Peijia Medical Limited
沛嘉醫療有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9996)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024, together with the audited comparative figures for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Year-on-year change
	2024	2023	
	RMB'000	*RMB'000*	
Revenue	**615,483**	441,126	**39.5%**
Gross profit	**433,621**	325,370	**33.3%**
Selling and distribution expenses	**(328,340)**	(324,981)	**1.0%**
Administrative expenses	**(151,100)**	(141,637)	**6.7%**
Research and development expenses	**(203,420)**	(293,420)	**-30.7%**
Segment loss	**(249,239)**	(434,668)	**-42.7%**
Including: segment profit/(loss) of Neurointerventional Business	**52,090**	(744)	**N/A**
Loss for the year	**(228,492)**	(392,553)	**-41.8%**

	As of December 31,		Year-on-year change
	2024	2023	
	RMB'000	*RMB'000*	
Bank balances and cash and term deposits	**707,775**	965,768	**-26.7%**

Business Highlights

Guided by "Dedication with Passion, Devotion for Life", the Group continued to revolute the standard of care for valvular heart diseases and cerebrovascular diseases during the Reporting Period.

The Group generated revenue of RMB615.5 million in the Reporting Period, representing an increase of 39.5% as compared to 2023. Revenue composition remained stable, with 42.2% from sales of TAVR related products and 57.8% from sales of neurointerventional products (2023: 42.1% and 57.9% respectively). The strong revenue growth was primarily attributable to the high sales growth of both Transcatheter Valve Therapeutic Business and Neurointerventional Business.

Revenue from sales of TAVR related products in the Reporting Period increased by 40.1% year-on-year to RMB259.9 million, mainly driven by the Group's expanded share in the Chinese transfemoral TAVR market. During the Reporting Period, the total terminal implantation volume surpassed 3,400 units, a year-on-year increase of approximately 37%, while our share in the Chinese transfemoral TAVR market grew to approximately 25%.

Revenue from sales of neurointerventional products in the Reporting Period increased by 39.1% year-on-year to RMB355.5 million, primarily driven by the increased procedure penetration, the Group's successful bids in the VBPs, as well as its comprehensive product pipeline and effective marketing strategies. The key drivers include: (i) the successful first-year nationwide launch of DCwire® Micro Guidewire validated by positive user feedback and widespread market adoption; (ii) the further market penetration of the Group's existing advantageous products, Syphonet® Stent Retriever and Fastunnel® Delivery Balloon Dilatation Catheter, via differentiated product design and innovative procedure techniques; and (iii) the sustained adoption of the Group's coil products under the VBPs, bolstered by reliable product quality and brand recognition.

With expanded economies of scale and lean management initiatives to optimize costs and efficiency, the Group significantly improved operational performance. During the Reporting Period, the Group's operating losses narrowed by 44.4% year-on-year to RMB239.3 million. Particularly noteworthy is that the Neurointerventional Business became the first segment to achieve profitability, delivering RMB52.1 million in segment profit.

We relentlessly drove the widespread adoption and penetration of TAVR procedures and steadily advanced toward our goal of becoming China's foremost TAVR brand.

During the Reporting Period, we maintained our steadfast commitment to advancing TAVR technology adoption in China through comprehensive market education initiatives. Our professional sales and marketing team systematically promoted standardized techniques and innovative treatment protocols leveraging international and domestic academic conferences, the proprietary online education platform *Yijia Academy*, and offline multidimensional training programs. This integrated approach has successfully facilitated the translation of advanced technologies into clinical practice and expanding wider access to underserved regional markets. As a result, our TAVR products were placed in over 150 new hospitals, with total coverage reaching approximately 650 medical institutions in China as of December 31, 2024.

We place great emphasis on understanding the clinical requirements of physicians and patients as we innovate. During the Reporting Period, our new generation TAVR product TaurusMax™ obtained the registration approval from the NMPA. These design refinements aim to enhance both procedure efficiency and therapeutic outcomes through optimizing product performance and streamlining procedural operations for physicians. In addition, we introduced the AV21 low-profile specification for our first- and second-generation valve to accommodate broader anatomical variations among Chinese patients. As of the date of this announcement, our commercialized TAVR portfolio comprises three products: TaurusOne®, TaurusElite®, and TaurusMax™. The pipeline demonstrates robust progress with TaurusNXT® and TaurusTrio™ having completed patient enrollment and one-year follow-up in their respective registration clinical trials, positioning both for anticipated NMPA approvals between late 2025 and mid-2026. Over the next one to two years, the Taurus-series TAVR product portfolio is engineered to deliver three strategic breakthroughs: comprehensive fulfilment of AS treatment demands, revolutionary extension of bioprosthetic valve service life, and clinical resolution of transfemoral AR treatment. Commercially, this diversified portfolio also enables adaptive pricing strategies to address varying market changes and competitive challenges.

