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LifeTech Scientific Corporation **先健科技公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- The revenue of the Group was approximately RMB1,369.8 million for the year ended 31 December 2025 as compared to approximately RMB1,303.7 million for the corresponding period of 2024, representing an increase of approximately RMB66.1 million or approximately 5.1%. This increase was mainly due to the increase in revenue from the sales of stent grafts.
- Gross profit was approximately RMB1,019.1 million for the year ended 31 December 2025 as compared to approximately RMB981.4 million for the corresponding period of 2024, representing an increase of approximately 3.8%.
- Net profit of the Company for the year ended 31 December 2025, excluding certain non-recurring items, was approximately RMB353.4 million as compared to the net profit amounting to approximately RMB283.0 million in 2024, representing an increase of approximately 24.9%. Such non-recurring items included (i) the share-based payment expenses were approximately RMB224.1 million in 2025 (2024: approximately RMB155.2 million); (ii) the other gains and losses resulting from financial assets at fair value through profit or loss ("FVTPL") were gains of approximately RMB1.6 million in 2025 (2024: gains of approximately RMB40.7 million); and (iii) the changes in fair value of the financial liabilities at FVTPL related to the redeemable shares of Biotyx Medical (Shenzhen) Co., Ltd. ("Biotyx Medical") were losses of approximately RMB18.5 million in 2025 (2024: nil).
- Net profit of the Company for the year ended 31 December 2025, considering the above mentioned non-recurring items, was approximately RMB112.4 million as compared to the net profit amounting to approximately RMB168.5 million in 2024, representing a decrease of approximately 33.3%. Net profit attributable to owners of the Company for the year ended 31 December 2025, was approximately RMB147.8 million as compared to the net profit attributable to owners of the Company amounting to approximately RMB222.4 million in 2024, representing a decrease of approximately 33.5%. The decrease was mainly due to (i) the increase in share-based payment expenses; and (ii) the increase in income tax expense, which was mainly generated from Lifetech Scientific (Shenzhen) Co., Ltd. ("Lifetech Shenzhen") allocating profits to its parent company.
- The Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: nil).

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of LifeTech Scientific Corporation (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025, together with the comparative figures for the corresponding period of 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	4	1,369,779	1,303,699
Cost of sales		<u>(350,666)</u>	<u>(322,264)</u>
Gross profit		1,019,113	981,435
Other income, expenses, gains and losses	5	16,569	15,055
Impairment losses under expected credit loss model, net of reversal		710	(3,037)
Selling and distribution expenses		(401,784)	(339,619)
Administration expenses		(207,238)	(164,583)
Research and development expenses		<u>(242,657)</u>	<u>(302,915)</u>
Operating profit		184,713	186,336
Finance income, net	6	18,995	13,321
Share of results of associates		6,199	(662)
Changes in fair value of financial liabilities at FVTPL	15	<u>(18,453)</u>	<u>—</u>
Profit before tax	7	191,454	198,995
Income tax expense	8	<u>(79,076)</u>	<u>(30,504)</u>
Profit for the year		<u>112,378</u>	<u>168,491</u>
Other comprehensive income (expense):			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax		28,292	(96,500)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>1,365</u>	<u>(548)</u>
Other comprehensive income (expense)		<u>29,657</u>	<u>(97,048)</u>
Total comprehensive income for the year		<u>142,035</u>	<u>71,443</u>
Profit (loss) for the year attributable to:			
Owners of the Company		147,827	222,388
Non-controlling interests		<u>(35,449)</u>	<u>(53,897)</u>
		<u>112,378</u>	<u>168,491</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		177,484	125,340
Non-controlling interests		<u>(35,449)</u>	<u>(53,897)</u>
		<u>142,035</u>	<u>71,443</u>
Earnings per share	10		
– Basic		RMB3.4 cents	RMB5.1 cents
– Diluted		<u>RMB3.3 cents</u>	<u>RMB5.1 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		921,096	931,036
Right-of-use assets		47,410	45,468
Investment properties		290,578	292,994
Intangible assets		779,184	730,661
Interests in associates		106,340	72,692
Financial assets at FVTPL	11	353,797	252,149
Equity instruments at FVTOCI		45,391	17,099
Deposits for acquisition of property, plant and equipment/right-of-use assets		17,922	26,964
Deferred tax assets		125,576	117,142
Fixed bank deposits		—	80,000
		<u>2,687,294</u>	<u>2,566,205</u>
Current assets			
Inventories		444,903	532,398
Trade receivables	12	161,797	136,690
Other receivables and prepayments	13	515,380	478,222
Financial assets at FVTPL	11	401,000	311,000
Fixed bank deposits		29,783	205,133
Restricted bank deposits		52,956	4,975
Cash and cash equivalents		719,315	665,755
		<u>2,325,134</u>	<u>2,334,173</u>
Current liabilities			
Trade and other payables	14	841,070	758,212
Contract liabilities		31,247	21,435
Tax liabilities		26,551	32,204
Lease liabilities		3,761	3,787
Financial liabilities at FVTPL	15	576,779	—
		<u>1,479,408</u>	<u>815,638</u>
Net current assets		<u>845,726</u>	<u>1,518,535</u>
Total assets less current liabilities		<u>3,533,020</u>	<u>4,084,740</u>

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Government grants		53,636	49,793
Lease liabilities		4,276	1,192
Financial liabilities at FVTPL	15	—	558,326
		<u>57,912</u>	<u>609,311</u>
Net assets		<u>3,475,108</u>	<u>3,475,429</u>
Capital and reserves			
Share capital	16	37	37
Reserves		<u>3,512,610</u>	<u>3,494,470</u>
Equity attributable to owners of the Company		<u>3,512,647</u>	3,494,507
Non-controlling interests		<u>(37,539)</u>	<u>(19,078)</u>
Total equity		<u>3,475,108</u>	<u>3,475,429</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 17 August 2006 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Xie Yuehui, is the Chairman and Chief Executive Officer of the Company. The address of the registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands and the address of the principal place of business is LifeTech Scientific Building, No.22, Keji 12th Road South, High-tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China ("PRC").

The Company is an investment holding company. The principal activities of the Group are development, manufacture and trading of advanced interventional medical devices for cardiovascular and peripheral vascular diseases and disorders.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and the Group's major operating subsidiaries.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21: Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of sales of medical devices through wholesale and recognised at a point in time

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Total RMB'000	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Total RMB'000
Types of goods								
Sales of medical devices	511,676	844,628	13,475	1,369,779	527,578	751,112	25,009	1,303,699
Geographical markets								
Mainland China	274,653	685,222	13,475	973,350	308,396	623,700	25,009	957,105
Europe	89,647	76,209	—	165,856	75,507	56,245	—	131,752
Asia, excluding mainland China								
and India	66,937	38,461	—	105,398	62,699	35,802	—	98,501
India	40,686	16,630	—	57,316	38,571	14,997	—	53,568
South America	25,066	14,677	—	39,743	24,407	11,659	—	36,066
Africa	10,578	12,296	—	22,874	11,228	7,704	—	18,932
Others	4,109	1,133	—	5,242	6,770	1,005	—	7,775
Total	511,676	844,628	13,475	1,369,779	527,578	751,112	25,009	1,303,699

The Group manufactures and sells the advanced interventional medical devices for cardiovascular and peripheral vascular diseases and disorders to the corporation directly.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery). Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, also have the primary responsibility on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 180 days (2024: 30 to 180 days) upon delivery.

The contracts of selling medical devices have an original expected duration of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information

The segment information reported internally was analysed on the basis of their products supplied by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by executive directors of the Company, the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of performance.

In the current year, the Group reorganised its internal reporting structure which resulted in changes to the allocation of segment assets and liabilities of its reportable segments. Prior year segment disclosures have been represented to conform with the current year's presentation.

The Group's operating segments under IFRS 8 *Operating Segments* are as follows:

- Structural heart diseases business: trade, manufacture, research and development of devices related to structural heart diseases.
- Peripheral vascular diseases business: trade, manufacture, research and development of devices related to peripheral vascular diseases.
- Cardiac pacing and electrophysiology business: trade, manufacture, research and development of devices related to cardiac pacing and electrophysiology.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Information regarding the above segments is reported below.

