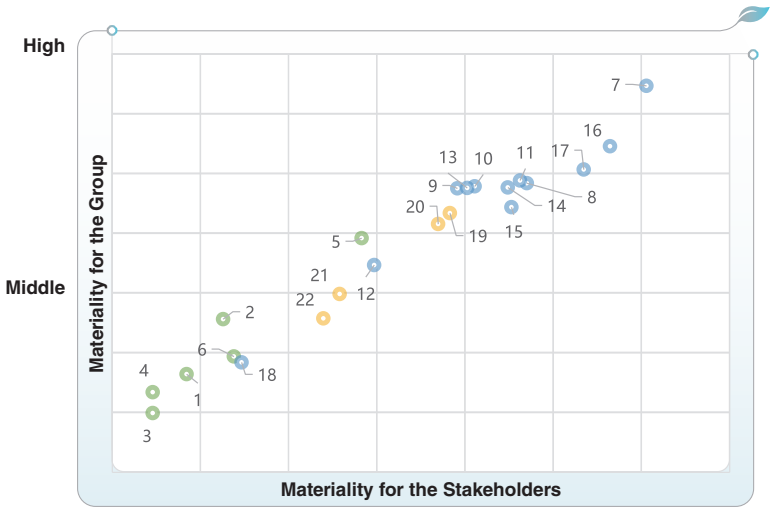
2. Communicate with key stakeholders

A total of over 100 stakeholders from various groups, within and outside the Group, at home and abroad were invited to conduct opinion surveys in the form of questionnaires to score on various material issues.

3. Analyse and verify

According to the online opinion surveys of stakeholders and interviews with management, the scores of various important issues are synthesised, and analysis and verification are made.

The materiality assessment results of the 2024 ESG issues for the Group are illustrated as follows:



Environment

1 GHG and waste emission
2 Energy use and management
3 Resources use and management
4 Non-hazardous waste management
5 Hazardous waste management
6 Responding to climate change

Social

7 Product quality and safety
8 R&D and technological innovation
9 Quality customer services
10 Intellectual property management
11 Information security and privacy protection
12 Industry cooperation and ecosystem building
13 Sustainable supply chain management
14 Employee compliance, equality, diversity and inclusion
15 Employee development and training
16 Employee health and safety
17 Employee benefits and talent attraction
18 Social investment and social welfare inputs

Governance

19 Compliance operations and expansion
20 Business ethics and anti-corruption
21 ESG governance system
22 Responsible investment

MATERIALITY ASSESSMENT

The top 10 key ESG Report issues for the Group and their relevant sections are as follows:

Issues		Relevant sections
1.	Product Quality and Safety	PRODUCT QUALITY AND SAFETY
2.	Employee Health and Safety	HEALTH AND SAFETY
3.	Employee Benefits and Talent Attraction	EMPLOYEE BENEFITS AND WELFARE
4.	R&D and Technological Innovation	PRODUCT DIVERSITY AND INNOVATION
5.	Information Security and Privacy Protection	INFORMATION SECURITY
6.	Employee Compliance, Equality, Diversity and Inclusion	EQUAL OPPORTUNITIES
7.	Employee Development and Training	TALENT MANAGEMENT AND DEVELOPMENT
8.	Intellectual Property Management	PROTECTION OF INTELLECTUAL PROPERTY RIGHTS
9.	Sustainable Supply Chain Management	PROCUREMENT AND SUPPLY CHAIN MANAGEMENT
10.	Quality Customer Services	CUSTOMER SERVICE

REVIEW

The Group established sustainable development targets in early 2024, and all of them were achieved during the Reporting Period.

SUBJECT	SUBJECT MATTER	STATUS
Energy efficiency	Carry out regular maintenance of equipment and facilities to enhance the stability of the equipment; and promote publicity for saving electricity, and encourage staff to turn off the electricity when they leave. The temperature setting of the air conditioners should not be lower than 26 degrees. Night shift security guards should strengthen inspections to reduce water and electricity waste.	100% achieved
Use of water resource	Inspect the use of water and electricity in the public area by the security guard on duty to prevent waste; install touchless bathroom faucet to reduce waste of water resources; and collect general cleaning wastewater and reuse it for cleaning, landscaping watering, and air conditioning and cooling tower water supply.	100% achieved
Sewage discharge	The cleaning wastewater in the Songshan Lake plant is treated by a self-built sewage treatment station and discharged after meeting the standards; the sewage treatment station in Shenzhen plant will be dismantled after reporting to the ecological authority.	100% achieved
Disposal of non-hazardous waste	Sort and collect general solid waste, and deliver the recyclable part of the waste to the renewable resources company for recycling, and the non-recycled part is treated harmlessly.	100% achieved
Disposal of hazardous waste	Collect by segregation and deliver to qualified treatment institutions for processing to prevent harmful waste from polluting the environment.	100% achieved
Exhaust emission	Collect waste gas that pollutes the environment through pipelines, deliver it to the waste treatment facility and discharge it after meeting the standards. The workplace where harmful waste gas is generated adopts a micro-negative pressure design to avoid the discharge of harmful waste gas through unorganised forms.	100% achieved

KEY SUSTAINABLE DEVELOPMENT AWARDS

Awarding institution	Name of award or charter
The People's Government of Shanghai Municipality	First Prize of Shanghai Science and Technology Progress Award "Development and Commercialization of a Left Atrial Appendage Occluder with Suitable Cellular Response"
The CPC Central Committee and the State Council of the People's Republic of China	Second Prize of the National Technology Invention Award "Establishment and Promotion of Ultrasound-Guided Cardiac Interventional Therapy Technology and Product System at Home and Aboard"
Chinese Medical Association	First Prize of Medical Science and Technology Award (醫學科學技術獎) "Research and Development and Domestic and International Popularization and Application of a Series of Innovative Devices of Vascular Endoluminal"

ABIDING BY THE CODE OF INTEGRITY AND ANTI-CORRUPTION

CORPORATE GOVERNANCE

The Group strictly complies with the Company Law of the People's Republic of China and other relevant domestic and international laws and regulations, adheres to business ethics, and operates and expands its business in a compliant and ethical manner. As the highest governance body of the Group, the Board is committed to ensuring a high standard of corporate governance in a responsible and effective manner to safeguard the interests of shareholders, enhance corporate value and expand brand influence. The Group has adopted the principles of Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its own corporate governance code.

The Group's Legal Department has comprehensively identified and monitored compliance risks at the group level, and implemented pre-process prevention, in-process control and post-process handling.

Pre-process prevention	• To establish, review and continuously improve corporate governance-related systems and business processes in accordance with the Group's development strategies and plans; • To provide corresponding legal support for key projects in the Group's operations, such as investment, financing, mergers and acquisitions, technology incubation, industry-education-research cooperation, and provide compliance advice to decision-makers.
In-process control	• To continuously build and optimise the legal compliance structure of the Group and its domestic and overseas subsidiaries; • To continuously supervise and manage contracts, formulate and optimise contract templates, monitor contract performance, and prevent performance risks; • To draft, review, revise and archive the Group's system documents to ensure that the system complies with the latest regulatory requirements; • To continuously monitor the results of anti-corruption compliance and conduct due diligence on domestic and international distributors and agents; • To conduct compliance training to convey the Group's compliance policies and enhance employees' legal awareness.
Post-process handling	• To respond to and handle disputes, litigation and arbitration arising from the Group's operations in a timely manner and safeguard the Group's legitimate rights and interests.

In order to ensure that the Group's employees fully fulfill the compliance requirements and support the development of the legal department's professional capacity and improvement of its work efficiency, the Group has proactively launched business compliance training, including products, quality system, intellectual property rights, anti-corruption and other topics. At the same time, the Group has provided its employees with professional legal training resources, and integrated the compliance requirements into the daily work processes by taking into account the trend of external supervision and the actual situation of the Group, so as to ensure that employees strictly comply with and implement the compliance requirements, and establish the excellent values of upright operation and rigorous work.

ABIDING BY THE CODE OF INTEGRITY AND ANTI-CORRUPTION

During the Reporting Period, the Group did not find any illegal or irregular cases related to compliance operations and there were no lawsuits of compliance operations related to the Group and its employees.

ANTI-CORRUPTION AND ANTI-COMPETITION

The Group adheres to the core principles of honesty and integrity, and complies with all applicable domestic and international laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Law of the People's Republic of China on Anti-Money Laundering and the Interim Provisions on Prohibiting Commercial Bribery. The Group has always managed its businesses in a fair manner, prohibited all practices that hinder, restrict or distort competition, the granting of any improper business benefits to others, and any corruption related to bribery, extortion, fraud, blackmail and money laundering in daily operations.

Specific requirements are made for prevention of employees' bribery, fraud, extortion and money laundering in the Group's documents such as relevant policies and Employee Manual. The Legal Department, the Human Resources Department and relevant administrative departments of the Group maintain the actions of anti-corruption and anti-competition together. In particular, the Group has developed LifeTech's Anti-Corruption Policy, which provides that employees of the Group are not allowed to provide any articles of value to customers, government officials or other third parties. The red lines of conduct managed by the Human Resources Department are as follows:

Damage to interests:	Abuse of power, impure intentions, deliberate damage to the interests of the Company and the community.
Breach of integrity:	False public welfare, taking advantage of one's position, soliciting or accepting improper benefits.
Information disclosure:	Theft, disclosure or sale of confidential information such as the Company's intellectual property and technology, and not inquiring into salary information.
Disregard for safety:	Disregarding production and quality requirements, maliciously creating safety hazards.
Spreading rumours:	Spreading statements that affect the Company's goodwill and spreading false and negative information.
Fraud:	Lying at work, cheating the Group or its employees, concealing or harbouring malpractice.

LifeTech's Anti-Corruption Policy governs all behavior of the Group and its partners that occurs in the course of cooperation. When selecting partners, the Group requires candidates to sign a consent form to this policy to ensure the effective implementation of the Group's anti-corruption requirements. Any employees in violation of this policy and associated interpretations and procedures issued by the Group will be subject to penalties by the Group, which may ultimately result in the termination of the labor contractual relationship. In addition, individuals may be subject to civil or criminal penalties for violating relevant anti-corruption laws.

Before signing a contract with a customer, we take the necessary investigation and understanding to comprehensively assess the customer's compliance and integrity protection, and communicate through transparent contract terms to ensure that both parties are aware of the anti-corruption clauses in the contract, which clearly prohibit any form of bribery, kickbacks, and opportunistic behaviour.

All directors of the Group have signed a commitment of compliance. The Group conducts anti-corruption training for new employees every quarter. New employees are required to participate in the Group's anti-corruption training and learn relevant policies when they join the Group. Mentors of the employees are their respective superiors. They supervise and monitor each other at work, aiming to raise the anti-corruption awareness of all employees of the Group. During the Reporting Period, the Group has conducted more than 10 training sessions on anti-corruption, covering directors and all new employees, with a total of 497.5 hours.

During the Reporting Period, the Group did not find any illegal or irregular cases related to corruption and there were no lawsuits of corruption related to the Group and its employees.

WHISTLE-BLOWING PROCEDURES

The Group has always upheld the core principle of integrity and compliance. We actively promote and encourage all employees and business partners to participate in an oversight system dedicated to ethical and honest conduct. The Group strictly monitors employees' ethical self-discipline and diligent performance, and promptly and effectively addresses any behaviour that may violate our code of conduct, internal policies, or applicable laws and regulations. The Group has established a transparent and open compliance reporting and consultation system with clearly defined whistle-blowing procedures. Whistleblowers are required to submit their information based on principles of honesty and integrity and may file anonymous reports via calling 0086-0755-86026250-8008 or by sending an email to compliance@lifetechmed.com to the head or business contact.

Upon receiving a report, the Group's responsible department will respond promptly, mobilising both internal and external resources to conduct a rigorous and objective investigation into the matter. If any violation is verified, we will take appropriate corrective measures as necessary. Moreover, the Group is firmly committed to protecting the legal rights of whistleblowers. During the investigation, all information provided will be kept strictly confidential, and any form of retaliation against the whistleblower is strictly prohibited. Should any retaliatory actions occur, we will address them severely in accordance with national laws, regulations, and the Group's relevant policies, and if any illegal actions are involved, legal liability will be pursued against the responsible parties.

INFORMATION SECURITY

Maintenance of Customer Information

Contracts with customers stipulate that the Group undertakes to protect customer information, including but not limited to:

Technical information:	designs, drawings, specifications and moulds, etc.;
Commercial information:	sales information, customer list, product price, purchase channels and product features; and
Other information:	new product concepts or future development plans, etc..

ABIDING BY THE CODE OF INTEGRITY AND ANTI-CORRUPTION

Company's Trade Secrets and Personal Data Privacy Protection

The Group places great importance on information security and privacy protection. We strictly comply with relevant domestic and international laws and regulations, including the Contract Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Regulations on the Protection of Technical Secrets of Enterprises in Shenzhen Special Economic Zone (《深圳經濟特區企業技術秘密保護條例》), and the European Union's General Data Protection Regulation. We have established and continually improved a series of information security and privacy protection policies to comprehensively safeguard the information security of the Group and our partners.

The confidential information handled by the Group includes, but is not limited to, patent technology, design, process flow, technical report, contracts, personnel file, etc. We collect such information lawfully and provide clear explanations regarding the purpose and use of the collected information, ensuring that the owners of the information understand how it is utilised and protected by the Group. The Group has established a responsible department for maintaining systems, updating related equipment, and equipping all office computers with the latest antivirus software to protect and encrypt information and data.

The Group has developed confidentiality agreements for the acquisition of personal and customer information during business operations. These agreements regulate the use, collection, and disclosure of information, guiding employees in the prudent handling of sensitive and personal data. All employees sign confidentiality agreements and non-competition agreements upon joining the Group, which outline confidentiality obligations applicable to all positions and ranks within the Group. For specific roles, such as research and development personnel, technical specialists, and product data managers, the Group enhances confidentiality and non-competition clauses as required by the position. These clauses detail the trade secrets involved in the work content and documents pertinent to these roles and specify the confidentiality requirements for such information. During the Reporting Period, the Group did not identify any instances of employees violating the confidentiality agreement or non-competition agreements.