Due to our persistent dedication, in the fourth quarter of 2024, we matched our peers in terms of monthly implantation volume and carried this momentum into the first quarter of 2025. These developments have had a demonstrable impact on the competitive landscape, firmly establishing our trajectory to become China's foremost TAVR brand.

Neurointerventional Business achieved a profitability breakthrough, ushering in a new stage of sustainable development.

During the Reporting Period, our Neurointerventional Business achieved further commercial success driven by our comprehensive product portfolio, innovative procedure techniques, and strategic responses to the VBPs, contributing a segment profit of RMB52.1 million to the Group.

In August 2024, we entered into a partnership with Jiangsu NowYon Medical Limited, securing exclusive distribution rights in the Greater China region for its self-developed YonFlow® Flow Diverter, which completed the final piece of our hemorrhagic product line.

During the Reporting period, the Group's DCwire® Micro Guidewire established nationwide distribution and launched full-scale promotion. With superior flexibility and precise maneuverability, the product has gained rapid clinical practitioners' high recognition, breaking the foreign monopoly in the micro guidewire market, with first-year revenue of RMB37.5 million. Given its proven clinical advantages and strong overseas market potential, the Group has initiated FDA 510(k) submission process to accelerate global expansion.

Facing intense market competition, we adopted differentiated marketing strategies tailored to the competitive landscape and design features of each individual product. Notably, based on the superior design and performance of our products, we have developed more than ten innovative procedure techniques that directly address unmet clinical needs and pain points, in collaboration with physicians. The promotion of these innovative techniques effectively drove the sales volume growth of our product portfolio during the Reporting Period, including Syphonet® Stent Retriever (representative techniques: BASIS, COSIS), Tethys® Intermediate Catheter (representative techniques: TRUST, REST, ATTACH) and Fastunnel® Delivery Balloon Dilatation Catheter (representative techniques: Zero Exchange, FAST ICAS, ANSWER).

Since the beginning of 2023, the VBP of neurointerventional products has been progressively implemented at the provincial and regional levels. The Group has consistently and proactively engaged in relevant initiatives. Leveraging our comprehensive product portfolio, long-term brand penetration, and effective strategic pricing, we have secured winning bids multiple times to provide a stable supply of high-quality and cost-effective neurointerventional products to the market. Following the successful bid in the provincial alliance VBP of coils led by Jilin Province (Group A), our coil product was again selected in the *3+N* Alliance VBP of coils in the Beijing-Tianjin-Hebei region in March 2024. The winning bid regions for our coil products now cover over 90% of provinces nationwide. Additionally, in the provincial alliance VBP of vascular interventional consumables led by Hebei Province in January 2025, both our SacSpeed® Balloon Dilatation Catheter and Fastunnel® Delivery Balloon Dilatation Catheter won bids in Group A under Rule One.

As of the date of this announcement, we have sixteen registered products available for the Chinese market. Going forward, with our Neurointerventional Business sustaining industry leadership through high-quality product portfolio and strong brand reputation, the segment's profit will serve as strategic capital reserves to fuel the Group for diversified market competition.

We continued to improve group-wide operational efficiency and achieved significant improvements in all expense ratios.

By strengthening full-chain "R&D-Manufacturing-Commercialization" capabilities, we achieved dual improvements in operational efficiency and profitability.

The Group recorded a net loss of RMB228.5 million during the Reporting Period, representing a significant decrease of 41.8% as compared to 2023. Notably, our Neurointerventional Business generated a segment profit of RMB52.1 million, marking a significant profitability milestone.

Throughout the Reporting Period, we made continuous efforts in supply chain optimization and lean production through a series of key initiatives. These included developing alternative suppliers, launching the digital operations platform, automating production processes, reducing production waste, and improving product yield. These efforts helped us maintain a relatively stable gross profit margin of 70.5% at the Group level, despite the ongoing VBP headwinds in our Neurointerventional Business.