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information - *continued*

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2025

	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Total RMB'000
SEGMENT REVENUE				
External sales	511,676	844,628	13,475	1,369,779
Segment profit (loss)	452,886	569,564	(2,512)	1,019,938
Unallocated income				
- Finance income				19,205
- Other income and other gains				55,248
- Share of results of associates				6,199
Unallocated expense				
- Other expenses and losses				(38,679)
- Selling and distribution expenses				(401,784)
- Administration expenses				(207,238)
- Research and development expenses				(242,657)
- Changes in fair value of financial liabilities at FVTPL				(18,453)
- Finance costs				(210)
- Impairment losses under expected credit loss model, net of reversal				(115)
Profit before tax				191,454

4. REVENUE AND SEGMENT INFORMATION - continued

Segment Information - continued

(a) Segment revenue and results - continued

For the year ended 31 December 2024

	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Total RMB'000
SEGMENT REVENUE				
External sales	527,578	751,112	25,009	1,303,699
Segment profit (loss)	458,083	529,667	(8,019)	979,731
Unallocated income				
- Finance income				15,211
- Other income and other gains				114,679
Unallocated expense				
- Other expenses and losses				(99,624)
- Selling and distribution expenses				(339,619)
- Administration expenses				(164,583)
- Research and development expenses				(302,915)
- Finance costs				(1,890)
- Share of results of associates				(662)
- Impairment losses under expected credit loss model, net of reversal				(1,333)
Profit before tax				198,995

Segment profit represents the gross profit earned by each segment without allocation of all other items of income and expenses, as set out above. This is the measure reported to the CODM, for the purposes of resources allocation and assessment of segment performance.

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information - *continued*

(b) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	2025	2024
	RMB'000	RMB'000
Operating segments		
Structural heart diseases business	618,308	688,026
Peripheral vascular diseases business	1,020,646	979,544
Cardiac pacing and electrophysiology business	70,595	70,595
	1,709,549	1,738,165
Unallocated assets		
Interests in associates	106,340	72,692
Property, plant and equipment	553,963	542,596
Right-of-use assets	47,410	45,468
Investment properties	290,578	292,994
Deferred tax assets	125,576	117,142
Financial assets at FVTPL	754,797	563,149
Equity instruments at FVTOCI	45,391	17,099
Other receivables and prepayments	515,380	478,222
Cash and cash equivalents	719,315	665,755
Restricted bank deposits	52,956	4,975
Fixed bank deposits	29,783	285,133
Intangible assets	43,468	50,024
Deposits for acquisition of property, plant and equipment/right-of-use assets	17,922	26,964
Consolidated assets	5,012,428	4,900,378

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information - *continued*

(b) *Segment assets and liabilities - continued*

Segment liabilities

	2025	2024
	RMB'000	RMB'000
Operating segments		
Structural heart diseases business	137,302	127,440
Peripheral vascular diseases business	226,646	181,439
Cardiac pacing and electrophysiology business	22,733	22,733
	<u>386,681</u>	<u>331,612</u>
Total segment liabilities	386,681	331,612
Unallocated liabilities		
Other payables	482,312	443,377
Tax liabilities	26,551	32,204
Government grants	56,960	54,451
Lease liabilities	8,037	4,979
Financial liabilities at FVTPL	576,779	558,326
	<u>1,537,320</u>	<u>1,424,949</u>
Consolidated liabilities	1,537,320	1,424,949

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than interests in associates, certain property, plant and equipment, right-of-use assets, investment properties, deferred tax assets, financial assets at FVTPL, equity instruments at FVTOCI, other receivables and prepayments, cash and cash equivalents, fixed bank deposits, restricted bank deposits, certain intangible assets, and deposits for acquisition of property, plant and equipment/right-of-use assets; and
- All liabilities are allocated to operating segments in arriving at segment liabilities, which exclude certain other payables, tax liabilities, government grants (include current portion under other payables and non-current portion), lease liabilities and financial liabilities at FVTPL.

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information - *continued*

(c) *Other segment information*

For the year ended 31 December 2025

	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit (loss) or segment assets:					
Depreciation of property, plant and equipment	16,268	26,853	428	23,988	67,537
Amortisation of intangible assets	7,632	12,598	201	—	20,431
Write-down on inventories	2,106	3,475	55	—	5,636
Impairment losses reversed on trade receivables, net	(307)	(509)	(9)	—	(825)
Impairment losses of intangible assets	—	—	—	18,646	18,646

For the year ended 31 December 2024

	Structural heart diseases business RMB'000	Peripheral vascular diseases business RMB'000	Cardiac pacing and electrophysiology business RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit (loss) or segment assets:					
Depreciation of property, plant and equipment	18,761	26,710	889	11,083	57,443
Amortisation of intangible assets	5,440	7,745	258	—	13,443
Write-down on inventories	5,052	7,191	239	—	12,482
Impairment losses reversed on trade receivables, net	690	982	32	—	1,704
Impairment losses of intangible assets	—	—	—	65,971	65,971

4. REVENUE AND SEGMENT INFORMATION - *continued*

Segment Information - *continued*

(d) *Geographical information*

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on geographical locations of the assets.

	Revenue from external customers		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Mainland China	973,350	957,105	2,161,856	2,099,202
Europe	165,856	131,752	305	45
Asia, excluding mainland				
China and India	105,398	98,501	173	337
India	57,316	53,568	196	231
South America	39,743	36,066	—	—
Africa	22,874	18,932	—	—
Others	5,242	7,775	—	—
Total	<u>1,369,779</u>	<u>1,303,699</u>	<u>2,162,530</u>	<u>2,099,815</u>

Note: Non-current assets excluded financial assets at FVTPL, equity instruments at FVTOCI, fixed bank deposits and deferred tax assets.

(e) *Information about major customer*

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A ¹	<u>142,159</u>	<u>N/A²</u>

¹ Revenue from peripheral vascular diseases business

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME, EXPENSES, GAINS AND LOSSES

	2025	2024
	RMB'000	RMB'000
Other income and expenses		
Rental income generated from investment properties	35,078	36,637
Government grants	17,892	15,460
Depreciation of investment properties	(9,447)	(9,101)
Others	(13,119)	(5,900)
	<u>30,404</u>	<u>37,096</u>
Other gains and losses		
Impairment losses of intangible assets	(18,646)	(65,971)
Gain from changes in fair value of equity funds	95	56,568
Unrealised foreign exchange (loss) gain in financial assets at FVTPL	(4,650)	2,243
Gain (loss) from changes in fair value of hybrid funds	6,203	(18,118)
Interest from short-term bank structured deposits	6,251	3,358
Other net foreign exchange gain	582	413
Loss on disposal of property, plant and equipment and intangible assets	(412)	(534)
Loss on disposal of subsidiaries	(3,258)	—
	<u>(13,835)</u>	<u>(22,041)</u>
	<u>16,569</u>	<u>15,055</u>

6. FINANCE INCOME, NET

	2025	2024
	RMB'000	RMB'000
Finance income from:		
Interest income on bank deposits	19,205	15,211
Finance cost from:		
Interest on bank borrowing	—	(1,512)
Interest on lease liabilities	(210)	(378)
Finance income, net	<u>18,995</u>	<u>13,321</u>

7. PROFIT BEFORE TAX

	2025 RMB'000	2024 RMB'000
Profit before tax has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
Directors' fees	740	720
Salaries, wages and other benefits	259,295	283,502
Performance related bonus	67,470	65,416
Share-based payment expenses	229,111	193,927
Retirement benefits scheme contributions	37,318	38,100
Less: capitalised in development costs, construction in progress and inventories	<u>(91,707)</u>	<u>(113,802)</u>
	<u>502,227</u>	<u>467,863</u>
Auditor's remuneration (including audit and non-audit services):	3,121	2,761
Audit services	2,671	2,671
Non-audit services	450	90
Cost of inventories recognised as expenses (Note i)	350,666	322,264
Depreciation of property, plant and equipment	67,537	57,443
Depreciation of investment properties	9,447	9,101
Depreciation of right-of-use assets	5,680	8,009
Amortisation of intangible assets (Note ii)	20,431	13,443
Less: capitalised in inventories	<u>(22,264)</u>	<u>(13,091)</u>
Total depreciation and amortisation	<u>80,831</u>	<u>74,905</u>
Gross rental income from investment properties	(35,078)	(36,637)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	<u>9,447</u>	<u>9,101</u>
	<u>(25,631)</u>	<u>(27,536)</u>

Notes:

- (i) For the year ended 31 December 2025, cost of inventories recognised as expenses included write-down on inventories of RMB5,636,000 (2024: RMB12,482,000).
- (ii) Amortisation of intangible assets is included in cost of sales, selling and distribution expenses, administration expenses and research and development expenses amounting to approximately RMB889,000 (2024: RMB733,000), RMB15,000 (2024: RMB15,000), RMB1,874,000 (2024: RMB1,619,000) and RMB17,653,000 (2024: RMB11,076,000) respectively for the year.

8. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax:		
PRC Enterprise Income Tax ("PRC EIT")	33,231	46,857
Hong Kong Profits Tax	24,686	19,716
Withholding tax on dividend	30,000	—
Over provision in prior year		
PRC EIT	(407)	(1,958)
Deferred tax credit:		
Deferred tax	(8,434)	(34,111)
	79,076	30,504

The Company is tax exempted under the laws of the Cayman Islands.

Lifetech Scientific International Holding Limited, a subsidiary of the Company, is subject to Hong Kong Profits Tax. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2018 (the "Bill") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HKD2.0 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2.0 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% on assessable profits earned in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for Lifetech Shenzhen, the major operating subsidiary in the PRC. Lifetech Shenzhen has been qualified as a High and New Technology Enterprise since 2009, which was subsequently renewed in November 2023, and therefore Lifetech Shenzhen is entitled to a preferential corporate income tax rate of 15% for the years ended 31 December 2025 and 2024. Biotyx Medical was qualified as High and New Technology Enterprise since 2021, which was subsequently renewed in December 2025, and therefore Biotyx Medical is entitled to a preferential income tax rate of 15% for the year ended 31 December 2025. The qualification of High and New Technology Enterprises is subject to review by relevant authorities in the PRC for every three years.

The applicable income tax rate of Lifetech Scientific India Private Ltd. in the jurisdiction of India is 30.9% on its taxable profits. No provision for taxation in India has been made as there is no assessable profits in India for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025	2024
	RMB'000	RMB'000
Earnings:		
Earnings for the purposes of basic and diluted earnings per share	<u>147,827</u>	<u>222,388</u>
	2025	2024
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	4,370,093	4,379,345
Effect of dilutive potential ordinary shares:		
Share Options	712	6,865
Awarded Shares	<u>47,341</u>	<u>8,277</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,418,146</u>	<u>4,394,487</u>

The computation of diluted earnings per share does not assume the conversion of certain of the Company's share options because the exercise price of those options was higher than the average market prices for shares for 2025 and 2024.

Note: Treasury shares are deducted from total number of shares in issue for the purpose of calculating earnings per share.

11. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Financial assets mandatorily measured at FVTPL:		
Non-current assets		
Unlisted funds		
- Equity funds (Note i)	204,875	209,430
- Hybrid funds (Note ii)	48,842	42,639
Investment in an associate held via preference shares (Note iii)	100,000	—
Others	80	80
	353,797	252,149
Current assets		
Short-term bank structured deposits (Note iv)	401,000	311,000

Notes:

- (i) On 25 May 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for interest of a private equity fund ("2018 Equity Fund"), as a limited partner, for an aggregate consideration of USD6,000,000 (equivalent to approximately RMB38,202,000) in cash. The 2018 Equity Fund principally invests in securities or assets of companies that are involved in the healthcare industry, with a particular focus on cross-border innovative late-stage venture opportunities and cross-over investments.

On 24 October 2022, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for interest of a private equity fund ("2022 Equity Fund"), as a limited partner, for an aggregate consideration of USD20,000,000 (equivalent to approximately RMB144,378,000) in cash. The purposes of the 2022 Equity Fund are to seek capital appreciation primarily by acquiring, holding and disposing of securities, independently or with others, primarily in non-listed or, sometimes, listed persons involved in the healthcare industry, with a particular focus on leading innovative technologies.

The equity funds are managed by fund/investment managers, and the Group does not have rights to engage in the management of the equity funds. The Group, as a limited partner in the equity funds does not have the rights to participate in the financial and operating policy decisions of the equity funds. As such, the Group does not have significant influence over the equity funds, and therefore they are not accounted for as associates.

The equity funds are accounted for as financial assets at FVTPL in accordance with IFRS 9. In the opinion of the directors of the Company, these funds are held for long-term strategic investment purposes and as such, the investments are classified as non-current.

11. FINANCIAL ASSETS AT FVTPL - *continued*

Notes: - *continued*

- (ii) On 8 January 2021, the Group entered into a contract to purchase a hybrid fund unit with a financial institution, which was accounted for as financial assets at FVTPL on initial recognition, for a consideration of RMB10,000,000 in cash.

On 28 November 2023, the Group entered into a contract to purchase another hybrid fund unit with a financial institution, which was accounted for as financial assets at FVTPL on initial recognition, for a consideration of RMB50,000,000 in cash.

The hybrid funds are accounted for as financial assets at FVTPL in accordance with IFRS 9. In the opinion of the directors of the Company, these funds are held for long-term strategic investment purposes and as such, the investments are classified as non-current.

- (iii) On 6 June 2025, the Group entered into a series of agreements through Lifetech Shenzhen, to make a cash investment in Affector Medtech (Suzhou) Ltd. (劍虎醫療科技(蘇州)有限公司) ("Affector Medtech"), for a total consideration of RMB150,000,000. Upon completion of all stages of the investment, Lifetech Shenzhen will hold 30% equity interest in Affector Medtech.

As of 31 December 2025, Lifetech Shenzhen has completed the first stage of capital injection, for a consideration of RMB100,000,000 in cash and holds a 22.22% equity interest in Affector Medtech.

The Group is able to exercise significant influence over Affector Medtech because the Group is entitled to appoint two of the seven directors under its Articles of Association. Pursuant to the above mentioned agreements, if Affector Medtech is unable to meet certain specified conditions under agreed milestone, Lifetech Shenzhen will have the right to exercise the liquidation preference and redemption rights. Taking into account the substantive redemption and liquidation preference features, the directors of the Company consider these preferred shares do not carry rights that are substantially the same as the Affector Medtech's ordinary shares and accordingly these preferred shares are accounted for as financial instruments measured at FVTPL under IFRS 9. Accordingly, these preference shares are classified as a financial asset.

In the opinion of the directors of the Company, the investment is held for long-term strategic investment purposes and as such, the investment is classified as non-current. In the opinion of the directors of the Company, the fair value change in relation to the investment during the year ended 31 December 2025 is insignificant.

- (iv) During the years ended 31 December 2025 and 2024, Lifetech Shenzhen entered into structured deposit agreements with certain PRC banks.

The Group holds approximately 9.69% (2024: 9.69%), approximately 4.60% (2024: 4.60%) and approximately 22.22% (2024: nil) interest in the 2018 Equity Fund, 2022 Equity Fund and investment in an associate held via preference shares at the end of reporting period, respectively.

There was no dividend income during the years ended 31 December 2025 and 2024.

12. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables from contracts with customers	167,098	142,816
Less: allowance for credit losses	(5,301)	(6,126)
	<u>161,797</u>	<u>136,690</u>

Trade receivables mainly arose from sales of medical devices.

The Group normally allows a credit period of 30 to 180 days (2024: 30 to 180 days) to its trade customers. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	2025 RMB'000	2024 RMB'000
1 to 90 days	147,602	124,812
91 to 180 days	6,795	6,616
181 to 365 days	2,900	2,760
Over 365 days	4,500	2,502
	<u>161,797</u>	<u>136,690</u>

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB28,731,000 (2024: RMB39,425,000) which are past due as at the reporting date. Out of the past due balances, RMB12,248,000 (2024: RMB10,388,000) has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history. The Group does not hold any collateral over these balances.

13. OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	RMB'000	RMB'000
Other debtors (Note i)	123,353	18,823
Value added tax recoverable	46,306	76,596
Prepayments	31,645	67,928
Advance to employees - interest free	35,028	22,904
Advance to employees - others (Note ii)	—	287,519
Amounts due from directors - others (Note ii)	274,869	—
Rental deposits	1,592	2,874
Other deposits	2,587	1,578
	515,380	478,222

Notes:

- (i) Amounts are unsecured and interest-free. In the opinion of the directors, the Group will demand for repayments within one year from the end of reporting period and the amounts are therefore considered as current.

Included in the amount as at 31 December 2025 was the balance to associates amounting to RMB3,313,000 (2024: RMB1,775,000).

In addition, the amount as at 31 December 2025 also includes receivables from certain employees, who were appointed as directors of the Company subsequent to the relevant transactions, amounting to RMB66,143,000 (2024: nil). Such receivables arose in respect of payables by the Company on their behalf and recoverable from them and constituted non-cash transactions during the year. These receivables are non-trade in nature, unsecured, interest-free and repayable on demand.

- (ii) As at 31 December 2024, the amounts represents deferred payment from employees of the Group who acquired 230,945,000 shares under the 2019 Share Award Scheme adopted on 28 December 2018 (the "2019 Share Award Scheme") for a purchase price of HKD1.35 per share. The deferred payments are secured by the corresponding shares. At the time of grant and acceptance of such share awards, none of these employees was a connected person of the Company as defined under the Listing Rules on the Stock Exchange.