The Group strictly prohibits any employee from disclosing, announcing, issuing, publishing, transferring and assigning, or otherwise providing any confidential information to any third party without proper authorisation or inadvertently. All suspected and confirmed cases of non-compliance with the relevant laws and regulations must be submitted to law enforcement authorities unless the management of the Group determines otherwise. The Group will not tolerate any illegal and improper behaviour of any individual. The Group will dismiss the employee concerned immediately after he/she has been adjudicated to have engaged in any misconduct or violation related to the Group's internal policies and requirements. Meanwhile, if any customer information has been disclosed, collected or used without authorisation resulting in any loss to the Group, the Group reserves the right, as applicable, to pursue legal action against the responsible party or entity.

During the Reporting Period, there were no confirmed violations and complaints about data privacy matters.

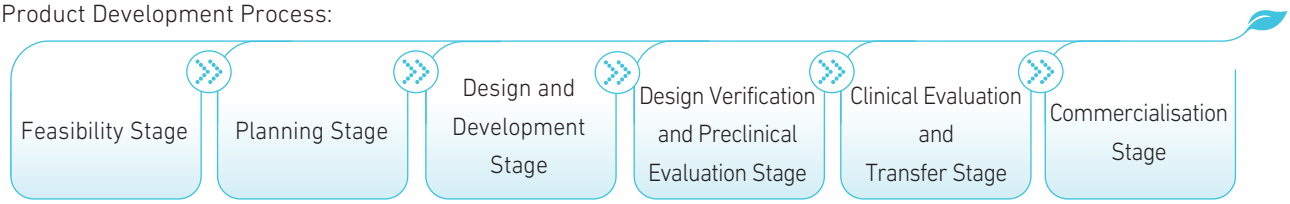
FOCUSING ON RESEARCH AND INNOVATION TO BOLSTER OUR BRAND

PRODUCT DIVERSITY AND INNOVATION

We have always adhered to an international development strategy, expanding our overseas sales territory, seeking business opportunities and striving to maintain a leading global position in product quality and technological innovation. We will continue to optimise our quality management system to ensure product excellence and enhance customer confidence; persistently drive technological advancements by maintaining investment in research and development and nurturing innovative talent to gain market recognition; and continually build a business platform for joint development and sharing results, boosting employees' sense of belonging and identity. We will bring better health and well-being to more patients by continuing to enhance the product competitiveness and brand influence. We will maintain keen business insight, continuously explore and evaluate partnership opportunities to strengthen our competitiveness and market position in current key markets and future target markets, thereby achieving the Group's strategic objectives in the global health industry.

The Group's research and development innovation capabilities and talent pool are the core drivers for continuously enriching product diversity, maintaining brand leadership, and promoting steady business growth. We strictly regulate product development processes and assign responsibilities within development teams to ensure research and development activities are conducted smoothly, with high quality and efficiency. Before initiating a project, the Group thoroughly understands the target market's needs, potential, and competitive landscape to set product design goals that meet market demands. In compliance with the regulations of its place of business, the Group demonstrates the clinical efficacy of products through clinical trials and completes local product registrations. In addition, multiple products under development will serve as strong supplements for sustained future growth.

Product Development Process:



Product Development Teams:

Project Team:	A cross-functional organisation primarily dedicated to product development, typically comprising the Product Development Department, Process Department, Regulatory Affairs Department, Manufacturing Engineering Department, Clinical Department, Medical Affairs Department, Testing Department, Design and Development Quality Control Group, and Project Management Representatives.
Support Team:	A team formed by individuals or departments outside the project team who contribute to the project, typically comprising the Production Department, Quality Management Department, Supply Chain Department, Procurement Department, Marketing Department, Engineering Department, and other project-related departments/personnel.

FOCUSING ON RESEARCH AND INNOVATION TO BOLSTER OUR BRAND

RESEARCH & DEVELOPMENT OF BRANDED PRODUCT

Independently developed innovative domestic medical device products maintain the competitive strengths of the Company, and also provide more effective treatments to patients around the world. In 2024, the Company continuously strengthened its innovation capabilities and accelerated the development of products, to maintain its leading position in the industry.

During the year ended 31 December 2024, we have made the following main progress in the R&D field:

- Futhrough™ Endovascular Needle System, Thrombectomy Aspiration Pump, Balloon Guided Catheter, Distal Access Catheter Kits, Intracranial Aspiration Catheter and HeartTone™ Implantable Cardiac Pacemaker compatible with magnetic resonance imaging ("MRI") obtained the NMPA certification;
- HeartR™ PDA Occluder, Cera™ PDA Occluder, CeraFlex™ PDA Closure System and Fustar™ Steerable Introducer obtained the CE MDR (Medical Device Regulation) certification. Such products have previously obtained the CE MDD (Medical Device Directive) certification;
- Aortic Stent Graft System (consists of the Ankura™ Pro Aortic Stent Graft System and Longuette™ Aortic Branch Stent Graft System), Aortic Arch Stent Graft System (consists of the Ankura™ Plus Aortic Arch Stent Graft System and CSkirt™ Aortic Arch Branch Stent Graft System), Thoracoabdominal Artery Stent Graft System (consists of the G-Branch™ Thoracoabdominal Aortic Stent Graft System, SilverFlow™ PV Peripheral Vascular Stent Graft System and Aortic Extension Stent Graft System), Peripheral Balloon Dilatation Catheter (Large diameter), Iliac Bifurcation Device (consists of the G-iliac™ Pro Iliac Bifurcation Stent Graft System and SilverFlow™ Pro Internal Iliac Stent Graft System), Closure Delivery System, SteerEase™-m Introducer, Yoscop™ Multi-loop Snare System and Microcatheter are pending registration approval in China;
- Aortic Stent Graft System (consists of the Ankura™ Pro Aortic Stent Graft System and Longuette™ Aortic Branch Stent Graft System), Fitaya™ Vena Cava Filter System, Futhrough™ Stent Graft Balloon Catheter, Yuranos™ Abdominal Aortic Stent Graft System, and G-iliac™ Iliac Bifurcation Device are pending registration approval of CE certification;
- Cera™ PFO Occluder, CS™ Concave Supra-arch Branched Stent-Graft System and X-Clip™ Mitral Valve Clip System are currently at the stage of the pre-registration clinical enrollment in China;
- IBS Titan™ Sirolimus-Eluting Iron Bioresorbable Peripheral Scaffold System is currently at the stage of clinical enrollment in China and in Europe and its CE registration application has been submitted; and
- IBS™ Sirolimus-Eluting Iron Bioresorbable Coronary Scaffold System has successfully completed the one-year follow-up and two-year imaging follow-up of the phase II clinical study, and also successfully completed the one-year follow-up of the phase III clinical study, further confirming its safety and efficacy. Additionally, its CE registration application has been submitted.

INDUSTRY COLLABORATION AND COMMUNICATION

In 2024, LifeTech continued to support academic conferences in key fields such as aortic and cardiovascular diseases in domestic and international markets, facilitating exchanges between domestic and foreign experts, as well as the interpretation of complex cases. This has also enhanced doctors' understanding of the Group's products, emphasised the importance of standardised surgical procedures, maintained its market presence, and promoted the development of the medical business. At the same time, we collaborated with medical institutions, industry associations, specialists and doctors to deliver the latest medical technologies and devices to less-developed areas, striving to improve the global medical service.

We were actively organising, funding, and participating in academic activities, taking on the social responsibility of disseminating academic knowledge and promoting disease prevention and treatment. We were also proactively involved in the formulation of international and national industry standards for related products, contributing our professional expertise to standardise product design and manufacturing. In addition, we actively sponsored international and domestic academic conferences, providing platforms for doctor and industry interactions while promoting the Company's products and culture.

International Business Unit	• A total of 264 academic conferences and training activities were organised, including 46 national conferences and 10 international conferences, during which academic exchanges were held with doctors from Argentina, Germany, India, Indonesia, Italy, Venezuela, the Asia-Pacific, Europe, Latin America and other countries/regions. In addition, 89 regional conferences and 119 training sessions for doctors and agents were conducted.
Structural Heart Marketing System	• A total of 184 academic conferences and training activities were organised, including 30 national conferences (10 of which were linked with international events), 122 regional conferences, 7 department meetings, 24 training sessions for doctors and agents, and 1 clinical initiation and communication meeting, collectively benefiting hundreds of doctors.
Peripheral Marketing System	• Over 100 online and offline academic events were planned and executed, including more than 50 specialised E Physician events, satellite conferences, thematic seminars and academic salons; over 60 live and recorded surgical broadcasts; and more than 20 department product presentations and workshops, all serving as diverse channels for market promotion. In addition, over 10 academic exchange sessions and surgical teaching programmes with overseas experts were held. Through this series of content-rich and varied meetings and events, we have showcased our full range of peripheral products to vascular surgery specialists both domestically and internationally, while providing them with efficient, cutting-edge platforms for academic exchange, further enhancing our brand image and the Company's influence.

National and International Academic Symposiums

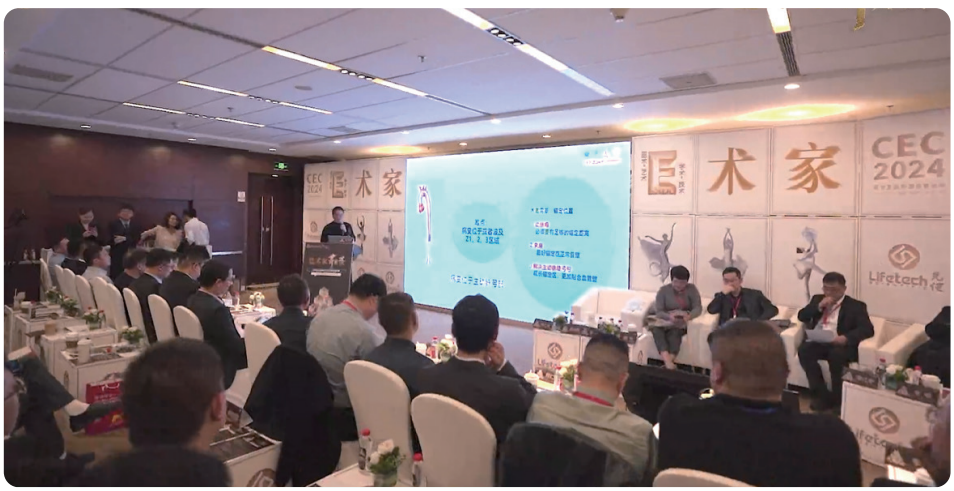
Case 1 *The National Tour of Aortic Cavity Treatment Cases "China's Wisdom and Foresight"*

The National Tour of Aortic Cavity Treatment Cases "China's Wisdom and Foresight" (「中國智造 • 先見力量」主動脈腔內治療病例全國巡展) is centred on experts' real-world cases and in a hybrid form. As for offline, we creatively combine "doctor" and "art" by means of third-party academic conferences and self-organised academic activities in the form of art exhibitions, holding a number of case exhibitions throughout the country. As for online, we combine the Company's WeChat official account and other professional media (CEC APP, Vascular news, Hi Voice, etc.) to jointly hold an online case collection to explain the cases in the case exhibition. Meanwhile, it can also compensate for the space limitation of offline case exhibitions, so that expert cases that cannot be exhibited offline can be better exhibited online.

The National Tour of Aortic Cavity Treatment Cases "China's Wisdom and Foresight" provides our customers with a platform for case display, allowing more target customers to have a deeper understanding of our products, further enhancing customer stickiness, and promoting LifeTech's reputation in the industry. During the Reporting Period, we conducted 32 sessions of the National Tour and a total of 53 sessions overall, featuring over 3,000 case presentations and involving more than 600 experts.

Case 2 *Foresight · Leading & Healing E Physician - Case Analysis Academic Activities*

LifeTech launched the Foresight · Leading & Healing E Physician - Case Analysis Academic Activities (先見·領愈E術家-病例精析學術活動) nationwide, centring on four dimensions of medical skills, technology, academics and art, aiming at telling the story behind each case from the first perspective, and interpreting the precise surgical strategies and standard surgical operations behind each perfect case, which is a brand-new academic activity that embodies multiple expressions of life art in all directions. During the Reporting Period, we conducted more than 20 sessions of the Academic Activities and a total of more than 30 sessions overall, involving more than 500 experts.

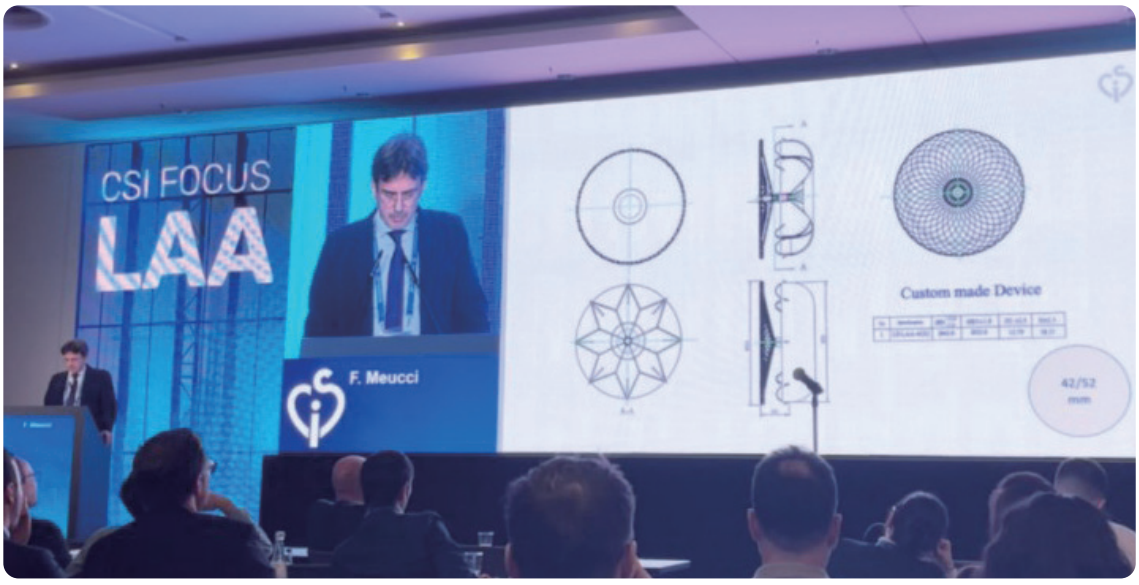


Case 3

CSI FOCUS LAA 2024

At the CSI FOCUS LAA 2024 conference, the focus was on stroke prevention in atrial fibrillation. It provided a comprehensive overview of left atrial appendage closure, including imaging, transseptal and pericardial access, live cases, management of complications, guideline interpretation and the development of new and upcoming devices. As one of the key leaders in the European LAA field, LifeTech was invited to participate in this prestigious conference with its outstanding technological expertise and extensive industry influence.