We also implemented refined management measures across the Group during the Reporting Period. These measures included but not limited to strengthening budget control and enhancing labor efficiency across the Group, resulting in a significant reduction in all major expense ratios.

The Group maintained disciplined selling and distribution expenses control, with year-on-year growth contained at 1.0%. The selling and distribution expense ratio declined by 20.3 percentage points year-on-year to 53.5%, generating commercial profit (gross profit minus selling and distribution expenses) of RMB105.3 million. In particular, productivity gains in the TAVR sales force contributed to a 2.2% year-on-year decrease in the selling and distribution expenses of our Transcatheter Valve Therapeutic Business, accompanied by a 38.7 percentage-point expense ratio reduction.

The Group's R&D expense ratio decreased by 33.4 percentage points year-on-year, from 66.5% to 33.1%, primarily due to revenue growth and the smooth progression of our pipeline products into stages with lower R&D expenditure.

The Group's overall management and operations remained stable, with administrative expenses staying consistent over the past few years. As revenue scale expanded, the administrative expense ratio further decreased by 7.6 percentage points year-on-year, from 32.1% to 24.5%.

We maintained our constant efforts in R&D, accelerating the clinical advancement of our pipeline products. Lithotripsy Valvuloplasty, TTVR and Robotic-Assisted TAVR technologies were consolidated into our Future Technology Business, targeting global unmet clinical needs.

As an innovative medical device company, we remain acutely aware of the critical importance of sustained innovation in creating shareholder value and advancing industry and societal progress. During the Reporting Period, in addition to the iterative upgrades of our Taurus-series TAVR products mentioned above, we achieved significant breakthroughs in developing MR and TR treatment solutions, as well as comprehensive technological advancements across our peri-valvular disease ecosystem.

MR Therapeutic Advancement

- Completed the patient enrollment for the multi-center registration clinical trial of the GeminiOne® TEER system in China in May 2024, with one-year patient follow-ups progressing systematically. The product was granted two U.S. patents during the Reporting Period, with preparations for overseas EFS currently underway.
- Steady progress was made in the multi-center registration clinical trial for HighLife® TSMVR system, with continued clinical development planned through 2025.

TR Therapeutic Advancement

- Received FDA approval in September 2024 for the IDE for the EFS of MonarQ TTVR® system, with preparations for patient enrollment currently underway.

Pioneering Technology Advancement

- The Lithotripsy Valvuloplasty System (formerly named TaurusWave®) completed the preliminary research clinical trial, with expanded clinical investigations planned to explore therapeutic applications.
- The ReachTactile™ robotic-assisted TAVR system is in preparation for the FIM clinical trial.

Strategic Business Realignment

During the Reporting Period, to optimize resource allocation and bolster the development of innovative pipelines, the Group restructured its Transcatheter Valve Therapeutic Business by strategically spinning off three high-potential R&D projects, including Lithotripsy Valvuloplasty System, MonarQ TTVR® system, and ReachTactile™ robotic-assisted TAVR system to the newly established Future Technology Business. Future Technology Business focuses on delivering globally cutting-edge therapeutic solutions for a comprehensive range of heart valve diseases. All projects target unmet clinical needs in markets lacking mature treatment options. Each project is managed by an independent team and executed through dedicated subsidiaries within the Group, which maintain full autonomy in operations and financing. As of the date of this announcement, several projects have independently secured external financing.

This strategic realignment enhances our capacity to pioneer transformative technologies while maintaining disciplined resource management across our innovation portfolio.

The Group's licensed-in AR technology received endorsement from Edwards Lifesciences. The patient enrollment for the TaurusTrio™ registration clinical trial was completed ahead of schedule, paving the way for a revolution in AR treatment in China.

In July 2024, Edwards Lifesciences ("**Edwards**"), a global leader in heart valve technology, announced its intention to fully acquire JenaValve, our licensing partner, for its AR technology. JenaValve's Trilogy™ Transcatheter Heart Valve ("**THV**") System is the first and currently the only transfemoral TAVR product with dual indications for both AS and AR that is commercially available in major global markets. The one-year follow-up data from its ALIGN-AR Pivotal Trial in the United States demonstrated excellent outcomes, which were published in ***The Lancet*** in March 2024. AR treatment is emerging as one of the most prominent topics in global valvular disease therapy, and Edwards' potential acquisition has greatly strengthened confidence in AR treatment across both medical and industrial communities.