Pursuant to the conditions accepted by these employees and with the consent of the Company, the ownership of such shares has been transferred to these employees and they are obliged to pay for such shares and complete the taking up of such shares within the remaining life of the 2019 Share Award Scheme.

On 21 November 2025, these employees were appointed as executive directors of the Company. During the year ended 31 December 2025, an aggregate of consideration of approximately RMB6,596,000, representing the consideration of 5,409,338 ordinary shares, have been settled by these executive directors.

As at the year ended 31 December 2025, the amounts due from the directors represents the consideration receivable for the remaining 225,535,662 shares (the "Outstanding Shares").

Subsequently, on 30 March 2026, these executive directors signed letters of surrender with the Company pursuant to which they irrevocably surrender and forego the Outstanding Shares without any recourse against the Company, any of its subsidiaries or any of their respective directors, officers, employees, agents, advisers and other representatives. The relevant amount due from the directors is subsequently offset and the Outstanding Shares are recognised to reserve for share award scheme. This transaction is considered as non-cash transaction of the Company.

14. TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	RMB'000
Trade payables	84,703	59,543
Other payables:		
Government grants	3,324	4,658
Accrued payroll and bonus	109,293	107,447
Rental deposits	6,812	6,661
Refund liabilities (Note i)	270,731	250,635
Other payables (Note ii)	198,475	142,534
Construction payables	134	10,512
Accrued expenses	153,182	166,020
Value-added tax payables	8,807	4,520
Other tax payables	5,609	5,682
	756,367	698,669
	841,070	758,212

Notes:

- (i) The refund liabilities are arisen from outstanding rebates in relation to the goods sold to certain customers.
- (ii) Included in the amount as at 31 December 2025 was the balance to an associate amounting to RMB5,068,000 (2024: RMB15,942,000).

The credit period granted by suppliers to the Group ranged from 30 to 120 days (2024: 30 to 120 days). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0 - 30 days	10,100	7,520
31 - 60 days	11,862	9,020
61 - 90 days	12,564	5,769
91 - 120 days	8,891	3,238
Over 120 days	41,286	33,996
	84,703	59,543

15. FINANCIAL LIABILITIES AT FVTPL

	2025	2024
	RMB'000	RMB'000
Capital injection from other investors	<u>576,779</u>	<u>558,326</u>
Classified as:		
Non-current liabilities	—	558,326
Current liabilities	<u>576,779</u>	<u>—</u>

During the year ended 31 December 2020, Lifetech Shenzhen, a wholly-owned subsidiary of the Company, entered into a shareholders' agreement ("Series A Agreement") with certain independent third parties for issuance of shares of Biotyx Medical, a subsidiary of Lifetech Shenzhen, with a total consideration of RMB135,000,000. Pursuant to the Series A Agreement, during the year ended 31 December 2020, Biotyx Medical received the first capital injection of RMB67,500,000. During the year ended 31 December 2021, Biotyx Medical received the second capital injection of RMB67,500,000. Upon the completion of the above transaction, the Group's equity interest in Biotyx Medical decreased from 66.17% to 57.44%.

During the year ended 31 December 2023, Lifetech Shenzhen entered into another shareholders' agreement ("Series B Agreement") with certain independent third parties for issuance of shares of Biotyx Medical, with a total consideration of RMB202,000,000. Pursuant to the Series B Agreement, during the year ended 31 December 2023, Biotyx Medical received the total capital injection of RMB202,000,000. Upon the completion of the transaction, the Group's equity interest in Biotyx Medical decreased from 57.44% to 49.64%.

Pursuant to the above mentioned Series A and Series B Agreements, if Biotyx Medical is unable to meet certain specified conditions under agreed timeframe, the holders of these shares will have the right to require Biotyx Medical to redeem all of their shares at the predetermined consideration. Accordingly, these shares are classified as a financial liability.

As at 31 December 2025, the holders of these shares are eligible to exercise the redemption rights within twelve months after the reporting period and therefore the financial liabilities at FVTPL are classified as current.

The estimated fair value has been arrived at on the basis of valuations carried out by ValueLink Group, independent qualified professional valuers not connected with the Group on 31 December 2025. And the fair value loss of RMB18,453,000 (2024: nil) in relation to the financial liabilities was recognised in profit or loss during the year.

Through financial risk management measures, the Group expects that it will be able to satisfy its redemption obligations in the case that the above specific conditions happen.

16. SHARE CAPITAL

	Number of shares	Amount USD
Ordinary shares		
Authorised:		
At 1 January 2024, 31 December 2024 and 2025 at USD0.00000125 each	40,000,000,000	50,000
		Shown in the consolidated statement of financial position as RMB'000
	Number of shares	Amount USD
Issued and fully paid:		
At 1 January 2024	4,630,232,400	5,789
Exercise of share options	380,000	—**
	4,630,612,400	5,789
At 31 December 2024	4,630,612,400	5,789
Exercise of share options	1,100,000	1
	4,631,712,400	5,790
At 31 December 2025	4,631,712,400	37

** Less than USD1.

* Less than RMB1,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a developer, manufacturer and marketer of advanced minimally invasive interventional medical devices for cardiovascular and peripheral vascular diseases and disorders. Currently, the Group operates three main product lines, including the structural heart diseases business, peripheral vascular diseases business and cardiac pacing and electrophysiology business. The structural heart diseases business primarily includes congenital heart diseases occluders and left atrial appendage (“LAA”) occluders. The peripheral vascular diseases business mainly includes vena cava filters and stent grafts. The cardiac pacing and electrophysiology business is mainly related to pacemakers. These product lines offer clinically effective and commercially attractive solutions, addressing critical clinical needs in the global healthcare market.

The Group currently has distributors in numerous countries across Asia, Europe, North America, South America, and Africa, with sales network spreading all over the world.

Annual performances

During the year ended 31 December 2025, the Group achieved a revenue of approximately RMB1,369.8 million, representing an increase of approximately RMB66.1 million or approximately 5.1% as compared to the revenue of approximately RMB1,303.7 million for the year ended 31 December 2024. China’s mainland remained as the Group’s largest market, contributing to approximately 71.1% of its total revenue for the year ended 31 December 2025 (2024: approximately 73.4%). Meanwhile, Asia (excluding China’s mainland) and Europe were the Group’s two largest overseas markets, accounting for approximately 11.9% and 12.1% of total revenue for the year ended 31 December 2025, respectively (2024: approximately 11.7% and 10.1%, respectively). Domestic sales of the Group increased by approximately 1.7% as compared with the corresponding period of 2024, and overseas sales of the Group increased by approximately 14.4% as compared with the corresponding period of 2024, which was mainly attributable to the Company’s active expansion of overseas business and effective marketing strategies.

Net profit of the Company for the year ended 31 December 2025, excluding certain non-recurring items, was approximately RMB353.4 million as compared to the net profit amounting to approximately RMB283.0 million in 2024, representing an increase of approximately 24.9%. Such non-recurring items included (i) the share-based payment expenses were approximately RMB224.1 million in 2025 (2024: approximately RMB155.2 million); (ii) the other gains and losses resulting from financial assets at FVTPL were gains of approximately RMB1.6 million in 2025 (2024: gains of approximately RMB40.7 million); and (iii) the changes in fair value of the financial liabilities at FVTPL related to the redeemable shares of Biotyx Medical were losses of approximately RMB18.5 million in 2025 (2024: nil).

Net profit of the Company for the year ended 31 December 2025, considering the above mentioned non-recurring items, was approximately RMB112.4 million as compared to the net profit amounting to approximately RMB168.5 million in 2024, representing a decrease of approximately 33.3%. Net profit attributable to owners of the Company for the year ended 31 December 2025, was approximately RMB147.8 million as compared to the net profit attributable to owners of the Company amounting to approximately RMB222.4 million in 2024, representing a decrease of approximately 33.5%. The decrease was mainly due to (i) the increase in share-based payment expenses; and (ii) the increase in income tax expense, which was mainly generated from Lifetech Shenzhen allocating profits to its parent company.

Sales and marketing

The Group boasts an experienced sales and marketing team with the professional skills to manage existing distribution networks and explore new markets. To enhance brand and product awareness, the Group organised and participated in domestic and international medical conferences, academic activities, seminars, live broadcast workshops, and training sessions for medical professionals. Additionally, the Group is committed to improving its borderless academic exchange platform. The Lifetech Knowledge Exchange Program, initiated by the Group in 2012, connects cardiovascular experts worldwide for academic exchanges. These experts share valuable medical experiences and clinical skills, fostering the development of medical technology in minimally invasive cardiovascular interventions. Such initiatives not only demonstrate the Group's strength in product innovation but also enhance its international influence, ultimately driving the Company's sales growth.