During the conference, several internationally renowned experts showcased the product design and clinical performance of the LAmbre™ Left Atrial Appendage Closure System through case-based discussion and a live case. The LAmbre™ system, as a medical device "intelligently created in China", shone on the international high-end academic conference with its superb quality and cutting-edge technology, once again demonstrating the innovative strength and wide appeal of Chinese medical devices, and capturing the attention of global industry peers.



Domestic and International Academic Symposiums

Case 1 *SOLACI – SBHCI Structural Heart Academic Conference*

At SOLACI, the largest structural heart conference in Latin America, LifeTech invited renowned academic experts, including Professor Ziyad M.Hijazi, President of the American PICS (Paediatric and Adult Interventional Cardiac Symposium) and a faculty member at Weill Cornell Medicine, along with Dr. Pablo Spaletra from Argentina. They co-hosted a live surgery session using the CeraFlex™ PFO Occluder. The impressive surgical process provided the attendees with a more intuitive understanding of the superior performance of the this product.

Case 2 *First Concaved Stent implantation Surgery in Hong Kong*

The first concaved stent implantation surgery in Hong Kong was successfully completed on 10 October 2024, at Queen Mary Hospital. The patient could not undergo conventional surgery due to the advanced age. There was no solution available for endovascular repair and no alternatives available for doctors. LifeTech Asia Pacific sales team and the marketing team repeatedly discussed surgical plans with the doctors and trained them to use the concaved stent, ultimately supporting a successful surgery.

Case 3 *First Thoracic and Abdominal Aortic Surgery with Multiple Fenestrations in Indonesia*

The first thoracic and abdominal aortic surgery with multiple fenestrations in Indonesia was successfully completed after 17 hours of operation. The patient was previously implanted an abdominal aortic stent from another brand, which led to severe complications. This required the emergency implantation of both thoracic and abdominal aortic stents with multiple fenestrations. LifeTech Asia Pacific sales team and the marketing team immediately worked with the medical team on the surgical plan and provided online guidance on the fenestration, ultimately supporting a successful surgery.

Case 4 *Peru Surgical Training Tour*

LifeTech invited Dr. Carlos Guerrero from Chile as the project leader and operator to conduct a week-long surgical training tour in the four largest public hospitals in Peru. The tour focused on the LifeTech CeraFlex™ Occluder and KONAR-MF™ (MFO) Multifunctional Occluder. This activity greatly enhanced the visibility of LifeTech occluders in Peru. Through more than 20 surgeries, LifeTech occluders successfully won the favour of leading doctors there.

Case 5 *Vascular Surgery Training in Indonesia*

LifeTech, in collaboration with the University of Indonesia, the Indonesian Society for Vascular and Endovascular Surgery, and the National Centre for Cardiovascular Diseases & Fuwai Hospital of China(中國國家心血管中心阜外醫院), organised a vascular surgery training programme. Each Indonesian trainee doctor underwent a three-month internship and training at Fuwai Hospital. During the Reporting Period, training for three doctors was successfully completed.

Case 6 *Annual Meeting of the Bulgarian National Society of Vascular and Endovascular Surgery*

As the leading market share holder for AAA stent in Bulgaria, LifeTech attracted the attention of many doctors at the Annual Meeting of the Bulgarian National Society of Vascular and Endovascular Surgery. Dr. Todor Samardjiev and Dr. Nikola Kolev from Bulgaria presented their reports respectively on the clinical application of the Ankura™ stent and jointly conducted practical training sessions, training more than 30 doctors on site in the use of LifeTech Ankura™ Stent.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group owns multiple independent intellectual property rights and is fully aware that protecting intellectual property rights is crucial to our long-term business development. The Group is committed to protecting our proprietary intellectual property rights from infringement while respecting the intellectual property rights of its business partners and third parties. Confidentiality agreements signed with different business partners stipulate that both parties shall respect the intellectual property rights of the counterparty. In case of any violation during cooperation, the offending party or parties shall bear the corresponding consequences, including, but not limited to, compensating for economic losses, undergoing legal arbitration, and other penalties.

The Group strictly complies with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Measures for the Patent Work of Guangdong Enterprises and relevant regulations. Considering our specific circumstances, the Group formulated the Intellectual Property Work Management Measures, compiled the Intellectual Property Management Manual in accordance with GB/T29490-2013 Enterprise Intellectual Property Management Standards, and actively implemented the Enterprise Intellectual Property Management Standards to establish and continuously improve the Group's intellectual property management system, thereby enhancing its management efficiency. The Group has set up an Intellectual Property Department to take full responsibility for relevant matters concerning intellectual property rights, protect the intellectual property rights of the Group and ensure that no infringement occurs in the Group. During the Reporting Period, the Group obtained the appraisal certificate for innovation and intellectual property management capability under ISO56005.

The Group's confidentiality control measures for proprietary products are as follows:

Internal Measures	• Employees are required to sign non-competition agreements and confidentiality agreements; • For products and projects with higher confidentiality, relevant personnel are designated and project data access is granted exclusively to these individuals; • Patent applications are strategically planned, with delayed publication to maintain confidentiality; • Specific requirements are established for product circulation.
External Measures	• A confidentiality agreement is required before seeking external consultations regarding highly confidential products; • Contracts for outsourced production, mould development, raw materials supply, etc., explicitly include intellectual property clauses to delineate rights and responsibilities.

FOCUSING ON RESEARCH AND INNOVATION TO BOLSTER OUR BRAND

The Intellectual Property Department is responsible for overseeing the Group's proprietary intellectual property rights and compiling comprehensive statistics and records. The Group adopts structured design and development control procedures to monitor the entire design and development process of all products. The Intellectual Property Department regularly communicates with the Research and Development Department to ensure that all design and development stages of products meet the requirements of laws and regulations of the target registered country or region, thus ensuring the quality of design and development and ensuring the safety and effectiveness of products. Meanwhile, the Intellectual Property Department provides intellectual property-related training to relevant departments such as the Research and Development Department and Production Department that are exposed to the Company's core technologies, so as to strengthen the intellectual property awareness of technical employees and protect the information security in all aspects of product production and research and development. The Intellectual Property Department keeps abreast of the situation of peer companies and similar products. If the intellectual property rights of the Group are at risk of infringement, the Intellectual Property Department adopts various methods to protect different types of intellectual property rights, such as invention patent protection, new patent protection and appearance patent protection, to ensure that the intellectual property rights of the Group are fully protected.

The Intellectual Property Department conducts strict supervision and control over whether its products constitute infringement, so as to prevent infringement. In all aspects of the research and development cycle, including preparation, initiation and clinical animal experiments, the Intellectual Property Department communicates closely with the Research and Development Department to promptly synchronise product development status and compare the appearance, features, technology, and usage of similar products globally to ensure that the products under development are free from infringement, thereby ensuring the smooth advancement of the Group's research and development projects.

During the Reporting Period, the Group was not involved in any confirmed violations and complaints concerning intellectual property matters.

The Group filed a total of **2,426** valid patent applications, of which **1,089** patents were approved and valid, with **321** new patents during the Reporting Period.

The Group filed a total of **299** valid trademark registrations, of which **233** trademarks were approved and valid, with **69** new trademarks during the Reporting Period. The Group has been granted **47** authorised trademarks.

To create a more excellent research and innovation atmosphere within the Group, we have established the "Patent Reward Policy". Through the allocation of dedicated funds for research and development incentives, we will reward inventors and the research and development department in accordance with applicable national regulations, for their involvement in patent applications, grants and exploitation, and particularly, for the revenue contribution from the independent exploitation or commercialisation of intellectual property. This aims to stimulate and maintain the motivation of employees for patent-related work.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

Currently, the Group's business spans across Mainland China, Hong Kong, Macau, Taiwan, Europe, Latin America, Southeast Asia, the Middle East and Africa, and the Commonwealth of Independent States. Leveraging the Group's strategic planning and overseas market expansion, we actively understand and strive to comply with the highest legal and regulatory requirements of its operating regions, including but not limited to the European Union Medical Device Regulation (MDR) 2017/745, the regulations and guidelines issued by European Union member states, and regulations and guidelines published by other countries and regions.

PRODUCT QUALITY AND SAFETY

Quality Management System

Product quality is the cornerstone of a company's survival and sustainability. The Group deeply understands the significant responsibility and importance of medical device quality in patient recovery and even life support. The Group is committed to maintaining high product quality standards, having established and continuously improved the quality management system. By implementing a sound product quality control process, we ensure control over various steps of production. The Group has developed various product quality management regulations, such as the Material Specification Template, Design and Development Control Procedure, Production Process Control Procedure, Inspection and Test Control Procedure, Sterilisation Confirmation Procedure, and Finished Product Release Procedure, to ensure compliance with regulatory and the Group's requirements. The Group has set up a Quality Management Department, clearly delineating the responsibilities for product quality control at the development, production, and market launch stages. The Group's products are regularly inspected for quality by qualified engineers with relevant experience and tested by laboratories accredited by the China National Accreditation Service for Conformity Assessment ("CNAS"). During the Reporting Period, the Group actively introduced automated and semi-automated product inspection methods and equipment to improve the efficiency and effectiveness of product quality testing.

The Group has implemented the Medical Device Single Audit Program ("MDSAP[1]"), which complies with the standards and regulatory requirements of five different national medical device markets. Audits are conducted by qualified third-party organizations. Additionally, the Group has obtained the Certificate of the Quality Management System Authentication for Medical Devices under ISO13485:2016 issued by the third-party audit organisation, and its domestic and international subsidiaries have shown their initiative in obtaining and maintaining the relevant certifications.

Inspection on production lines of the plant

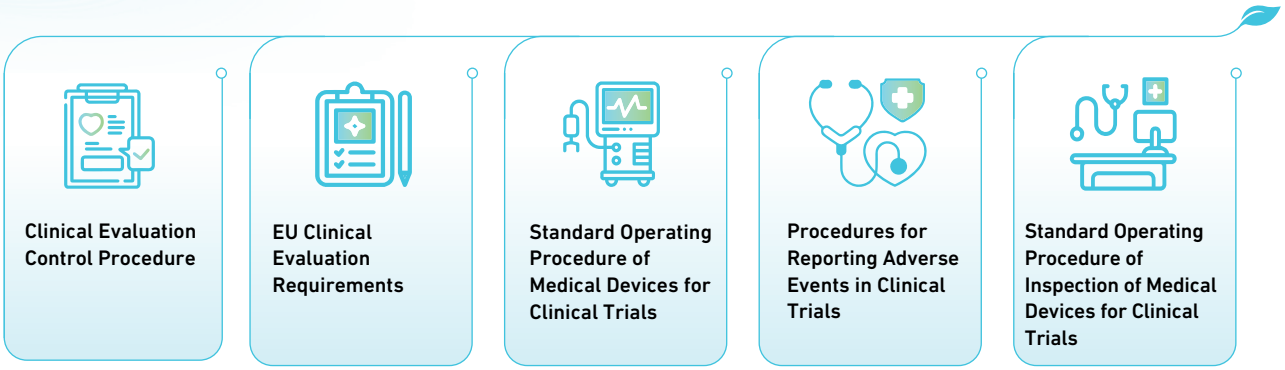
Standardised Procedure

Various systems developed by the Group specify the requirements on quality control of products and clinical trial samples, in which the procedures for inspecting supplied materials and finished products, and releasing the finished products are specified, to ensure that the products meet the technical requirements set by different countries and industries. The products are released strictly according to the provision of Finished Products Release Procedure. Finished product inspection includes destructive testing, sterility testing, etc., ensuring the instruments' performance meets standards.

The Clinical Department conducts clinical trials in accordance with regulations and guidelines of respective countries and complies with the World Medical Association Declaration of Helsinki to ensure compliance with the ethical principles for human-based biomedical research. The Clinical Department has also established the following key operational procedures to actively track and report all kinds of events incurred in clinical trials so as to ensure the identification of risks arising from human-based research and standardised operation:

1 MDSAP: Medical Single Audit Program, which audits an organisation's quality systems for compliance with the standards and regulatory requirements of the medical device market in five countries: Australia, Brazil, Canada, Japan and the U.S..

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY



The Group has established a clinical inspection team mainly responsible for the comprehensive inspection of the marketed clinical projects and outsourced clinical programs operated by the Company to ensure the supervision of trial quality over the clinical trial process. In addition, third-party experts are also invited to conduct external inspection for some programs and centres. The Group expects to ensure the safety and effectiveness of the marketed products through the complete inspection process so as to meet the requirements of the tightening regulations at home and abroad.

The products of the Group are sterile or sterile implanted medical devices, with extremely stringent requirements for aseptic performance. In order to ensure the aseptic performance of the products, the Group monitors the sterilisation process of the products strictly in accordance with the requirements of Sterilisation Confirmation Procedure and the Development, Validation and Routine Control Procedures for Ethylene Oxide Asepsis Processe adopted by the Group. The requirements for accuracy and reliability of the loading used for monitoring the sterilisation process are detailed in the Monitoring and Measurement Device Control Procedure of the Group's system.

The Group strictly controls product quality and safety. Any non-conforming or substandard materials found in any stage of production will be dealt with in accordance with the Control Procedures for Non-Conforming Products to ensure that they can be properly identified, recorded, assessed, separated and disposed. If it is necessary to use a non-conforming product or part, the Group shall confirm that such use will not affect the safety, effectiveness or performance of the finished product.

Contamination prevention and control management

To ensure no contamination in our raw materials, production process and finished products, and show our responsibility for product quality and safety, the Group implements the following control measures for contamination prevention and control:

Set up contamination prevention and control areas: 	Divide the transportation area into the incoming cargo area and the delivering area, and establish clear signs and isolation measures between the two areas. Ensure that transportation vehicles, pallets and personnel can only move within the designated area.
Sealed storage of raw materials and products: 	All raw materials and products are wrapped and covered in sealed plastic bags to prevent contamination during transportation.
Strengthen worker health management: 	All relevant employees are required to undergo health checks before joining the Group, and the Group provides annual physical health checks for employees. Employees are required to wear protective equipment such as gloves, masks and goggles at work.
Regularly inspect and evaluate contamination prevention and control measures: 	Regularly evaluate and inspect contamination prevention and control measures to ensure that all measures are effectively implemented and adjusted and improved according to the actual situations.
Establish an emergency plan: 	Develop an emergency plan for possible contamination situations, so that in the event of contamination, measures can be taken quickly to reduce the impact of contamination.
Train and educate employees: 	Train and educate employees on contamination prevention and control to enhance their awareness and ability to operate as required.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

PRODUCT RESPONSIBILITY

The Group values the management of product responsibility and strictly abides by national laws and regulations such as the Regulations for the Supervision and Administration of Medical Devices and the Provisions on the Management of Instructions and Labels of Medical Devices. For the purpose of regulating the management of product labels, the Group has enacted the "Language, Label Control Procedures". The Group's Registration Department is responsible for reviewing the regulatory compliance of labels and updating the latest information of supervision institutions and laws and regulations to relevant departments in due course. Meanwhile, our Product Development Department is responsible for providing details of products, guaranteeing the customers' and users' right to know. Before publishing labels of each set of products, it will be checked repeatedly by responsible departments to ensure that the label information is accurate.