The Group entered into an exclusive licensing agreement with JenaValve for Greater China rights to its AR technology in December 2021. We initiated the multi-center registration clinical trial for TaurusTrio™ (renamed Trilogy™ THV System) in mainland China in July 2023 and successfully completed enrollment of all 116 patients by January 2024, ahead of schedule. During the Reporting Period, we also completed 9 commercial implantations of Trilogy™ in Hong Kong, and expanded JenaValve's AR technology to Taiwan, China in March 2025, completing the first two special-access implantations. As of the date of this announcement, we have completed the one-year patient follow-up for the TaurusTrio™ registration clinical trial and are preparing for the submission of the NMPA registration application. Meanwhile, our manufacturing and sales and marketing teams have begun preparations, laying a solid foundation for the commercialization of TaurusTrio™ to ensure timely treatment accessibility for AR patients across China upon regulatory approval.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

		Year ended December 31,	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**615,483**	441,126
Cost of sales	*5*	**(181,862)**	(115,756)
Gross profit		**433,621**	325,370
Other income	*6*	**19,240**	19,716
Other gains and losses	*7*	**(9,346)**	(15,808)
Selling and distribution expenses	*5*	**(328,340)**	(324,981)
Administrative expenses	*5*	**(151,100)**	(141,637)
Research and development expenses	*5*	**(203,420)**	(293,420)
		(239,345)	(430,760)
Finance income	*8*	**22,480**	39,437
Finance costs	*8*	**(4,736)**	(178)
Finance income — net		**17,744**	39,259
Loss before tax		**(221,601)**	(391,501)
Income tax expense	*9*	**(6,891)**	(1,052)
Loss and total comprehensive expense for the year		**(228,492)**	(392,553)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(226,576)**	(392,525)
Non-controlling interests		**(1,916)**	(28)
		(228,492)	(392,553)
Losses per share	*10*		
— Basic and diluted (RMB)		**(0.34)**	(0.58)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Notes	At December 31, 2024 **RMB'000**	2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**650,417**	453,971
Right-of-use assets		**45,339**	44,634
Intangible assets		**655,997**	527,874
Financial assets at fair value through profit or loss ("**FVTPL**")		**316,814**	287,058
Term deposits		**10,000**	100,000
Other non-current assets		**23,141**	20,935
		1,701,708	1,434,472
Current assets			
Inventories		**140,779**	170,648
Trade and other receivables	*12*	**101,038**	80,211
Prepayments	*12*	**32,659**	43,708
Financial assets at FVTPL		**14,745**	77,157
Term deposits		**31,039**	70,000
Bank balances and cash		**666,736**	795,768
		986,996	1,237,492
Current liabilities			
Trade and other payables	*13*	**349,563**	137,835
Tax payable		**1,269**	—
Borrowings		**89,775**	13,828
Lease liabilities		**2,090**	2,586
		442,697	154,249
Net current assets		**544,299**	1,083,243
Total assets less current liabilities		**2,246,007**	2,517,715

	Notes	At December 31, 2024 RMB'000	2023 RMB'000
Non-current liabilities			
Deferred tax liabilities		**16,782**	20,320
Borrowings		**158,312**	203,594
Deferred income		**20,773**	13,104
Lease liabilities		**3,221**	1,127
Other payables	*13*	**2,320**	5,490
		201,408	243,635
Net assets		**2,044,599**	2,274,080
Capital and reserves			
Share capital and share premium		**6,323,817**	6,359,128
Reserves		**(4,295,774)**	(4,085,020)
Equity attributable to owners of the Company		**2,028,043**	2,274,108
Non-controlling interests		**16,556**	(28)
Total equity		**2,044,599**	2,274,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 GENERAL INFORMATION

Peijia Medical Limited (the "**Company**", or "**Peijia Medical**") was incorporated in the Cayman Islands on May 30, 2012 as an exempted company with limited liability under the Company Law of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the business of research and development, manufacturing and sales of transcatheter valve therapeutic and neurointerventional procedural medical devices in the People's Republic of China (the "**PRC**") and other countries.