Research and development ("R&D")

Independently developed innovative domestic medical device products maintains the competitive strengths of the Company, and also provide more effective treatments to patients around the world. In 2025, 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 2025, the Group has made the following main progress in the R&D field:

- Thoracoabdominal Artery Stent Graft System (consists of the G-Branch™ Thoracoabdominal Aortic Stent Graft System, SilverFlow™ PV Peripheral Vascular Stent Graft System, G-Branch™ AE Main Body Extension Stent Graft System, G-Branch™ AAA Bifurcated Stent Graft System and G-Branch™ IE Iliac Extension Stent Graft System), 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), Peripheral Balloon Dilatation Catheter (Large diameter), Yoscop™ Multi-loop Snare System, SteerEase™-m Introducer and LAA Closure Delivery System have obtained the National Medical Products Administration ("NMPA") certification;
- Ankura™ IIc TAA Stent Graft System has obtained the CE MDR (Medical Device Regulation) certification;
- Iliac Bifurcation Device (consists of the G-iliac™ Pro Iliac Bifurcation Stent Graft System and SilverFlow™ Pro Internal Iliac Stent Graft System), Peripheral High Pressure Balloon Dilatation Catheter and Yuranos™ Pro Abdominal Aortic Stent Graft System, etc. 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, G-iliac™ Iliac Bifurcation Device, Thoracoabdominal Artery Stent Graft System (consists of the G-Branch™ Thoracoabdominal Aortic Stent Graft System, SilverFlow™ PV Peripheral Vascular Stent Graft System, G-Branch™ AE Main Body Extension Stent Graft System, G-Branch™ AAA Bifurcated Stent Graft System and G-Branch™ IE Iliac Extension Stent Graft System) and Aortic Arch Stent Graft System (consists of the Ankura™ Plus Aortic Arch Stent Graft System and CSkirt™ Aortic Arch Branch Stent Graft System) are pending registration approval of CE certification;

- CS™ Concave Supra-arch Branched Stent-Graft System, X-Clip™ Mitral Valve Clip System, Surecham™ Aortic Arch Single Branch Stent Graft System (consists of the Aortic Arch Stent Graft System and Aortic Branch Stent Graft System) and Congenital Heart Defect Occluder are currently at the stage of pre-registration clinical enrollment in China;
- Cera™ PFO Occluder has completed pre-marketing clinical enrollment and is currently under clinical follow-up 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;
- IBS™ Sirolimus-Eluting Iron Bioresorbable Coronary Scaffold System has successfully completed the three-year follow-up of the phase II clinical study and two-year follow-up of the phase III clinical study. Currently, its CE and NMPA registration application have been submitted; and
- Congenital Heart Defect Occluder had been admitted into NMPA Special Examination and Approval Procedure for Innovative Medical Devices (藥監局創新醫療器械特別審查程序) (the “Procedure”). It is the 16th product of the Company having obtained admission to the Procedure.

PATENTS AND BRANDING

Intellectual property is an important intangible asset of the Group, and is also an internal driving force for improving the Group’s core competitiveness in the medical device market. During the year ended 31 December 2025, the Group had filed 271 patent applications while 168 patents were registered. As at 31 December 2025, the Group had filed a total of 2,631 valid patent applications, of which 1,217 patents were registered and valid.

FINANCIAL REVIEW

Overview

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

Revenue

The revenue of the Group was approximately RMB1,369.8 million for the year ended 31 December 2025, representing an increase of approximately RMB66.1 million or approximately 5.1% from approximately RMB1,303.7 million for the year ended 31 December 2024. This increase was mainly due to the increase in revenue from the sales of stent grafts.

Revenue from the structural heart diseases business

The turnover contributed by the structural heart diseases business for the year ended 31 December 2025 was approximately RMB511.7 million, representing a decrease of approximately 3.0% from approximately RMB527.6 million for the year ended 31 December 2024.

With the diversification of product portfolio, the Company's products cover a wide spectrum of structural heart diseases business, which mainly include LAA occluders and three generations of congenital heart diseases occluders namely HeartR, Cera and CeraFlex. As compared to the year ended 31 December 2024, the revenue generated from the sales of congenital heart diseases occluders for the year ended 31 December 2025 decreased by approximately 6.3%, while LAA occluders increased by approximately 4.7%.

Revenue from the peripheral vascular diseases business

The turnover contributed by the peripheral vascular diseases business for the year ended 31 December 2025 was approximately RMB844.6 million, representing a growth of approximately 12.4% from approximately RMB751.1 million for the year ended 31 December 2024.

Products offered by the Group in the peripheral vascular diseases business mainly included vena cava filters, Thoracic Aortic Aneurysm stent grafts, Abdominal Aortic Aneurysm stent grafts, Iliac Artery Bifurcation stent grafts, Aortic Stent Graft System, Aortic Arch Stent Graft System and Thoracoabdominal Artery Stent Graft System. As compared to the year ended 31 December 2024, the revenue generated from the sales of stent grafts for the year ended 31 December 2025 increased by approximately 19.9%, while vena cava filters decreased by approximately 12.2%.

Revenue from the cardiac pacing and electrophysiology business

The turnover contributed by the cardiac pacing and electrophysiology business for the year ended 31 December 2025 was approximately RMB13.5 million, representing a decrease of approximately 46.0% from approximately RMB25.0 million for the year ended 31 December 2024.

Gross profit and gross profit margin

Gross profit of the Group increased by approximately 3.8% from approximately RMB981.4 million for the year ended 31 December 2024 to approximately RMB1,019.1 million for the year ended 31 December 2025. Gross profit margin decreased 0.9 percentage points from approximately 75.3% for the year ended 31 December 2024 to approximately 74.4% for the year ended 31 December 2025. The decrease is mainly due to (i) the decrease in the unit selling price of certain products in specific regions resulting from the impact of the centralised procurement policy; and (ii) the change in sales portfolios.

Other income, expenses, gains and losses

Other income, expenses, gains and losses increased from gains of approximately RMB15.1 million for the year ended 31 December 2024 to gains of approximately RMB16.6 million for the year ended 31 December 2025. The change was mainly due to (i) a decrease in the impairment losses on certain suspended development projects of approximately RMB47.3 million; and (ii) a decrease in the gains from changes in fair value of financial assets at FVTPL of approximately RMB39.1 million. The two effects offset each other.

Financial assets at FVTPL

On 25 May 2018, the Group invested USD6.0 million (equivalent to approximately RMB38.2 million) to subscribe for the partnership interest of approximately 9.69% in Ally Bridge Group Innovation Capital Partners III, L.P., a private equity fund established in the Cayman Islands. The 2018 Equity Fund principally invests in securities or assets of companies that are involved in the healthcare industry, with a particular focus on cross-border innovative late-stage venture opportunities and cross-over investments. The fair value of the Group's investment in the 2018 Equity Fund as at 31 December 2025 amounted to approximately RMB8.9 million (2024: approximately RMB8.9 million), representing approximately 0.2% (2024: approximately 0.2%) of the Company's total assets. Based on the cumulative net distributions of approximately RMB57.8 million in 2021 and 2020, coupled with the outlook of the healthcare industry, the Company is optimistic on the prospects for the investments of the 2018 Equity Fund.

On 8 January 2021, the Group invested RMB10.0 million to subscribe for a share of the private securities investment fund. The fair value of this investment as at 31 December 2025 amounted to approximately RMB16.2 million (2024: approximately RMB12.5 million), representing approximately 0.3% (2024: approximately 0.3%) of the Company's total assets.

On 24 October 2022, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for the partnership interest in Ally Bridge Group Global Life Science Capital Partners V, L.P., as a limited partner, for an aggregate consideration of USD20.0 million (equivalent to approximately RMB144.4 million) in cash. The purposes of the 2022 Equity Fund are to seek capital appreciation primarily by acquiring, holding and disposing of securities, independently or with others, primarily in non-listed or, sometimes, listed entities involved in the healthcare industry, with a particular focus on leading innovative technologies. The fair value of the Group's investment in the 2022 Equity Fund as at 31 December 2025 amounted to approximately RMB196.0 million (2024: approximately RMB200.5 million), representing approximately 3.9% (2024: approximately 4.1%) of the Company's total assets.

On 28 November 2023, the Group invested RMB50.0 million to subscribe for a share of the private securities investment fund. The fair value of this investment as at 31 December 2025 amounted to approximately RMB32.7 million (2024: approximately RMB30.2 million), representing approximately 0.7% (2024: approximately 0.6%) of the Company's total assets.