The Group complies with product liability and product liability insurance requirements in different countries, such as the EU MDR[2] regulations, and has purchased product liability insurance for all products. If the products cause accidents or casualties, the Group will resolutely cooperate with the proceedings and bear the corresponding compensation. The Group actively identifies potential risks in the design and development stages of products to fundamentally prevent accidents and casualties. The Group labels its products with potential risks, provides training to customers and doctors on the use of the products, and listens to feedback to actively optimise the products.

During the Reporting Period, there were no accidents involving the use of the Group's products that resulted in injuries or fatalities.

The Group is regulated by the laws and regulations such as the Law of the People's Republic of China on Products Quality and Advertising Law. As the Group has not published any product advertisements facing public yet, no relevant policies have been formulated. The Group will formulate relevant policies to standardize the propagation content of advertisements of products and services in future (if necessary). If the publication of introductions and functions of products is needed, the Group will truly describe such products and carefully review materials, to ensure the accuracy of contents.

During the Reporting Period, there were no relevant violations of laws or regulations relating to improper product label and advertising management of the Group.

CUSTOMER SERVICE

The Group strives to provide high-quality customer services and strictly abides by national laws and regulations such as the Consumer's Rights and Interests Protection Law of the People's Republic of China and the Regulation on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. The Group values customers' opinions, carries out customer satisfaction investigations, timely response to customers' complaints and make sure their appeals are solved.

2 Medical Device REGULATION (EU) 2017/745, EU Medical Device Regulation, abbreviated as "MDR".

Customer Satisfaction

The Group believes that customer satisfaction surveys are not only an important way for enterprises to understand customer needs, but also a key tool to enhance customer experience, optimise products and services and enhance brand competitiveness. The Group actively conducts annual customer satisfaction surveys to collect customer feedback through questionnaires. The Group conducts an in-depth analysis of the problems fed back by the questionnaire, classifies the problems in detail, such as product types (e.g. stent, occluder), packaging issues, geographic distribution of customers, etc., identifies the problems that need to be improved for different types, and implements corresponding solutions and optimisation measures. Through the customer satisfaction surveys, the Group further identifies customer needs to meet customer expectations and strives to build long-term and stable customer relationships for sustainable development.

Customer Complaints Management

The Group values the opinions from customers on the products, and the "Processing Procedure for Customer Complaints" has been formulated to specify the channels and complaint handling process through which the Group receives and addresses customer complaints. When the Group receives customer complaints, an initial response should be made to customers within 24 hours for detailed understanding of situations. If the relevant complaint is valid, we will appoint a commissioner to conduct an investigation, analyse the event, raise corrective and preventative measures, and manage and file relevant documents. Furthermore, the Group will conduct complaint trend analysis at least once a year to reduce or even prevent customer complaints more effectively.

During the Reporting Period, the Company received a total of 114 product quality complaints about occluders, delivery sheaths, large stents, vena cava filter and implanted cardiac pacemaker and four product labelling and packaging complaints about occluders, large stents and delivery sheaths. All were handled in time according to the "Processing Procedure for Customer Complaints".

Product Recall

In the event that any product quality problem is discovered or adverse events arise when the customers use the Group's products, the Group will investigate, analyse and deal with incidents in accordance with the "Processing Procedure for Customer Complaints, Adverse Event Reporting Procedures" and the relevant laws and regulations. If remedial measures are required after delivery of the products, the Group will issue a notice of advice for the purpose of supplementing the information or proposing appropriate measures in accordance with the "Notice of Advice and Recall" as set out in the "Adverse Event Reporting Procedures", and recall the products if necessary. Our Group will report any product quality problems and recalls to the regulatory authorities in a timely manner.

During the Reporting Period, the Group had no major incidents in which the Group was punished by regulatory departments, and none of the Group's products were recalled due to major quality problems or health and safety reasons.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement Management

The Group is fully aware of the importance of supply chain management to the stable operation of the business. The Group has formulated relevant internal management systems, such as Purchasing Practice Guide and Purchase Control Procedures, to comprehensively manage the procurement process and prevent and monitor procurement risks.

To ensure that the suppliers meet the Group's requirements, the Purchasing, Quality Management and Research and Development Departments have jointly participated in the supply selection process to assess the comprehensive quality of the suppliers in all aspects, from commercial terms, costs, products and quality assurance, research and development capabilities, manufacturing capabilities, after-sales services. For the main raw materials required by the Group's manufacturing, the Group has alternative suppliers and continues to develop new suppliers to prevent the impact of supply shortages on output.

Composition of the supplier management teams and their major responsibilities are as follows:

- Purchasing Department: responsible for purchasing materials and equipment needed in the production and R&D process of the Group based on the requirements of department in need; responsible for overall supplier management through supplier development and evaluation, business negotiation, order management and supplier performance management; responsible for adjusting the procurement guidelines and supplier codes by considering market demand and the actual situation of the Group.
- Quality Management Department: responsible for verification, inspection of materials provided by suppliers and product test.
- Research and Development Department: responsible for providing the purchasing needs and requirements of materials and equipment needed in the production and R&D process; responsible for quality risk evaluation on suppliers and participation in supplier selection.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

The Group has established a developed procurement control procedure, set up and continuously improved a supplier management mechanism (such as a supplier access evaluation system and a supplier operation evaluation system), and effective control methods, including supplier selection and evaluation, quality system audits, and supplier annual review or surprise on-site audits. The Group has developed the Supplier Evaluation Guidelines and established the supplier selection criteria and procedures. The main processes are as follows:

Set up a supplier selection team;

Potential supplier surveys;

Supplier risk rating;

Supplier evaluation: including file review, supplier self-assessment, and on-site audit; and

Evaluation decision, if qualified, they will be included in the Qualified Supplier List.

The Group conducts supplier reviews every year. According to different supplier classifications, annual on-site audits are carried out for Class A suppliers and annual file audits for Classes B, C and D suppliers. If the quality of Class A suppliers is abnormal, the Group will immediately conduct on-site audits. A comprehensive evaluation is carried out in four aspects: supplier quality data, delivery information, service capabilities and price levels. Inspection covers all seven aspects, including file control system, material control, production process control, quality control, packaging/transportation, measuring and testing equipment control and environment. Based on the assessment findings and potential risks, the Group formulates an annual supplier audit plan and conducts audits. If suppliers cannot meet the relevant requirements, they will be required to complete the rectification within the time limit. If the requirements are still not met, the cooperation with the supplier will be terminated.

The Group has detailed technical requirements for the required raw materials and corresponding incoming inspection operation requirements. After the raw materials provided by the supplier arrive at the Group, the checksum has to be performed and the raw materials have to be tested. After testing, qualified raw materials will be registered for storage and use, while unqualified materials will be returned to the supplier.

During the Reporting Period, the Group had a total of 187 major suppliers, of which 164 are from Mainland China and 23 are from other regions such as the U.S. and Singapore.

Sustainable Procurement

Sustainable procurement is one of the important strategies for enterprises to achieve long-term development and practice social responsibility. Consistent with the trend of sustainable development, the Group has consciously added environmental-friendly raw materials, energy-efficient technologies and equipment, protection of labor rights and interests, fulfillment of social responsibility, business ethics and other relevant factors when selecting suppliers to adjust procurement requirements accordingly. The Group is committed to promoting the sustainable development of the industrial chain and enhancing the resilience and risk response capability of the supply chain by improving resource utilization efficiency, reducing waste and reducing energy consumption.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

The Group puts forward further requirements for specific suppliers, such as requiring relevant suppliers to provide corresponding test reports on heavy metal content, ethylene oxide residue and sterility testing, and also requiring suppliers in the industry of polymer materials and nickel-titanium wire material to provide a declaration that their products conform to the Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH[3]") so as to ensure the Group's products meet the requirements of both domestic and foreign markets.

The Group continues to promote green procurement, actively implementing domestic substitution verification of key raw materials during the reporting period, and consciously controlling the procurement and transportation time, thus continuously optimizing the production cycle and improving production efficiency. The Group consciously prioritizes the use of certified green products and equipment with energy-efficient labels, and cooperates with suppliers with good corporate social responsibility performance or environmental management system certificates.

		2024	2023
SUPPLIERS AND DISTRIBUTORS WITH ENVIRONMENTAL CERTIFICATIONS/ QUALIFICATIONS *(SUCH AS ISO 14001, ISO 50001, ISO 22000)*	Number	120	90
MATERIALS PURCHASED PASSING ENVIRONMENTAL TEST *(SUCH AS RoHS[4], REACH)*	Percentage of total procurement (%)	90%	80%
MATERIALS OBTAINED AN ENVIRONMENTAL PROTECTION CERTIFICATION/QUALIFICATION *(SUCH AS FSC[5])*	Percentage of total procurement (%)	80%	63%
PREFERENTIAL TARGET TO PURCHASE FROM LOCAL SUPPLIERS	Percentage of total procurement (%)	90%	70%

3 REACH aims to protect the health of human beings and the safety of environment, maintain and enhance the position of competitive advantages of EU chemical industry, improve the innovation capability of enterprises and achieve the goal of sustainable social development.

4 RoHS refers to the Restriction of the use of certain Hazardous substances in Electrical and Electronic Equipment. The EU Parliament and the EU Council adopted the RoHS directive in January 2003, also known as the 2002/95/EC directive.

5 FSC (Forest Stewardship Council), also known as wood certification, is a tool to use market mechanisms to promote sustainable forest management and achieve ecological, social and economic goals. FSC includes Forest Management (FM) and Chain of Custody (COC).

EMPLOYEE BENEFITS AND WELFARE

Employment System

The Group values employees and strives to establish an improved employment system. Currently, the Group has formulated policies and systems such as the Employee Manual, the Attendance and Leave Management System, the Recruitment Management System and the Promotion Management System to regulate and manage employees' salary and dismissal, recruitment and promotion, working hours, vacation and other welfare and benefits.

The Group is well aware that the performance of employees has a great impact on the development of the Group. Therefore, the Group has introduced external professional assessment agencies in the recruitment assessment to conduct systematic assessments on employees, including personality assessments, psychological risk factor assessments, and comprehensive assessments of technology research and development, in order to improve recruitment efficiency. Assessments can be broken down into a number of different traits, covering thought patterns, interpersonal interactions, emotional stability, self-confidence, learning acuity, etc.

The Group has established a dual-channel promotion regime for employees' development, and different assessment mechanisms for non-managerial employees, operational employees and managerial employees. Our Human Resources Department and senior management are responsible for the relevant work in relation to promotion of employees, and have adopted assessment management methods as outlined in the table below:

Evaluation item	Evaluation content	Evaluation method
Comprehensive quality	Work attitude, professional ethics and company identity	Questionnaire and staff interview
Business ability	Position knowledge, professional techniques, English and software operation, etc.	Written exam, interview, actual operation and debriefing
Management capacity	Leadership, communication, cooperation and management abilities	Case study, overall assessment and debriefing

For non-managerial employees, we have set up five classification levels: Beginner, Intermediate, Advanced, Senior and Expert. Employees' job rank may be adjusted with reference to their annual performance appraisal in the rank certification activities that start regularly every year. New recruits are also initially ranked according to this standard before becoming a permanent employee. The rank certification for operational employees comprehensively considers the depth, quantity and scarcity of their mastery of skills, and the corresponding product qualification ratio. For managerial employees, a multi-level promotion ladder has been set up: Supervisor, Manager, Director and Vice President. The Company also actively provides management skills training for managers to help them gain more by creating more value for the Company.

Welfare and Benefits

In addition to the basic salary, the Group offers additional benefits to its employees. The Company provides free dinner or meal allowance when employees are required to work overtime. In addition, in order to resolve the housing issue of fresh graduates, the Group provides staff dormitories for them and other employees in need, and employees who do not benefit from staff dormitories, receive transportation reimbursement according to the nature of their positions. The Group also advocates for family-friendly policies, taking care of working parents, for example, male employees who meet the relevant requirements of the National Family Planning Policy are entitled to 15 calendar days of paternity leave and female employees are not only entitled to maternity leave and breast-feeding leave, but also antenatal checkup leave. The Group established a labour union to protect its employees' legitimate rights and secure opportunities on better benefits for employees. Meanwhile, the labour union and the Company have also jointly organised a variety of activities with the aim of enhancing the effective communication and cooperation between employees and the Company. The Group will also provide a certain amount of team building expenses to help strengthen the team spirit.

The Group also encourages diversified development of employees and jointly organises a series of activities to enhance effective communication and cooperation among employees. The Group's factories are also equipped with recreational facilities such as basketball courts and table tennis tables. It also continues to cooperate with sports venues near the Group to establish sports clubs and regularly organise basketball, badminton, football and other activities, thus to promote work-life balance. During the year, the Group has held various types of employee team-building activities, such as New Year's Day activities to celebrate our traditional culture and festivals, Lantern Festival activities, Mid-Autumn Festival activities, Thanksgiving Day activities, and team-building activities for management to create a corporate culture. In addition, the Group also recognises employees by giving out long-term service awards and annual outstanding employees awards.

The Group has implemented Share Incentive Schemes for its core team and employees including directors and senior management of the Company, with an aim to increase our employees' sense of belonging to the Group and also incentivise their performance.

Labour Standards

During the Reporting Period, the Group was in compliance with the relevant labour laws and rules, including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Minors etc., and prohibits behaviours including hiring child labour or forced labour in the workplace, which is stated in the Employee Manual. The original identification documents of successful candidates are checked at the time of employment to ensure compliance with the national labour law requirements. If someone working in the Group is under the age of 18 or has provided false information with regards to his/her age, the Group would terminate his/her employment at once and contact such employee's parents and/or the local government to take them back and bear all the costs.