These consolidated financial statements are presented in thousands of Renminbi Yuan ("**RMB**"), unless otherwise stated, which is also the functional currency of the Company.

2 BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards 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 and by the Hong Kong Companies Ordinance.

2.2 Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual periods beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS accounting standards 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.

2.3 New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after January 1, 2025.

[3] Effective for annual periods beginning on or after January 1, 2026.

[4] Effective for annual periods beginning on or after January 1, 2027.

Except as described below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3 SEGMENT

Description of segments and principal activities

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

The segment results present revenue, cost of sales, selling and distribution expenses, administrative expenses, and research and development expenses of each operation segment, which is for resource allocation and performance assessment by the CODM.

During the year ended December 31, 2024, since the growth and achievement on certain stage of the research and development activities of the Group's certain transcatheter valve therapeutic pipelines operated by those technology subsidiaries of the Company, the Group has decided to review and evaluate these pipelines as a separate reportable segment, i.e. the Future Technology Business Segment, following the change how CODM allocate resource and assess performance among operating segments.

Transcatheter Valve Therapeutic Business

Transcatheter Valve Therapeutic Business is primarily operated by the subsidiaries of the Company mainly comprising of Peijia Suzhou and Peijia Shanghai, which is engaged in the business of research and development, manufacturing and sales of transcatheter valve therapeutic medical devices.

Neurointerventional Business

Neurointerventional Business is primarily operated by Achieva Group, which is engaged in the business of research and development, manufacturing and sales of neurointerventional procedural medical devices.

Future Technology Business

Future Technology Business, a spin-off from Transcatheter Valve Therapeutic Business. It is primarily operated by the Group's dedicated technology subsidiaries, focusing on delivering globally cutting-edge therapeutic solutions for a comprehensive range of heart valve diseases. All projects target unmet clinical needs in markets lacking mature treatment options. Future Technology Business currently has three projects, including Lithotripsy Valvuloplasty System, MonarQ TTVR® system, and ReachTactile™ robotic-assisted TAVR system, operated by SmartWave Medical, MonarQ LLC and Zhicheng Medical, respectively.

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

The Group's operations mainly locate in the PRC. Revenue of the Group are derived from the PRC and the Group's non-current assets excluding financial assets at FVTPL are all located in the PRC.

The segment information provided to the Group's CODM for reportable segments for the relevant periods is as follows:

Segment (loss) profit

	Year ended December 31, 2024			
	Transcatheter Valve Therapeutic Business *RMB'000*	**Neurointerventional Business** *RMB'000*	**Future Technology Business** *RMB'000*	**Total** *RMB'000*
Revenue	**259,936**	**355,547**	**—**	**615,483**
Cost of sales	**(52,859)**	**(129,003)**	**—**	**(181,862)**
Selling and distribution expenses	**(232,746)**	**(95,594)**	**—**	**(328,340)**
Administrative expenses	**(120,265)**	**(28,562)**	**(2,273)**	**(151,100)**
Research and development expenses	**(124,239)**	**(50,298)**	**(28,883)**	**(203,420)**
Segment (loss) profit	**(270,173)**	**52,090**	**(31,156)**	**(249,239)**

	Year ended December 31, 2023		
	Transcatheter Valve Therapeutic Business *RMB'000*	Neurointerventional Business *RMB'000*	Total *RMB'000*
Revenue	185,571	255,555	441,126
Cost of sales	(26,607)	(89,149)	(115,756)
Selling and distribution expenses	(237,955)	(87,026)	(324,981)
Administrative expenses	(114,921)	(26,716)	(141,637)
Research and development expenses	(240,012)	(53,408)	(293,420)
Segment loss	(433,924)	(744)	(434,668)

4 REVENUE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue from sales of medical devices — at a point in time	**615,483**	441,126

Information about major customers

The major customers which contributed more than 10% of the total revenue of the Group for the years ended December 31, 2024 and 2023 are listed as below:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**130,191**	95,549
Customer B	**118,232**	N/A*
Customer C	**121,494**	85,317
Customer D	**63,532**	N/A*

* the Group's sales transactions with Customer B and D were less than 10% of the total revenue of the Group for the year ended December 31, 2023.