On 6 June 2025, the Group entered into a series of agreements through Lifetech Shenzhen, to make a cash investment in Affector Medtech, for a total consideration of RMB150.0 million. Upon completion of all stages of the investment, Lifetech Shenzhen will hold 30% equity interest in Affector Medtech. As of 31 December 2025, Lifetech Shenzhen has completed the first stage of capital injection, for a consideration of RMB100.0 million in cash and holds a 22.22% equity interest in Affector Medtech. The fair value change in relation to the financial assets for the year ended 31 December 2025 is insignificant. The fair value of the Group's investment in Affector Medtech as at 31 December 2025 amounted to RMB100.0 million (2024: nil), representing approximately 2.0% (2024: nil) of the Company's total assets.

The aggregate unrealised foreign exchange losses in financial assets at FVTPL were approximately RMB4.7 million for the year ended 31 December 2025 (2024: gains of approximately RMB2.2 million), and the aggregate gains from changes in fair value of financial assets at FVTPL were approximately RMB6.3 million for the year ended 31 December 2025 (2024: gains of approximately RMB38.5 million).

The investments are classified as financial assets at FVTPL in accordance with IFRS 9. In the opinion of the Directors, the above investments are held for long-term strategic investment purposes and as such, the above investments are classified as non-current assets.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 18.3% from approximately RMB339.6 million for the year ended 31 December 2024 to approximately RMB401.8 million for the year ended 31 December 2025. The increase was mainly due to the increase in staff costs, of which the increase in share-based payment expenses amounted to approximately RMB89.8 million.

Administration expenses

Administration expenses increased by approximately 25.9% from approximately RMB164.6 million for the year ended 31 December 2024 to approximately RMB207.2 million for the year ended 31 December 2025. The increase was mainly due to (i) the increase in staff costs, of which the increase in share-based payment expenses amounted to approximately RMB26.6 million; and (ii) the increase in the depreciation expense for the industry park, which is located in Songshan Lake, Dongguan, Guangdong, the PRC (the "Lifetech Industry Park"), of approximately RMB17.5 million.

Research and development expenses

Research and development expenses decreased by approximately 19.9% from approximately RMB302.9 million for the year ended 31 December 2024 to approximately RMB242.7 million for the year ended 31 December 2025. In addition, during the year ended 31 December 2025, approximately RMB86.3 million (2024: approximately RMB144.9 million) was capitalised in development expenditure. Considering such capitalised expenditure, research and development cost decreased by approximately 26.5% from approximately RMB447.8 million for the year ended 31 December 2024 to approximately RMB329.0 million for the year ended 31 December 2025. The decrease was mainly due to a reduction related to Biotyx Medical in share-based payment expenses, which was approximately RMB71.0 million.

Operating profit

Operating profit decreased by approximately 0.9% from approximately RMB186.3 million for the year ended 31 December 2024 to approximately RMB184.7 million for the year ended 31 December 2025.

Share of results of associates

The Group's share of gains in associates were approximately RMB6.2 million for the year ended 31 December 2025 (2024: losses of approximately RMB0.7 million).

Finance income and finance costs

The Company earned an interest income of approximately RMB19.2 million for the year ended 31 December 2025 (2024: approximately RMB15.2 million).

The finance costs were approximately RMB0.2 million for the year ended 31 December 2025 (2024: approximately RMB1.9 million).

Financial liabilities at FVTPL

In 2020, Lifetech Shenzhen, a wholly-owned subsidiary of the Company, entered into Series A Agreement with certain independent third parties, and in 2023 entered into Series B Agreement with certain independent third parties, for issuance of shares of Biotyx Medical. Pursuant to the above mentioned Series A and Series B Agreements, if Biotyx Medical is unable to meet certain specified conditions under agreed timeframe, some holders of these shares will have the right to require Biotyx Medical to redeem all of their shares at the predetermined consideration. Accordingly, such shares are classified as a financial liability.

The loss from fair value change of approximately RMB18.5 million (2024: nil) in relation to the financial liabilities was recognised in profit or loss of the Group for the year ended 31 December 2025.

Additional information is set out in note 15 to the consolidated financial statements in this annual results announcement.

Income tax

Income tax increased from approximately RMB30.5 million for the year ended 31 December 2024 to approximately RMB79.1 million for the year ended 31 December 2025. This increase was mainly due to (i) the income tax generated from Lifetech Shenzhen allocating profits to its parent company; and (ii) the increase in assessable income.

Net profit

Net profit of the Company for the year ended 31 December 2025, excluding certain non-recurring items, was approximately RMB353.4 million as compared to the net profit amounting to approximately RMB283.0 million in 2024, representing an increase of approximately 24.9%. Such non-recurring items included (i) the share-based payment expenses were approximately RMB224.1 million in 2025 (2024: approximately RMB155.2 million); (ii) the other gains and losses resulting from financial assets at FVTPL were gains of approximately RMB1.6 million in 2025 (2024: gains of approximately RMB40.7 million); and (iii) the changes in fair value of the financial liabilities at FVTPL related to the redeemable shares of Biotyx Medical were losses of approximately RMB18.5 million in 2025 (2024: nil).

Net profit of the Company for the year ended 31 December 2025, considering the above mentioned non-recurring items, was approximately RMB112.4 million as compared to the net profit amounting to approximately RMB168.5 million in 2024, representing a decrease of approximately 33.3%. Net profit attributable to owners of the Company for the year ended 31 December 2025, was approximately RMB147.8 million as compared to the net profit attributable to owners of the Company amounting to approximately RMB222.4 million in 2024, representing a decrease of approximately 33.5%. The decrease was mainly due to (i) the increase in share-based payment expenses; and (ii) the increase in income tax expense, which was mainly generated from Lifetech Shenzhen allocating profits to its parent company.

Equity instruments at FVTOCI

On 21 September 2022, the Group entered into a subscription agreement with Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司) ("Jenscare Scientific") pursuant to which the Group agreed to subscribe for shares of the company upon the initial public offering, as a cornerstone investor, for an aggregate consideration of USD20.0 million (equivalent to approximately RMB143.9 million) in cash with the price of HKD27.8 per share. The fair value of the equity securities in listed entity is determined based on the closing prices quoted in active markets. They are accounted for using their fair values based on quoted market prices. The fair value of this investment as at 31 December 2025 amounted to approximately RMB45.4 million (2024: approximately RMB17.1 million), representing approximately 0.9% (2024: approximately 0.3%) of the Company's total assets.

The unrealised foreign exchange loss in equity instruments at FVTOCI was approximately RMB1.2 million for the year ended 31 December 2025 (2024: gain of approximately RMB0.4 million), and the gain from changes in fair value of equity instruments at FVTOCI was approximately RMB29.5 million for the year ended 31 December 2025 (2024: loss of approximately RMB96.9 million).

Jenscare Scientific is a medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. Established in 2011, it has developed a series of treatment solutions targeting different types of structural heart diseases, including tricuspid valve diseases, aortic valve diseases, mitral valve diseases and heart failure. The shares of Jenscare Scientific are listed on the Stock Exchange (stock code: 9877). The Group held 5,646,600 H shares in Jenscare Scientific, representing approximately 1.8% of its total issued share capital as at 31 December 2025.

The investment is classified as equity instruments at FVTOCI in accordance with IFRS 9. In the opinion of the Directors, the above investment is held for long-term strategic investment purposes and as such, the above investment is classified as non-current asset.

LIQUIDITY AND FINANCIAL RESOURCES

In 2025, the Group mainly financed its operations with its own working capital.

The Group recorded total current assets of approximately RMB2,325.1 million as at 31 December 2025 (31 December 2024: approximately RMB2,334.2 million) and total current liabilities of approximately RMB1,479.4 million as at 31 December 2025 (31 December 2024: approximately RMB815.6 million). As at 31 December 2025, total current liabilities of the Group primarily included trade payables and other payables amounting to approximately RMB841.1 million (31 December 2024: approximately RMB758.2 million). Trade and other payables primarily included accrued expenses of approximately RMB153.2 million (31 December 2024: approximately RMB166.0 million), of which primarily attributed to clinical expenses and exhibition expenses, as well as accrued payroll and bonus of approximately RMB109.3 million (31 December 2024: approximately RMB107.4 million).

Trade receivables in terms of debtor turnover days increased to 39 days (2024: 33 days), while trade payables in terms of creditor turnover days decreased to 74 days (2024: 103 days).

The current ratio (calculated by dividing the total current assets by the total current liabilities) of the Group was approximately 1.57 as at 31 December 2025 (31 December 2024: approximately 2.86).