The Group respects employees' right to resign. If an employee resigns for personal reasons, he/she shall complete the resignation application in advance and submit it to our Human Resources Department for approval. The Group must also comply with the national employment laws and pay the wages to employees who leave the Group. Furthermore, the Group has developed relevant rules of preventing from forced labour with reference to market practices and does not force employees to work. The Group prepares production schedules periodically to avoid employees from working overtime and reviews its workflow from time to time. In the event that working overtime is necessary, application shall be made to his/her direct supervisor. Employees who worked overtime may take time off afterwards according to relevant arrangements.

During the Reporting Period, there were no cases against the Group for violations of laws or regulations relating to hiring child labour or forced labour of the Group.

HEALTH AND SAFETY

Health and Safety

As a firm focusing on medical device production, LifeTech believes that the health and safety of employees in the workplace are very important. The Group established the corresponding Environment, Occupational Health and Safety Department, and has formulated relevant regulations such as the Occupational Health Management System, the Industrial Accident Management, and the Labour Insurance Supplies Management System in accordance with national laws and regulations and the strategic target of the enterprise, which aim to protect employees' physical and mental health and minimise the occurrence of dangerous accidents, as well as strive for zero accidents. The Group arranges physical examination for its employees every year. In particular, for the positions with occupational hazards, pre-post, on-the-job, and off-post physical examinations for employees will be conducted according to the corresponding occupational hazard factors to ensure the health of employees. In addition, the Group has purchased medical insurance for employees since they have joined the Group, covering in-patient, out-patient and Chinese medicine treatment. The Group also provides employees with additional insurance by purchasing supplementary commercial medical insurance and overseas travel insurance.

Working Environment Maintenance

The Group keeps its workplace ventilated by the combination of natural and mechanical ventilation. Air-conditioning facilities are installed to maintain proper ventilation and humidity in the workplace and to provide a comfortable and safe working environment for employees. Laboratories, production workshops, inspection workshops and storage warehouses are linked by automated systems, kept ventilated and equipped with pollutant treatment systems to closely monitor the pollutants involved by the Group. Meanwhile, cleaning staff clean the area near the plant, public areas, green belts and corners, and remove ponding water, daily in order to maintain a clean and tidy environment. For common mosquito-breeding sites, pest control services are provided periodically by the Engineering Department.

The Group's Songshan Lake Park, which passed an environmental impact assessment, was fully put into operation. The Group has established an Environmental, Occupational Health and Safety Management Committee at the Songshan Lake Park to maintain its working environment and safe operating environment. The Environmental, Occupational Health and Safety Department coordinates the environmental, occupational health and safety work in Songshan Lake Park through the Committee.

To ensure the safety and hygiene of the laboratory testing environment, the personal safety and health of inspectors, the safety of test data, the normal operation of instruments and equipment, and the good management of glass instruments and consumables, the Group has formulated a Laboratory Management System for related work involving the use of laboratories for research and development, testing, etc., which strictly regulates laboratory working procedures and precautions for the use of laboratory equipment.

Occupational Disease Management and Prevention

The Group highly values employees' occupational disease management and prevention, and formulated relevant regulations such as the "Occupational Health Management System" and "Warning Signs for Occupational Hazards in Workplaces", etc.

According to the provisions under the "Occupational Health Management System" of LifeTech, the General Manager is fully responsible for the occupational health management of the Group in order to protect employees from occupational hazards. Besides, a safety officer is designated, mainly responsible for the following: (1) establishing safe production management systems, emergency response schemes and organising emergency drills; (2) identifying, evaluating, controlling by class, inspecting and recording the Group's safe production condition regularly; (3) facilitating the construction of each safe and occupational disease protective facilities and implementing prevention and control measures against occupational disease; and (4) arranging the promotion and training on safe production and investigating safety incidents related to production to prevent and rectify works in violation of rules.

The safety officers are responsible for providing training to employees in high-risk positions and inspecting whether the employees wear protective equipment. The Group provides protective equipment that meets the national standards, to employees who hold positions with potential occupational hazards (e.g. sterilising, polishing and spot welding) and ensures that such employees fully aware of the correct method of wearing and using them. In the dangerous part of equipment and at the workplace with potential occupational hazards, conspicuous warning marks and notices stating such potential hazards are posted with corresponding emergency supplies. The emergency stop switches are installed on all equipment in case of any emergency. The residual current devices are also installed on each of the equipment in order to shut off electric power in the event of electrical leakage.

The Group's Environment, Occupational Health and Safety Department will hire an independent third party to identify, analyse and test (test items include relevant chemical substances and various production procedures and equipment) the occupational hazard factors of all posts every year. From the test results, it can be determined whether there is an occupational hazard in each post. In addition, the Company will provide pre-post, on-the-job and off-post physical examinations and adequate training to employees working in posts with occupational hazards, and will provide qualified labour protection supplies.

The Group's occupational health evaluation is as follows:

Position	Existing Occupational Hazard Factors	Protective Facilities	Protective Equipment Condition	Compliance Evaluation
Sterilising	Ethylene oxide	Sealing	Full mask Gas mask	Pass
Laser welding	Laser radiation	Equipment with mask, fully ventilated workshop	Anti-laser goggles	Pass
Argon arc welding	Ultraviolet radiation, welding smoke	Equipment with mask, fully ventilated workshop	Welding goggles	Pass
Ultrasonic cleaning	Noise	Individually arranged, low noise equipment	Protective earmuffs/ earplugs	Pass
Sandblasting	Noise, dust	Individually arranged, equipment closed	Dust masks, earplugs	Pass
Chemical polishing	Methyl alcohol, acid fog, hydrogen fluoride	Fume hood, fully ventilated workshop	Half mask Gas mask, protective gloves	Pass
Heat setting	High temperature	Fully ventilated workshop, equipment enclosure with thermal insulation material	Anti-burn gloves	Pass

Work Injury

If an employee is injured at work, the employee will be sent to hospital for treatment immediately, and all upfront medical expenses will be borne by the Group. The department where the injured employee works shall submit the Accident Investigation Report to the Safety Management Department in a timely manner. Meanwhile, the safety officer shall submit an application for identification of work-related injury to the Social Security Department during the required period. Subsequent to the recovery of the relevant injured employees, the Group will arrange appropriate positions in accordance with the health situation of such employees, provided that they are required to receive safety training before they return to work.

In the past three years, the Group had no cases of work injury and death.

Safety Production Education Training

Safe production training is an important part of the Group for the implementation of the policy of "Safety First, Prevention Oriented, Comprehensive Governance". As such, the Group has formulated the Safety Education Training System to regulate the safety training of the relevant work of the Group. The Group has strictly complied with relevant laws and regulations, including the Law of the People's Republic of China on Safety Production, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Fire Protection Law of the People's Republic of China.

Safety training of the Group includes three parts as follows:

Employee type	Training requirement
Safety officer	o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production.
Practitioner	o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production. New employees shall take their positions after accepting three-level safety education training and passing the examination. Three-level safety education includes: Company: safety officer is responsible for training including courses of fire safety, occupational health safety and safety regulations of the Group; Department: the head of department is responsible for training about on-site evacuation, use of safety equipment and safety production status of departments, etc.; Team: team leader introduces production characteristics of posts, use of personal protective equipment and other protective measures. o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production. Special operation staff shall take their positions after accepting specific safety operation training, and obtaining the corresponding qualification certificates.
Other staff	o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production. In case of transferring or leaving posts over six months, staff concerned shall take part in safety training organised by the department and the team, and qualified ones can work in the new positions; o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production. When the new processes or new devices come into use, safety training shall be arranged for the relevant staff based on the characteristics of new processes and devices; o Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production. When carrying out a risky overhaul project, requirements on construction workers' safety shall be raised and the implementation of all safety measures shall be checked.

Safety Training

The Group organised a total of three emergency evacuation drills during the year. The Group regularly conducts on-site emergency treatment drills according to the operational risks of each position, and department representatives are also regularly trained in first aid knowledge.

During the Reporting Period, there was no violation of laws and regulations by the Group in relation to health and safety, and no cases resulting in fines or prosecutions on the Group.

TALENT MANAGEMENT & DEVELOPMENT

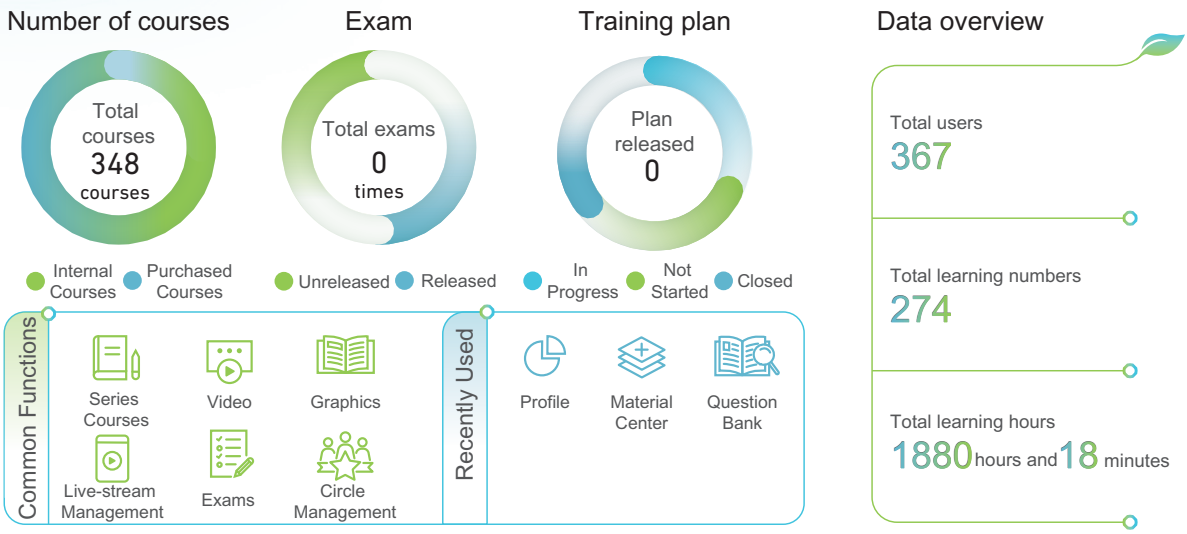
Training System

LifeTech actively develops the professional skills of its employees and devotes itself to helping employees improve skills required for career progression. LifeTech built a new talent training system, including management training, on-the-job training, new joiner training and internal lecturer system. The Group provides employees with internal training and external training in accordance with the formulated Training Management System.

Training form and arrangement	Training arrangement
Internal training	Internal trainings are provided by the Group's internal lecturers, and the content of which involves training on company system, training for new employees, induction training for operation employees and professional skills training.
External training	External training consists of two forms: expatriate assignment training and inviting external lecturers. After the external training, the trained employees communicate with other colleagues through sharing sessions and other methods.
Self-education	Learning from the "Online Lecture on Peripheral Artery Disease"（《外周線上大講堂》） series of training courses organised by the Group, or gaining professional and general knowledge via the Internet, external institutions and other channels in the employees' spare time. LifeTech encourages employees to achieve professional improvement by self-learning.

The Group continuously updates and enriches the "Online Lecture on Peripheral Artery Disease" (《外周線上大講堂》) training courses on the Xiao E Tech(小鵝通) platform. The course topics include basic disease knowledge, guideline consensus, detailed introduction of the full range of peripheral products, treatment strategies and technical points for complex aortic lesions, clinical trial-related regulations, the application of office software, etc. With more than 140 courses available, employees at different stages and with different needs can learn online to continuously improve their professional skills. Employees may schedule courses according to their own time and learning progress, allowing them to participate flexibly. The learning progress tracking and feedback mechanism provided by the platform further motivates employees to participate actively. Through the platform, new employees can learn the basics, quickly integrate into the team and acquire the necessary professional skills; senior employees can choose more advanced courses, such as expert seminars, to further enhance their professional standards.

CULTIVATING AND DEVELOPING TALENTS, FOSTERING SUSTAINABLE DEVELOPMENT



In order to improve the Group's training management, the Group established the "External Training Management System". External training consists of two forms: expatriate training and inviting external lecturers. Expatriate training means that due to the needs of the Group's development or work tasks, the Group sends employees to external institutions to participate in trainings and learning. Inviting external lecturers means that the Group hires external lecturers to conduct training in the Group. If the external training involves special circumstances such as professional techniques and academic research, the relevant departments will apply on their own and the training will be conducted after the approval of the Human Resources Department. Through the "External Training Management System", the application process of the entire external training can be standardised and the sharing of training results can be promoted.

During the Reporting Period, in order to improve the professional ability of employees, the Group has actively organised over 500 online and offline trainings for internal employees, doctors and distributors. The training content includes the development of existing employees' capabilities, career planning, medical device expertise, product changes, new product research and development, and clinical application of existing products, etc. The number of training attendees reached more than 3,000, covering the Group's internal employees, clinical staff and new product distributors, of which almost 200 trainings were delivered to doctors and distributors. The Group also encourages departmental internal trainings and course learning.

500+

trainings for internal employees, doctors and distributors

Praise and Incentive

LifeTech encourages employees to actively innovate and pursue the spirit of pioneering and dedication. Therefore, we set up annual awards, special awards and other awards, and reward employees in praises, cash or other forms according to the actual situation. Recipients of such awards also include outstanding employees, annual sales stars, special awards, awards related to patent approvals etc. Among them, a reasonable suggestion award is set up to encourage employees to put forward reasonable suggestions on daily production operations, management, quality and technology, and to reward employees whose suggestions are adopted within the year and result in good outcome.

EQUAL OPPORTUNITIES

The Group has always pursued employee diversity. The Group complied with relevant laws and rules, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, etc. No cases that violate laws or regulations were found relating to employment of the Group of the Year. Moreover, the Group will continue to abide by the policies concerning equal opportunities and anti-discrimination. The Group provides employees with equal employment opportunities and fair professional treatment, and has hired 146 ethnic minorities and 50 foreigner in total, representing 14.8% of the total employees. There is also a balanced proportion of male and female employees in the Group.

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

The Group's basic principle is to fully comply with applicable environmental laws and regulations in the jurisdictions where it operates. The Group has established procedures for reviewing environmental requirements related to new developments. When an incident occurs in an asset over which the Group has operational control, the Group will classify and record it in a timely manner in accordance with the relevant internal processes. Incidents managed through this process include notifications of fines or prosecutions by local authorities.