CASH AND CASH EQUIVALENTS

As at 31 December 2025, the Group's cash and cash equivalents were approximately RMB719.3 million, representing an increase of approximately 8.0% from approximately RMB665.8 million as at 31 December 2024.

GEARING RATIO

As at 31 December 2025 and 2024, the Group did not have any bank borrowings and the gearing ratio of the Group (calculated based on the ratio of total bank borrowings to total equity) was zero.

CAPITAL STRUCTURE

Total equity attributable to equity holders of the Company amounted to approximately RMB3,512.6 million as at 31 December 2025 as compared with approximately RMB3,494.5 million as at 31 December 2024.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's financial resources such as cash with the objective of maintaining a strong and healthy liquidity position to ensure that the Group is placed to seize future growth opportunities as and when such opportunities appear.

PROPERTY HELD

On 26 June 2019, Dongguan LifeTech Medical Co., Ltd. (東莞市先健醫療有限公司) ("Dongguan LifeTech"), a wholly-owned subsidiary of the Company, entered into a land use right transfer contract with the Dongguan Natural Resources Bureau (東莞市自然資源局) for the acquisition of land use right of a piece of land which has a site area of 43,604 square meters located at the Southeast of the intersection of South 1 Road and South 8 Road in eastern Songshan Lake, Dongguan, Guangdong, the PRC (the "Land"). The land use right of the Land is wholly owned by the Group which was acquired at a total consideration of approximately RMB43.6 million.

On 24 April 2020, Dongguan LifeTech entered into a construction contract with China Construction Second Engineering Bureau Limited for the construction of the Lifetech Industry Park above the Land. The industrial park consists of seven buildings, comprising underground car parks, plant, offices, canteen and dormitories with a total site area of approximately 43,604 square meters to cater for the Group's day-to-day business and operational needs in Dongguan and nearby regions. The contract price for the construction works is up to a maximum aggregate amount of RMB620.0 million. The construction contract was approved by independent shareholders by way of poll at the extraordinary general meeting of the Company held on 30 June 2020. For further details, please refer to the Company's announcements dated 26 June 2019, 24 April 2020 and 30 June 2020 and the circular dated 9 June 2020 for further information.

In May 2023, the Company had obtained property ownership certificates of all buildings and basements. As at 31 December 2025, a portion of the total gross floor area of the industrial park has been allocated for the Company's own operations and external tenant leasing, with the remaining area reserved for future allocation.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held by the Company with a value greater than 5% of its total assets as at 31 December 2025, nor was there any plan authorised by the Board for other material investments or additions of capital assets as at the date of this annual results announcement.

The Group's investment strategy for significant investments is to identify investment opportunities with growth potential within the healthcare industry and seek opportunities for strategic cooperation. Its investment objective is to form long-term strategic partnerships with companies in the medical industry with the potential of enriching its product lines and expanding its business scale thereby maximising shareholders' interest and to create more value.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 6 June 2025, the Company, through its wholly-owned subsidiary, Lifetech Shenzhen, entered into a series of agreements in relation to the proposed investment in Affector Medtech, a high-tech company established in the PRC specializing in the field of electrophysiology and innovative medical devices (the "Investment").

Lifetech Shenzhen has agreed to invest a total of RMB150.0 million in Affector Medtech in cash. The Investment will be made in stages, subject to the achievement of certain milestones as set out in the investment agreement, including the founders and core team of Affector Medtech entering into employment contracts, confidentiality agreements, and non-competition agreements satisfactory to Lifetech Shenzhen, as well as Affector Medtech obtaining NMPA registration certificates for certain specific products.

Part of the Investment will be used to increase the registered capital of Affector Medtech, while the remaining amount will be credited to capital reserve. After completion of all stages of the Investment, Lifetech Shenzhen will be entitled to 30% of the equity interest in Affector Medtech. As at the date of this annual results announcement, the first stage of the investment has been completed, and Lifetech Shenzhen has acquired a 22.22% equity interest in Affector Medtech.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2025.

FINANCIAL INSTRUMENT

As at 31 December 2025, the Group did not have any outstanding hedge contracts or financial derivative instruments.

CAPITAL EXPENDITURE

For the year ended 31 December 2025, the capital expenditure of the Group for property, plant and equipment, construction in progress, intangible assets, right-of-use assets and deposits for acquisition of property, plant and equipment/right-of-use assets amounted to approximately RMB162.4 million (2024: approximately RMB347.7 million).

FOREIGN EXCHANGE RISK

During the year ended 31 December 2025, the Group primarily conducted its operations in both the PRC and Europe. The revenue generated from Europe accounted for approximately 12.1% (2024: approximately 10.1%) of the Group's total revenue. The operational results and financial condition of the Group may be affected by fluctuations in exchange rates involving the currencies used in its business transactions.

Although the Group did not implement any hedging strategies to mitigate this exposure during the reporting period, the management closely monitored foreign currency exposure to maintain net exposure at an acceptable level. The Group expects that exchange rate fluctuations will not have a material adverse effect on its operations in the foreseeable future. However, the Group will consider hedging significant foreign currency exposure should the need arise.

PLEDGES/CHARGES ON GROUP ASSETS

As at 31 December 2025, the Group did not have any pledges/charges on its assets (2024: nil).

CAPITAL COMMITMENTS

As at 31 December 2025, the Group's capital expenditure contracted for but not provided in the consolidated financial statements amounted to approximately RMB15.8 million (31 December 2024: approximately RMB55.1 million).

SEGMENT INFORMATION

During the year ended 31 December 2025, the revenue of the Group was principally generated from the structural heart diseases business, peripheral vascular diseases business and cardiac pacing and electrophysiology business. Driven by the aging population, urbanization and increased health awareness among the public, the industry is well-positioned for sustained growth. Coupled with the Group's committed research and development efforts, it is expected that the market demand for the Company's products will show an upward trend in the future, which will lead to business growth.

Structural heart diseases business

The Company has developed four generations of congenital heart diseases occluders to satisfy various patients' needs while implementing differentiated marketing strategies. Simultaneously, the Company continues to upgrade the LAA occluders with innovative technology to meet the growing treatment demand. Driven by a large number of patients with atrial fibrillation worldwide, the global market for the LAA occluders is anticipated to sustain growth in the forthcoming years.

Peripheral vascular diseases business

The Company offers patients technology-leading systemic and comprehensive interventional medical devices treatment solutions to peripheral vascular diseases. Among those products, vena cava filters and stent graft systems occupy a leading market share in the domestic market. With the aging population, increased disease detection rates and expanded product applications, market demand for these products is expected to continue growing.

Cardiac pacing and electrophysiology business

The Company is the first manufacturer in China that has a complete product portfolio of implantable cardiac pacemakers with international-level technology and functions.

Financial information related to these aspects is presented in note 4 to the consolidated financial statements in this annual results announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 1,240 full-time employees (31 December 2024: 1,392) and five executive Directors (31 December 2024: three). Total staff costs, including Directors' emoluments, amounted to approximately RMB502.2 million for the year ended 31 December 2025 (2024: approximately RMB467.9 million).

The employees of the Group who operate in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government under which the employees are entitled to a monthly pension after retirement. The Group is required to contribute a certain percentage of employee's salaries to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the aforementioned specified contributions. The Group operates the Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Contributions to these schemes are expensed as incurred. During the year ended 31 December 2025, the total costs paid or payables in relation to contributions to the retirement benefits scheme was approximately RMB37.3 million (2024: approximately RMB38.1 million). Forfeited contributions (by the Group on behalf of the employees who leave the aforesaid schemes prior to vesting fully in such contributions) may not be used by the Group to reduce the existing level of contributions.

The Group's remuneration policies were determined with reference to the performance, qualification and work experience of individual employees, as well as the results of the Group and the market conditions. The benefits provided by the Group to its employees include discretionary bonus, transportation and meal subsidies, basic and group medical insurance, work injury insurance, unemployment insurance, annual physical examination, share options, etc. The Group has a fair and effective performance appraisal system and schemes designed to motivate and reward employees at all levels for their performance and achievements. The Company adopted a share option scheme on 22 October 2011 and 17 September 2021, respectively, and also adopted a share award scheme on 28 December 2018 and 3 March 2022, respectively, which provide incentives for employees of the Group and other eligible participants thereunder.

Employees are the cornerstone of enterprise development, and the Group is committed to providing all employees with a secure and comfortable work environment, opportunities of equal employment, trainings and career development, such as orientation programmes for new employees, regulation-related trainings and position skills trainings. The Group has also established a labour union to safeguard the legitimate rights of its employees and to further promote the Group's sustainable, stable and healthy development.