During the Reporting Period, there was no violation of laws and regulations by the Group in relation to emissions and environment, and no cases resulting in fines or prosecutions on the Group.

The Group strives to incorporate environmental considerations throughout the entire product lifecycle, including product development and design, production, and transportation. At the product design stage, we design products with a longer lifespan to reduce waste emissions. During the research and development process, we use environmentally friendly materials, high-efficiency technologies, and non-toxic, harmless materials, such as biodegradable polylactic acid, iron, and raw materials that align with RoHS standards, to minimise environmental pollution. In the production phase, we adopt environmentally friendly manufacturing techniques, build efficient production chains, reduce waste generation, improve production efficiency, and reduce energy consumption. During transportation, we choose efficient transportation methods and collaborate with environmentally certified transportation suppliers.

During the Reporting Period, a large number of the Group's Shenzhen employees relocated to the Songshan Lake Park, resulting in an increased frequency of shuttle bus usage between Shenzhen and Dongguan, and a rise in diesel consumption. At the same time, the relocation process generated an increase in non-hazardous waste, mainly consisting of old cardboard and household waste. Songshan Lake Park is equipped with working areas such as office areas and factory buildings, as well as living facilities and logistics support areas such as kitchens, restaurants, staff dormitories and infrastructure construction. The kitchen at the Songshan Lake Park uses natural gas equipment, resulting in a significant increase in natural gas usage during the Reporting Period. This was due to the large number of the Group's Shenzhen employees' relocation to Songshan Lake Park, leading to a higher demand for meals and, consequently, an increase in natural gas consumption. There are two employee dormitories in Songshan Lake Park, which are under the unified management of the Group's Administration Department. Therefore, the domestic water generated by employees in the dormitories in Songshan Lake Park has a partial impact on the usage of the Group's water resources. During the Reporting Period, the Group's water and electricity conservation measures achieved significant results, with reductions in both electricity and water consumption.

ENERGY EFFICIENCY AND CARBON EMISSIONS MANAGEMENT

We monitor, measure and report on our emissions of carbon dioxide, including direct and indirect carbon emissions from our physical operations. LifeTech understands that it is inevitable for the Group to generate emissions causing air pollution during the course of production. For the purpose of emission reduction, the Group has formulated relevant policies, such as the Environmental Management System, in order to minimise the effect of its operation on the environment.

The Group's GHG emissions (or referred to as "carbon emissions") from its operations are quantified according to the guidelines issued by the National Development and Reform Commission of China. The Group's carbon emissions mainly come from purchased electricity (energy indirect emissions), followed by direct emissions of a mobile GHG and combustion source emitted from equipment and system.

The Group focuses on the main business and production process of electricity consumption in the plants, and has upgraded and eliminated some of the old high energy consuming equipment. In the office areas, we have also adjusted the opening hours and temperature range of the air conditioning to limit their electricity consumption.

LifeTech values the reduction of resource waste during production and strives to build a working environment that preserves natural resources and reduces energy consumption. With the development of multiple measures in the Energy Management Control Process of LifeTech Shenzhen, the following treatment methods are adopted for different resource types:

Resource Types	Treatment Methods
Oil	• Each department reasonably uses oil products according to the requirements of equipment lubricating oil and waste oil recovery; • All the replaced waste oil is uniformly reclaimed and handled by the user department and administrative department; • Vehicles are maintained regularly so that the oil consumption will be kept within a normal range.
Electricity	• In the ordinary course of business, the Group has been gradually replacing its lights with LED lights in its offices which are brighter and more energy-efficient; • The lighting system at our Shenzhen Headquarters relies on LED lights. Songshan Lake Park will be furnished with LED lights; • Regular maintenance, servicing, and inspection of electrical facilities; • Reducing the energy consumption of the energy-intensive air-conditioning systems in our clean rooms by using recycled water for cooling; • The Group has purchased an electric vehicle for the maintenance staff of Engineering Department in case of any emergency repair tasks.

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

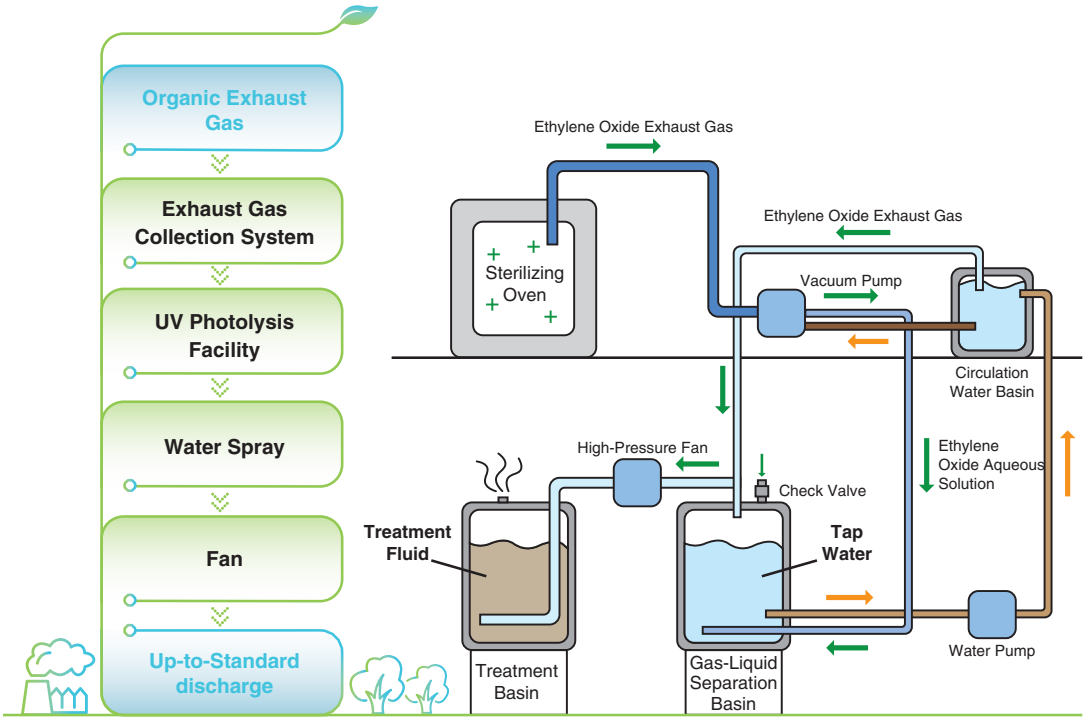
GAS EMISSIONS MANAGEMENT

The exhaust gases produced by the Group refer to the volatile organic compounds ("VOCs") produced during the course of operation, with vehicles as a primary contributing source. As provided under the Environmental Management System formulated by the Group, maintenance of vehicles of the Group shall be strengthened to ensure the emissions reach the standard. During the Reporting Period, the exhaust gas emissions of the Group were mainly attributable to the combustion of fuel oil in vehicles and the combustion of natural gas in kitchens.

The VOCs including benzene, cyclic aromatic hydrocarbons and aromatic hydrocarbons are generated during the Group's polishing process of producing filter and stent graft products. Such matters threaten the environment and health of the surrounding residents. Therefore, the Group has removed the VOCs and reduced pollution by absorption and dilute phosphoric acid catalysis. The Group has engaged a qualified third party manufacturer to provide solutions for the Group's production and laboratory-sourced exhaust gases, collecting all exhaust gases generated on the laboratory floor of the LifeTech Shenzhen's building for treatment through facilities upon segregation and discharged after the treatment meeting the standards:

Laboratory:	organic exhaust gas is collected through the pipeline and then adsorbed by activated carbon in the exhaust gas treatment facility;
Laboratory:	acid gas is collected through the pipeline and then neutralised by alkali water sprayed in the exhaust gas treatment facility;
Other plants:	the production is collected through the pipeline and then treated by UV photolysis + water spraying process in the waste gas treatment facility.

The Group's Shenzhen plant produces polishing exhaust gas, laminating heat treatment waste gas, sterilising exhaust gas, etc. during the process of product production, sterilising and packaging, which are collected through closed pipelines and led to the roof top exhaust gas treatment facilities, and then discharged at high altitude after reaching the standard through the UV photolysis + water spraying process, and the processing flow is as follows:

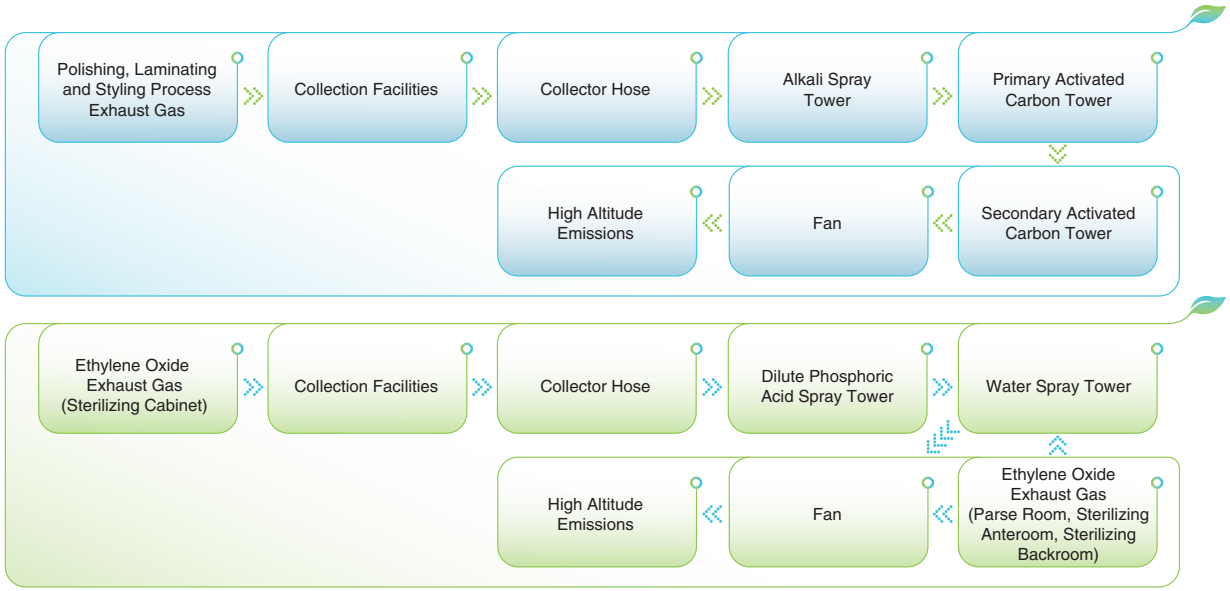


EO Sterilizing Facilities Supporting Exhaust Gas Treatment Facilities Process Flow Diagram

The Shenzhen plant has been decommissioned in November 2024, and the exhaust gas treatment facilities have also been dismantled.

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

We adopt different treatment methods for different exhaust gases, such as polishing exhaust gas, coating heat treatment exhaust gas and sterilisation exhaust gas, which are generated during the process of product production, sterilisation and packaging at the Songshan Lake factory. Chemical polishing, coating heat treatment exhaust gas: after being collected through fume hoods and sealed pipelines, it is treated within an "alkali water spray + secondary activated carbon adsorption" treatment system to meet the standards before being discharged into the atmosphere at high altitude. The waste gas from the sterilisation process is introduced into a "Dilute phosphoric acid aqueous solution absorption + water spray scrubber" by a vacuum pump for treatment before being discharged at high altitude. The processing process is as follows:



The exhaust gas treatment facilities are linked to the waste production process equipment to ensure that the emissions generated are discharged after the treatment meets the standards. At the same time, in order to ensure the standardisation of the operation of the waste gas treatment equipment, the Group also invites third party companies to conduct operation training for employees to ensure that equipment failures can be handled in a timely and correct manner.

The Group also requires the administrative department to regularly and continuously monitor exhaust gases generated from the process of all production and experiments, making sure the emissions reach the relevant standards. If any unusual emissions have been identified, the Group will shut down the source of such emissions temporarily and report the incident to the relevant departments and the environmental authorities.

During the Reporting Period, the Group has obtained the ISO14064-1: 2018 Greenhouse Gas Emission Verification Statement for its Songshan Lake Park.

温室气体排放核查声明

证书号：04124GHGA20286

东莞市先健医疗有限公司

2023 年度温室气体盘查报告

（发布日期：2024 年 6 月 16 日；覆盖的时段：2023 年 1 月 1 日-2023 年 12 月 31 日）

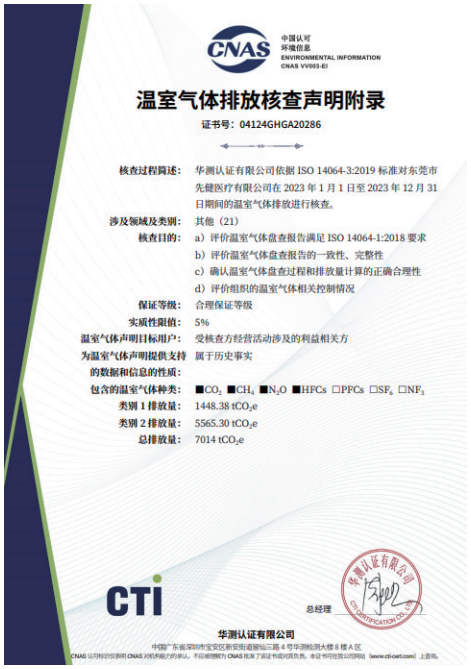
已经依据 ISO 14064-3:2019 的要求通过核查
满足核查准则要求，达到合理保证等级且满足实质性要求

核查准则：ISO 14064-1:2018
核查方案：ISO/IEC 17029:2019；ISO 14065:2020；ISO 14064-3:2019；ISO 14066:2011
组织 GHG 核查范围：被核查的温室气体宣称：
2023 年度东莞市先健医疗有限公司温室气体盘查报告
组织边界：
组织按照运营控制权原则确定位于广东省东莞市松山湖园区彰化路 4 号 2 栋 808 室的东莞市先健医疗有限公司所有产生 GHG 排放和清除量的设施
经营及活动范围：
医疗器械的生产和销售
覆盖的时间段：
自 2023 年 1 月 1 日至 2023 年 12 月 31 日
温室气体排放类别：
■类别 1 ■类别 2 □类别 3 □类别 4 □类别 5 □类别 6
总排放量：7014 tCO_2e
核查机构类型：第三方
核查声明发布日期：2024 年 8 月 9 日
委托方：东莞市帝工科技有限公司
核查目的、保证等级、实质性、GHG 声明的目标用户等详细信息见本核查声明附录，附录为本核查声明的组成部分

CTI

总经理

华测认证有限公司



温室气体排放核查声明附录

证书号：04124GHGA20286

核查过程简述：华测认证有限公司依据 ISO 14064-3:2019 标准对东莞市先健医疗有限公司在 2023 年 1 月 1 日至 2023 年 12 月 31 日期间的温室气体排放进行核查。
涉及领域及类别：其他（21）
核查目的：a）评价温室气体盘查报告满足 ISO 14064-1:2018 要求
b）评价温室气体盘查报告的一致性、完整性
c）确认温室气体盘查过程和排放量计算的正确合理性
d）评价组织的温室气体相关控制情况
保证等级：合理保证等级
实质性限值：5%
温室气体声明目标用户：受核查方经营活动涉及的利益相关方
为温室气体声明提供支持的数据和信息的性质：属于历史事实
包含的温室气体种类：■CO_2 ■CH_4 ■N_2O ■HFCs □PFCs □SF_6 □NF_3
类别 1 排放量：1448.38 tCO_2e
类别 2 排放量：5565.30 tCO_2e
总排放量：7014 tCO_2e

CTI

总经理

华测认证有限公司

WATER RESOURCE MANAGEMENT

The Group inevitably generates wastewater during production. According to the Environmental Management System, the Group conducts rain and sewage water diversion, and manages the industrial wastewater, domestic sewage and rain in a separate and systematic manner. There is no issue in sourcing water that is fit for purpose.

Wastewater type	Processing method
Industrial wastewater	• Common industrial wastewater, like general test wastewater and clean water, is processed directly by entering a sewage treatment plant through municipal pipes. • Chemical effluent and other wastewater containing hazardous substances are collected and deposited with the designated hazardous waste warehouse and then regularly delivered to the qualified processing unit for treatment.
Domestic sewage	• Domestic sewage mainly refers to wastewater discharged from toilets and tea rooms. All the domestic sewage is discharged to the municipal sewage pipes and enters a sewage treatment plant for treatment upon the completion of the pre-treatment through septic tank.
Rainwater	• Rainwater is directly discharged outside by independent pipes.

The Group also adopts different processing methods for industrial wastewater, domestic sewage and rainwater in its Shenzhen plant and Songshan Lake plant.

Industrial wastewater

Wastewater treatment for ultrasonic degreasing cleaning rinse water is processed by the Group's Shenzhen plant by using a wastewater treatment system with a processing capacity of 0.5m^3/h. The Group also engages qualified units at a quarterly interval to monitor the outfall and exhaust gases pursuant to the technical specification requirements for the monitoring of surface water and wastewater by the determination of particulate matters in exhaust gas and the method of sampling for gaseous pollutants in a fixed source of pollution. The Group will conduct regular tests on industrial wastewater. The test items include suspended solids, chemical oxygen demand and cationic surfactants to ensure that the discharged industrial wastewater meets the requirements of a sewage discharge permit. Generally, the clean wastewater treated as clean sewage is discharged directly into the sewage treatment plant in Nanshan through the municipal sewage pipe in accordance with the inlet water quality standards of the sewage treatment plant in Nanshan, and then discharged after treatment. The Shenzhen plant has been decommissioned in November 2024, and the wastewater treatment facilities have also been dismantled.

The ultrasonic degreasing clean wastewater and experimental vessel clean wastewater from the Songshan Lake plant are discharged into the municipal sewage interception pipe after being processed by the self-built wastewater treatment station to meet the stricter value of the level III, period II standard set out in the Discharge Limits of Water Pollutants of Guangdong Province (DB44/26-2001) and the Class B standard as set out in the Water Quality Standards on Sewage Discharged to Urban Sewers (《污水排入城鎮下水道水質標準》) (GB/T 31962-2015), and then introduced into the Dalang Songshan Lake Southern Sewage Treatment Plant in Dongguan City for advanced treatment. The drainage of Dalang Songshan Lake Southern Sewage Treatment Plant in Dongguan City is subject to the stricter value of the Class 1A standard of the Emission Standards of Urban Sewage Water Treatment Plant Pollutants (《城鎮污水處理廠污染物排放標準》) (GB18918-2002) and the level I, period II standard set out in the Discharge Limits of Water Pollutants of Guangdong Province (DB44/26-2001).

Domestic sewage

Domestic sewage from Songshan Lake Park is discharged into the municipal sewage interception pipe after being pre-treated to meet the stricter value of the level III, period II standard set out in the Discharge Limits of Water Pollutants of Guangdong Province (DB44/26-2001) and the Class B standard as set out in the Water Quality Standards on Sewage Discharged to Urban Sewers (GB/T 31962-2015), which are then introduced into the Dalang Songshan Lake South Sewage Treatment Plant in Dongguan City for advanced treatment.

Rainwater

The Shenzhen factory has implemented a rainwater-sewage diversion system. Rainwater and sewage are separately collected and disposed of. Rainwater is collected through the factory rainwater pipes, which are then discharged into the municipal rainwater pipes, the Dasha River basin and Shenzhen Bay successively.

A rainwater-sewage diversion system has also been implemented in Songshan Lake Park. Rainwater and sewage are separately collected and disposed of. Rainwater is collected through the park rainwater pipes, which are then discharged into the municipal rainwater pipes and the Songmushan Reservoir successively.

In addition, the Group collects the tail water from pure water systems to cool the air-conditioning unit in the clean rooms, thus realising the goal of water resource recycling and reuse. Water meters are installed per production office area for water metering and water volume is counted monthly. In case of abnormalities, causes are investigated and measures are taken to resolve the abnormalities. The administrative department often checks the water use, and if faucets or valves are found to have any damage, they will be repaired and replaced in a timely manner.

WASTE AND RECYCLED MATERIALS MANAGEMENT

For the waste generated during the production, the Group will conduct integrated processing according to the Environmental Management System.

WASTE CLASSIFICATION	PROCESSING METHOD
Non-hazardous waste	• The administrative department is responsible for contacting qualified processing units to recycle and process recyclable wastes; and • Non-recyclable domestic waste is collected and transported by the environmental authorities.
Hazardous waste	• All hazardous wastes shall be collected upon classification pursuant to the List of Hazardous Waste; • Hazardous wastes generated by the production departments shall be stored in designated hazardous waste bins with lids and the Hazardous Waste Handover Form shall be completed; and • Hazardous wastes shall be regularly delivered to qualified organisations for treatment.

The Group endeavours to reduce both the hazardous and non-hazardous waste it produces, and works with qualified parties and partners to reuse or recycle whenever possible. All wastes are managed according to the waste management hierarchy (i.e. prevent, reduce, reuse, recycle, replace, treat and dispose). LifeTech seeks to avoid the use of hazardous materials and replace them with alternatives wherever possible. All hazardous and non-hazardous wastes are managed in accordance with local regulations, collected by licensed collectors, or sold for recycling.

The Group operates a smart office, adopting an electronic approval process, swiping card for printing in order to control the number of printouts, and advocating the use of shared files and soft copies in order to minimise paper documents and waste. The office automation system fully arranges and effectively transmits the information through the information system, so that the enterprise's resources can be reasonably allocated and utilised in purchase, storage, production, sales, manpower, financial, material and other aspects. The production site manufacturing system takes the traceability of the production and manufacturing process, paperless production process and realisation of electronisation as the basic objectives, covering the informationisation of business management such as production plan, basic information of personnel, basic information of equipment and tooling, product process route, materials and semi-finished products, and traceability of finished products in manufacturing status.

MANAGEMENT OF PACKAGING MATERIALS

Regarding the use of packaging materials, except for the specific cleanliness requirements for products in certain production stages, the Group reuses the packaging materials as much as possible in of warehouse, workshop circulation, semi-products, and material circulation links.

THE ENVIRONMENT AND NATURAL RESOURCES

Protection of Biodiversity

The Group understands that human beings heavily rely on the ecosystem, yet the construction and operation of plants may damage their surrounding environment. Therefore, an environmental impact assessment is performed before the design or planning of any new construction, renovation or expansion project and the requirements of the environmental impact assessment are strictly followed during the design and construction process of our projects. Upon the completion of construction, inspection in accordance to these environmental impact assessment requirements are also carried out before being validated for delivery. LifeTech Shenzhen's research and development laboratory has been in use since 2018 and was constructed based on the design and planning approved by the relevant environmental, water and other authorities of the local Shenzhen government; LifeTech's Songshan Lake Park has been in use since 2023 and was constructed based on the design and planning approved by the relevant environmental, water and other authorities of the local Dongguan government, in order to comprehensively safeguard employees' health and safety while minimising the impact on the surrounding environment caused by the construction.

CLIMATE CHANGE

Governance

The Group is active in combating climate change, supports the "China National Climate Change Program" and will continue to adopt all current energy-saving and emission-reduction measures, quantify carbon emissions, pay close attention to the latest emission reduction technologies, and minimise unnecessary transportation needs, thereby controlling GHG emissions. The Group has incorporated climate change governance into its ESG governance framework and established a climate change response mechanism led by the Board, overseen by the ESG Committee, executed by the ESG Taskforce, and supported by relevant departments.

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

Strategy

The Group sorts out the direction of management in response to climate change by referring to the disclosure methodology and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifies risks through the annual reporting process and assesses the time period over which they will have an impact, categorising them into the short term (<2 years), medium term (3-5 years) and medium to long term (>5 years). We plan to update the results of climate-related risk assessments annually, incorporate them into our operational strategies, and regularly report to management, the Board, stakeholders, and the public. The Group has initially identified a range of climate-related risks and opportunities relating to its principal business, assets or operations. At present, the identified climate-related risks and opportunities have not significantly affected the growth of our business. Nevertheless, we are still actively responding to the latest regulatory requirements and making preparations in advance in terms of training of professional knowledge, preparation of disclosure work and co-operation with consultants, so as to ensure that we are equipped with the capability of disclosure of climate-related information and to enhance the transparency and credibility of the disclosure content.

RISK TYPES	TERM	SPECIFIC CIRCUMSTANCES	MEASURES	FINANCIAL AFFECT
PHYSICAL RISK				
ACUTE RISK	*Short term*	Potential related emergencies (damage to production facilities and disruption of supply chains) due to natural disasters/extreme weather (typhoons, heat waves, floods, cold weather)	• Pay close attention to weather conditions, send advance warning messages to employees, factories and offices in response to extreme weather, and implement staggered production when necessary • Regularly inspect the operating environment of the plant and carry out safety checks on wind, water, electricity, etc. to eliminate potential hazards in a timely manner	The office premises, production plants, and equipment facilities may be affected, potentially leading to damage, which could increase the Group's operational maintenance costs and reduce production efficiency

RISK TYPES	TERM	SPECIFIC CIRCUMSTANCES	MEASURES	FINANCIAL AFFECT
PHYSICAL RISK				
			• Enhance supply chain contingency by continuously setting up back-up suppliers • Prepare Safety Emergency Plan and Environmental Emergency Plan according to the characteristics of unexpected climate in the operation area, file for record accordingly and organise the drills	
CHRONIC RISK	*Medium to long term*	The plant is in a water-stressed or water-scarce dry area, which poses a threat to the manufacturing process Infrastructure in areas threatened by rising sea levels from climate change	• Use cloud servers to store and back up data and information, and regularly verify their functionality • Conduct forward-looking risk identification and assessment of chronic climate risks, and incorporate them into the selection criteria for plant sites	The office premises, production plants, and equipment facilities may be affected, potentially leading to damage, which could increase the Group's operational maintenance costs and reduce production efficiency

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

RISK TYPES	TERM	SPECIFIC CIRCUMSTANCES	MEASURES	FINANCIAL AFFECT
TRANSITION RISK				
REGULATORY RISK	*Medium to long term*	National and provincial environmental policies and laws have been changed and tightened; The medical device industry and manufacturing industry have fully implemented low-carbon policies	• Strengthen communication with regulatory authorities and institutions, promptly understand and strictly comply with changes in relevant regulatory laws and regulations, and ensure the compliance of products and services • Continuously pay attention to the dynamics of national laws, regulations and systems related to climate change • Continue to promote energy saving and consumption reduction measures to reduce greenhouse gas emissions	The increased regulatory requirements related to business operations have led to higher costs for the Group in terms of compliance operations and plant emission control; The increased ESG disclosure requirements have resulted in higher compliance information disclosure costs for the Group
TECHNOLOGY RISK	*Medium term*	The medical device industry and manufacturing sector continue to increase green requirements for products and services	• Continuously integrate the concept of energy conservation and emission reduction into product planning, such as using non-hazardous and harmless materials, adopting efficient production methods, and utilising energy-saving labeled equipment for production activities	The increased green requirements for products and services have led to higher research and development costs and increased procurement costs for environmentally friendly materials and equipment for the Group

RISK TYPES	TERM	SPECIFIC CIRCUMSTANCES	MEASURES	FINANCIAL AFFECT
TRANSITION RISK				
MARKET CHANGE RISK	*Short term*	The value of resources such as electricity, fuel, and water fluctuates due to the impact of climate change	• Plan efficient production lines for new plants, prioritise the use of energy-saving equipment, and strengthen equipment maintenance to reduce unnecessary energy consumption • Install rainwater recycling and reuse systems in new plant to reduce unnecessary water resource consumption • Upgrade old equipment, enhance maintenance of ventilation and exhaust facilities, and install additional waste gas and wastewater treatment facilities to reduce pollutant emissions • Enhance publicity and management of energy saving and emission reduction	The fluctuation in the value of purchased resources has led to an increase in the Group's cost of procurement of resources, and an increase in the cost of procurement and construction of new equipment and production lines

IMPLEMENTING GREEN OPERATION BY DECARBONISATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

RISK TYPES	TERM	SPECIFIC CIRCUMSTANCES	MEASURES	FINANCIAL AFFECT
TRANSITION RISK				
REPUTATION RISK	*Long term*	Users' attention to corporate social responsibility	• Focus on the disclosure requirements related to sustainable development and climate change, and optimising the channels for external communication of corporate social responsibility on the basis of ensuring compliance • Actively fulfill corporate social responsibility to further enhance brand image • Proactively carry out climate risk identification work and proactively disclose measures and achievements in addressing climate change	Corporates need to fulfill social responsibilities and participate in environmental protection initiatives, leading to an increase in the Group's investment in social contributions, ESG governance and disclosure, and environmental protection
	Long term	Poor performance and negative news on environmental protection and climate change could impact the Group's reputation		

RISKS MANAGEMENT

The Group has included the climate risk identification and control into the Risk Management System and the ESG Governance System to continuously identify the potential risks faced by the Group, formulate precautionary measures and solutions for relevant risks, and report on risk management and control to the Board on a regular basis to take into consideration the advice and guidance from them.