FUTURE PROSPECTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In 2025, the global medical device industry continued to exhibit robust development trends, driven by demographic shifts, technological advancements, and increasing healthcare demands. Despite the ongoing expansion of China's centralised procurement policies exerting sustained pricing pressure on partial medical device products, this has simultaneously accelerated industry consolidation and prompted enterprises to place greater emphasis on innovation and differentiated competition. Leveraging strong research and development capabilities, a diversified product portfolio, and a growing global presence, the Group has established a resilient competitive advantage, enabling proactive capture of industry opportunities and sustained stable business growth.

To respond to market dynamics, the Group focuses on new materials and new technologies to drive product innovation. The Group has also actively pursued strategic investments, completing the first phase of its investment in Affector Medtech in 2025. This has further expanded our presence in the high-growth medical device sector, enhanced technological capabilities, and generated synergies with our existing businesses, jointly promoted the research, development and commercialization of innovative cardiac interventional imaging platform products. Meanwhile the Group has secured exclusive priority cooperation rights and exclusive overseas distribution rights for Affector Medtech's electrophysiology related products.

Looking ahead, the Group will continue to manage its existing businesses with a prudent and pragmatic approach to ensure operational stability. Through a diversified business strategy, the Group will broaden its revenue streams and further mitigate business risks. The Group remains committed to technological innovation, production automation and product quality enhancement, cornerstones for strengthening its core competitiveness and building a solid foundation for its innovation capabilities.

Furthermore, the Group will continue expanding its international footprint while maintaining operational efficiency. We will maintain disciplined capital allocation to ensure sustainable growth, actively seeking cooperation opportunities with companies possessing strong market potential. The Group's ambitions extend beyond market expansion to creating profound social value that benefits patients, doctors, shareholders, and all stakeholders. Facing continuous industry changes, the Group remains dedicated to driving meaningful innovation, strengthening international cooperation, and contributing more to the cause of human health.

ENVIRONMENT AND SUSTAINABILITY

The Group is committed to creating a successful business that is not achieved at the expense of the environment. The Company is dedicated to creating an environmentally friendly and sustainable operation. The Group's most significant environmental impact is created within its properties and manufacturing facilities, and through the use of raw materials, electricity, fuel, paper and waste generation. The Group therefore invests in the latest technology to reduce its carbon emissions through energy efficient equipment. Internally, the Group is proactive in addressing its waste and recycling issues.

For further details and related data analysis on the environmental and social performance of the Group, please refer to the Company's 2025 Environmental, Social and Governance Report which will be published as a separate report at the same time as the publication of 2025 annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief on the date of this annual results announcement, the Company has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles of corporate governance and applied the code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance and confirms that it has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2025, save for a deviation from code provision C.2.1 of the CG Code as Mr. XIE Yuehui served as both the Chairman of the Board and the Chief Executive Officer. The Company is committed to making necessary arrangements to comply with all the code provisions.

The amendments to the CG Code came into effect on 1 July 2025 and the requirements under the new CG Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after 1 July 2025. The Board will continue to review and enhance the corporate governance practice of the Company to ensure compliance with the CG Code, keep abreast of the latest developments, and meet the rising expectations of shareholders and investors.

THE 2020 PLACING

On 11 December 2020, the Company completed a placing of an aggregate of 287,320,000 new ordinary shares of the Company, with an aggregate nominal value of USD359.15, at a placing price of HKD3.2368 per share pursuant to a placing agreement dated 4 December 2020 (the "2020 Placing").

Pursuant to the 2020 Placing, an aggregate of 287,320,000 new ordinary shares, representing approximately 6.21% of the issued share capital of the Company as enlarged by the allotment and issue of the new shares immediately after the completion of the 2020 Placing, have been successfully placed to not less than six placees who and whose ultimate beneficial owner(s), to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are independent of the Company. None of the placees and their respective ultimate beneficial owners have become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the placing.

The placing price of HKD3.2368 per placing share represents:

- (i) a discount of approximately 11.6% to the closing price of HKD3.660 per share of the Company as quoted on the Stock Exchange on 3 December 2020, being the trading day prior to the date of the placing agreement;
- (ii) a discount of approximately 9.3% to the average closing price of approximately HKD3.570 per share of the Company as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the placing agreement; and
- (iii) a discount of approximately 2.3% to the average closing price of approximately HKD3.313 per share of the Company as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the placing agreement.

The net placing price (after deducting the costs and expenses incurred for the 2020 Placing) was approximately HKD3.2366 per placing share. The net proceeds raised from the 2020 Placing were approximately HKD930.0 million. As at 31 December 2025, the usage of the proceeds from the 2020 Placing was as follows:

	Approximate allocation of net proceeds as previously disclosed (HKD in million)	Approximate utilisation of proceeds during the year ended 31 December 2025 (HKD in million)	Approximate utilisation of proceeds as at 31 December 2025 (HKD in million)	Approximate amount of net proceeds unutilised as at 31 December 2025 (HKD in million)	Expected timeline for utilisation of unutilised proceeds
Intended use of proceeds					
Repayment of certain bank borrowings of the Group	406.0	—	406.0	—	Fully utilised
Funding potential business development involving a new overseas clinical project	465.0	14.0	80.1	384.9	To be applied in 2026 (HKD70.0 million) and 2027 (HKD314.9 million) subject to adjustments (if any)
General working capital of the Group	59.0	—	59.0	—	Fully utilised
Total	930.0	14.0	545.1	384.9	

Approximately HKD545.1 million of the net proceeds of the 2020 Placing had been utilised in accordance with the intended use of proceeds. There has been no change in the intended use of net proceeds. The unutilised net proceeds would be brought forward to the next financial year and will be gradually utilised in accordance with the above intended purposes.

The Directors consider that the 2020 Placing represented an opportunity to raise capital while broadening its capital and shareholder base. The Directors were of the view that the 2020 Placing would strengthen the financial position of the Company and provide working capital to the Company.

For further details, please refer to the Company's announcements dated 4 December 2020 and 11 December 2020.

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

During the year ended 31 December 2025, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2025, none of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective close associates had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Mr. WANG Wansong tendered his resignation as an independent non-executive Director and from his positions as chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 26 January 2026.

Save as disclosed above, there have not been any significant events affecting the Group after 31 December 2025.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Company strives to maintain a good relationship with its employees, customers and suppliers in order to operate a sustainable business and to meet its short-term and long-term objectives.

The Company believes that its employees are its most important and valuable assets. As discussed in the section headed "Employees and Remuneration Policy" under "Management Discussion and Analysis", the Group provides its employees with remuneration packages that take into account their performance, qualifications and working experience, results of the Group and market conditions with additional benefits including bonuses, various kinds of subsidies and insurance coverage.

The Company strives to maintain and reinforce sound relationships with its customers and suppliers. The Directors and senior management of the Company endeavour to communicate with its customers and suppliers from time to time. The Company invests in R&D and places emphasis on customers' feedback in order to deliver quality products to its customers and stay competitive in the market.

During the year ended 31 December 2025, there was no material and significant dispute between the Group and its employees, customers or suppliers.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (the "Model Code") as its own code of conducts for dealings by Directors in the listed securities of the Company. Having made specific enquiry with all Directors, each of the Directors has confirmed that he/she has complied with the required standard as set out in the Model Code during the year ended 31 December 2025.

Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the year ended 31 December 2025.

AUDITORS

The consolidated financial statements in this annual results announcement have been audited by Deloitte Touche Tohmatsu. There has been no change in the auditors of the Company during the past three years. A resolution will be proposed at the forthcoming AGM to re-appoint Deloitte Touche Tohmatsu as auditors of the Company.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: nil).

ANNUAL GENERAL MEETING

The 2026 annual general meeting of the Company (the "2026 Annual General Meeting") will be held on Thursday, 28 May 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders who are entitled to attend and vote at the 2026 Annual General Meeting, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Thursday, 21 May 2026.

AUDIT COMMITTEE REVIEW

The Group's audited annual results for the year ended 31 December 2025 have been reviewed by the audit committee of the Board, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements for the year as approved by the Board of Directors on 31 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This preliminary results announcement will be posted on the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.lifetechmed.com>). The annual report for the financial year will be despatched to the shareholders of the Company and be available on the same websites in due course.

By Order of the Board
LifeTech Scientific Corporation
XIE Yuehui
*Executive Director, Chairman
and Chief Executive Officer*

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. XIE Yuehui, Mr. LIU Jianxiong, Ms. WU Liping, Mr. FANG Yu and Ms. FENG Xiaoling being executive Directors; Mr. JIANG Feng being non-executive Director; and Mr. ZHOU Luming and Ms. CHEN Dongxia being independent non-executive Directors.