INDICATOR AND GOALS

The Group has set up the Sustainable Development Goals and reviews annual progress updates on it. We will keep summarizing the results of annual goals and updating the Sustainable Development Goals which are in line with our current business development practices.

UNDERSTANDING THE NEEDS OF THE COMMUNITY AND PARTICIPATING IN COMMUNITY WORK

LifeTech, as a leading medical technology corporation in China, actively takes its social responsibility to perform its obligation of being a corporate citizen. We work in medical technologies and join hands with medical institutions, industrial associations, experts and doctors to stimulate the implementation of "Access To Healthcare". Since the establishment in 1999, we have saved patients' lives of approximately 2.3 million in total in over 120 countries.

DEVELOPMENT PROMOTION ON HEALTHCARE INDUSTRY

The Group takes the initiative to engage in setting professional standards, holding industry conferences, writing books and paper publishing, in the field of medical technologies, and injecting power into the international standard and cutting-edge research of the medical industry.

We were not only engaged in the formulation of international standards *<ISO/WD22679 Cardiovascular implants- Cardiac occluders>* and *<ISO/TS17137 Biological evaluation of medical devices- part 2 standard guide for absorbable metals>*, but also the industrial standards *<YY/T1533-2017 Cardiovascular implants - Cardiac occluders>, <YY/T1449.3-2016 Cardiovascular implants - Artificial heart valve Part III: Transcatheter Implantable Artificial Heart Valve>*、*<YY/T 0663.3-2016 Cardiovascular implants - Endovascular devices Part III: Vena Cava Filter >*, playing as the main drafter, to lay a foundation for the regulation and standardization of the industry.

We positively provide funds to and join in the world-leading and prestigious industrial conferences, both at home and abroad, including the congenital, structural and valvar heart disease interventions conference held in Frankfurt, Germany (CSI), the China Interventional Therapeutics (CIT), the Transcatheter Cardiovascular Therapeutics (TCT), The Leipzig Interventional Course (LINC), the Latin American Society of Interventional Cardiology (SOLACI - CACI) and other international academic conferences, as well as the South China International Congress of Cardiology (SCC), the China Southern Endovascular Congress (SEC), the China Endovascular Course (CEC) and other domestic academic conferences, contributing to the world's medical development and communication.

We participated in the compilation of scholarly monographs, such as *<Bioresorbable scaffold-from basic to clinical application>*, *<An introduction to materials in medicine (《醫用材料概論》)>* and *<Toxicity and Pathology - Practical methods and techniques (《毒性病理學-實用方法與技術》) >*, and published over 10 Science Citation Index (SCI), providing basic theory and practical experience for doctors all over the world.

POWER CHANNELLING OF MEDICAL EQUIPMENT ENTERPRISE

The Group pays attention to domestic and overseas charity activities concerning medical treatment and popularizes medical knowledge through social media. The medical devices, materials and funds are also provided for patient treatment, public welfare diagnosis and treatment and monographic studies to show doctors' benevolence and deliver corporate strength.

An official wechat public account is usually used to publish different kinds of popular science from time to time, so as to introduce the cause, treatment and relevant device application of cardiovascular diseases. This can raise public awareness of disease prevention and advocate a healthy lifestyle. We have attended Approaching Science hosted by China Central Television, a science program, to show the audience how to "Heart filling".

We provide backups to countries and regions that have poor medical technologies, including the donation of congenital heart disease occluder for the diagnosed patients, free professional healthcare service to those in need, and performing interventional occlusions for congenital heart disease for pediatric patients from poor families.

TECHNICAL SUPPORT TO GRASSROOTS HOSPITALS

The Group strives to provide treatments for difficult illnesses relating to its business. Aortic dissection is an extremely dangerous life-threatening complication that is prone to occur in winter, thus AD patients should receive treatment promptly. We are capable of working with vascular surgeons country-wide to overcome difficulties in promoting awareness among the grassroots in order to save lives.

During the Reporting Period, in conjunction with the thoracic aortic group and the abdominal aortic group of the Vascular Surgeon Branch of the Chinese Medical Doctor Association, we continued to hold a series of online events, such as "Medical First, Healthy China (醫路先行, 健康中國)" and "Abdominal Diseases Study, Chinese Health Tour" (全例以腹, 健行中國) (2 sessions were held with more than 300 experts participated), further promoted and popularized the standardization of aortic disease treatment, and deeply cultivated the grassroots market. At the same time, we actively participate in the certification of the National Standardized Diagnosis and Treatment Center of Venous Diseases of the phlebiology group and contribute to improving the quality of primary medical services.

KPI OVERVIEW

ENVIRONMENTAL PERFORMANCE INDICATORS[1]

	Data			Unit
	2024	2023	2022	
Air emissions				
Nitrogen oxides	2,552.2	1,598.0	168.2	Kilograms
Sulphur oxides	580.5	365.4	0.3	Kilograms
Respiratory suspended particles	249.8	156.6	16.1	Kilograms
GHG emissions				
Scope 1	2,352.8	1,528.0	55.5	Tonnes of CO2-e
Scope 2	5,686.8	7,588.1	6,774.5	Tonnes of CO2-e
Total GHG emissions (Scope 1 and Scope 2)	8,039.6	9,116.0	6,830.0	Tonnes of CO2-e
GHG intensity (Scope 1 and Scope 2, per floor area in square meters)	0.2	0.2	0.4	Tonnes of CO2-e/m^2
Scope 3				
Waste Treatment	288.3	/	/	Tonnes of CO2-e
Business travel	641.8	/	/	Tonnes of CO2-e
Hazardous waste				
Total amount of hazardous waste	52.3	39.0	26.0	Tonnes
Intensity of hazardous waste (per floor area in square meters)	0.001	0.001	0.002	Tonnes/m^2
Non-hazardous waste				
Total amount of non-hazardous waste	419.1	232.4	145.5	Tonnes
Intensity of non-hazardous waste (per floor area in square meters)	0.009	0.005	0.009	Tonnes/m^2
Energy consumption				
Gasoline	184.9	199.0	198.9	MWh
Diesel	79.7	35.4	3.7	MWh
Natural gas	11,031.9	6,941.0	0.0	MWh
Purchased electricity	13,145.6	14,395.9	11,103.8	MWh
Total energy consumption	24,442.1	21,571.3	11,306.4	MWh
Energy intensity (per floor area in square meters)	0.5	0.4	0.7	MWh/m^2

	Data			Unit
	2024	2023	2022	
Water consumption				
Total water consumption	85,406.0	126,666.3	56,851.5	Tonnes
Water consumption intensity (per floor area in square meters)	1.8	2.6	3.6	Tonnes/m^2
Packaging materials used for finished products				
Total amount of packaging materials	16.0	16.3	14.0	Tonnes
Intensity of packaging materials (per floor area in square meters)	0.3	0.3	0.8	Kilograms/m^2
Intensity of packaging materials (calculated by production volume)	0.05	0.04	0.04	Kilograms/number of products

Note:

1. Environmental figures are calculated with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs published by the Stock Exchange.

SOCIAL PERFORMANCE INDICATORS

		2024		2023	
		Number	%	Number	%
Number of employees					
Total number of employees		1,324	N/A	1,322	N/A
Gender	Male	687	51.9%	711	53.8%
	Female	637	48.1%	611	46.2%
Grade	Chief executives	3	0.2%	2	0.2%
	Senior executives	22	1.7%	22	1.6%
	Middle management	129	9.7%	85	6.4%
	General staff	1,170	88.4%	1,213	91.8%
Age	Under 30	435	32.8%	490	37.1%
	30-40	707	53.4%	695	52.6%
	41-50	152	11.5%	120	9.1%
	Over 50	30	2.3%	17	1.2%
Area	Shenzhen	888	67.1%	957	72.4%
	Dongguan	386	29.1%	365	27.6%
	Overseas	50	3.8%	/	/
Employment type	Full-time	1,296	97.9%	1,291	97.7%
	Part-time	0	0.0%	0	0.0%
	Contract	7	0.5%	5	0.4%
	Temporary	0	0.0%	0	0.0%
	Apprentices and interns	21	1.6%	26	1.9%

		2024		2023	
		Number	%	Number	%
Employee turnover					
Total number of turnovers		363	27.4%	227	17.2%
Gender	Male	199	29.0%	108	15.2%
	Female	164	25.7%	119	19.5%
Grade	Chief executives	0	0.0%	0	0.0%
	Senior executives	0	0.0%	0	0.0%
	Middle management	9	7.0%	9	10.6%
	General staff	354	30.3%	218	18.0%
Age	Under 30	154	35.4%	109	22.2%
	30-40	185	26.2%	105	15.1%
	41-50	22	14.5%	12	10.0%
	Over 50	2	6.7%	1	5.9%
Area	Mainland China	351	27.6%	227	17.2%
	Overseas	12	24.0%	/	/
New employee					
Total number of new employees		309	23.3%	376	28.4%
Gender	Male	135	19.7%	179	25.2%
	Female	174	27.3%	197	32.2%
Grade	Chief executives	0	0.0%	0	0.0%
	Senior executives	0	0.0%	1	4.5%
	Middle management	18	14.0%	8	9.4%
	General staff	291	24.9%	367	30.3%
Age	Under 30	188	43.2%	241	49.2%
	30-40	109	15.4%	131	18.8%
	41-50	11	7.2%	4	3.3%
	Over 50	1	3.3%	0	0.0%
Area	Mainland China	296	23.2%	376	28.4%
	Overseas	13	26.0%	/	/

		2024		2023	
		Number	%	Number	%
Performance in development and training					
Total number of trained employees		1,324	100.0%	1,322	100.0%
Total training hours of employees		50,040.6	N/A	50,647.0	N/A
Average training hours per employee		37.8	N/A	38.3	N/A
Number of trained employees					
Gender	Male	687	100.0%	711	100.0%
	Female	637	100.0%	611	100.0%
Grade	Chief executives	3	100.0%	2	100.0%
	Senior executives	22	100.0%	22	100.0%
	Middle management	129	100.0%	85	100.0%
	General staff	1,170	100.0%	1,213	100.0%
Average training hours					
Gender	Male	37.5	N/A	38.2	N/A
	Female	38.1	N/A	38.5	N/A
Grade	Chief executives	52.5	N/A	131.0	N/A
	Senior executives	47.5	N/A	108.3	N/A
	Middle management	34.6	N/A	43.6	N/A
	General staff	37.9	N/A	36.5	N/A

Supply chain management performance	Number of suppliers	Materials/Services provided
Mainland China	164	Polymer materials, metal materials, tooling, production auxiliary materials and outsourcing, etc.
Others, such as the U.S., Germany, Singapore, Switzerland	23	Polymer tubing and metal raw materials, etc.

Occupational health and safety performance	Total		
	2024	2023	2022
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0%	0%	0%
Number of work-related injuries	0	0	0
Number of working days lost due to work injury	0	0	0
Number of absent days	0	0	0

Performance in product responsibility	2024	2023	2022
Number of products subject to recalls for health and safety reasons	0	0	0
Percentage of products subject to recalls for health and safety reasons	0%	0%	0%
Number of products and service-related complaints received	118	124	116
Percentage of timely addressed of products and service-related complaints received	100.0%	96.8%	97.8%

Performance in anti-corruption	2024	2023	2022
Number of concluded cases regarding corrupt practice brought against LifeTech or its employees	0	0	0
Total anti-corruption training hours provided for directors (hours)	2	2	3
Average anti-corruption training hours provided for employees (hours)	0.4	0.4	0.1

REPORT CONTENT INDEX

A. Environmental

Subject Areas	Content	Chapter index and remarks
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Energy Efficiency and Carbon Emissions Management Gas Emissions Management Water Resource Management Waste and Recycled Materials Management
A1.1	The types of emissions and respective emissions data.	Gas Emissions Management KPI Overview
A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy Efficiency and Carbon Emissions Management KPI Overview
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Recycled Materials Management KPI Overview
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Recycled Materials Management KPI Overview
A1.5	Description of emissions target(s); and Steps taken to achieve them.	Energy Efficiency and Carbon Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled; Steps taken to achieve them; and Description of reduction target(s) set.	Energy Efficiency and Carbon Emissions Management Waste and Recycled Materials Management

Subject Areas	Content	Chapter index and remarks
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Efficiency and Carbon Emissions Management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	KPI Overview
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	KPI Overview
A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	Energy Efficiency and Carbon Emissions Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose; Water efficiency target(s) set; and Steps taken to achieve them.	Water Resource Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Management of Packaging Materials KPI Overview
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

B. Social

Subject Areas	Content	Chapter index and remarks
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Benefits and Welfare Equal Opportunities
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	KPI Overview
B1.2	Employee turnover rate by gender, age group and geographical region.	KPI Overview
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	KPI Overview
B2.2	Lost days due to work injury.	KPI Overview
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Management and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI Overview
B3.2	The average training hours completed per employee by gender and employee category.	KPI Overview

Subject Areas	Content	Chapter index and remarks
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Benefits and Welfare
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Benefits and Welfare
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Benefits and Welfare
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Procurement and Supply Chain Management
B5.1	Number of suppliers by geographical region.	Procurement and Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, and how they are implemented and monitored.	Procurement and Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Procurement and Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Procurement and Supply Chain Management

Subject Areas	Content	Chapter index and remarks
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality and Safety Product Responsibility Product Diversification and Innovation Customer Service Information Security Protection of Intellectual Property Rights
B6.1	Percentage of total products sold or shipped subject to recalls for health and safety reasons.	KPI Overview
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety Customer Service
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	Corporate Governance, Anti-corruption and Anti-competition
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	KPI Overview
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance, Anti-corruption and Anti-competition Whistle-blowing Procedures
B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance, Anti-corruption and Anti-competition

Subject Areas	Content	Chapter index and remarks
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Understanding the needs of the community and participating in community work
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Understanding the needs of the community and participating in community work
B8.2	Resources contributed (e.g. money or time) to the focus area.	Understanding the needs of the community and participating in community work