5 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Change of work in process and finished goods	**(5,092)**	3,863
Raw materials and consumables used	**164,164**	114,403
Employee benefits expenses	**351,319**	321,011
Service expenses for research and development	**42,498**	141,225
Capitalized research and development expenses in intangible assets	**(29,710)**	—
Promotion expenses	**77,411**	67,532
Professional service fees	**66,156**	50,408
Insurance expenses	**34,422**	34,418
Travelling and transportation expenses	**28,562**	27,841
Depreciation of property, plant and equipment	**41,550**	25,120
Utilities and office expenses	**22,929**	21,561
Entertainment expenses	**22,573**	20,824
Amortization of intangible assets	**13,709**	13,989
Auditor's remuneration		
— audit service	**3,122**	4,443
— non-audit service	**128**	912
Depreciation of right-of-use assets	**3,797**	3,423
Write-down of inventories	**5,209**	1,004
Others	**21,975**	23,817
Total cost of sales, selling and distribution expenses, administrative expenses and research and development expenses	**864,722**	875,794

6 OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants related to income	**18,196**	18,840
Government grants related to assets	**739**	—
Rental income	**—**	712
Others	**305**	164
	19,240	19,716

7 OTHER GAINS AND LOSSES

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange gain	**10,529**	9,601
Loss on disposal of property, plant and equipment	**(372)**	(219)
Fair value change of financial assets at FVTPL — net	**(14,978)**	3,771
Loss from foreign exchange forward contracts	**(4,826)**	(27,378)
Others	**301**	(1,583)
	(9,346)	(15,808)

8 FINANCE INCOME — NET

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Finance income:		
Bank interest income	**22,480**	39,437
Finance costs:		
Interests on lease liabilities	**(201)**	(162)
Interests on borrowings	**(8,731)**	(6,126)
Less: interest capitalized	**4,196**	6,110
Interests expenses on borrowings	**(4,535)**	(16)
	(4,736)	(178)
Finance income — net	**17,744**	39,259

9 INCOME TAX EXPENSE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**(4,942)**	(1,052)
Other jurisdictions	**(5,487)**	—
	(10,429)	(1,052)
Deferred tax credit	**3,538**	—
	(6,891)	(1,052)

The Group's principal applicable taxes and tax rates are as follows:

(a) Mainland China

The Group's PRC entities are subject to 25% or 15% (for those high-tech enterprises) tax rate pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that period.

(b) Other jurisdictions

For group entities incorporated in other jurisdictions, represent Cayman Islands, British Virgin Islands, Hong Kong and United States, no significant tax exposure was made in the consolidated financial statements since no significant assessable profits generated by these group entities.

A reconciliation of the expected income tax calculated at the applicable tax rate and loss before income tax, with the actual income tax is as follow:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(221,601)**	(391,501)
Tax calculated at statutory tax rates applicable to each group entity	**25,373**	64,989
Tax effect of:		
Differences in prior years' tax filing	**(1,335)**	(1,408)
Expenses not deductible for tax purpose *(Note (i))*	**(19,614)**	(4,260)
Super deduction for research and development expenses	**24,889**	38,945
Utilization of unrecognized tax losses in previous years	**9,346**	2,883
Recognition of tax losses in previously years	**(498)**	—
Tax effect of tax losses not recognized *(Note (ii))*	**(45,052)**	(102,201)
Income tax expense	**(6,891)**	(1,052)

Notes:

(i) Expenses not deductible for tax purpose primarily include expenses recognized under share-based payments arrangement, other expenses not related to business activities, welfare and entertainment expenses exceeding the tax deduction limits under the Corporate Income Tax Law.

(ii) As at December 31, 2024, RMB2,316,913,000 (2023: RMB2,089,099,000) deductible losses that are not recognized as deferred tax assets, will be expired by the year of 2034 (2023: 2033).

(iii) The tax losses of the Company's PRC subsidiaries classified as high-tech enterprises will expire within ten years and the remaining PRC subsidiaries will be within five years.

10 LOSSES PER SHARE

(a) Basic loss per share

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

	Year ended December 31,	
	2024	2023
Loss for the year attributable to the owners of the Company *(RMB'000)*	**(226,576)**	(392,525)
Weighted average number of ordinary shares for the purpose of basic loss per share *(thousand)*	**669,488**	679,275
Basic loss per share *(RMB)*	**(0.34)**	(0.58)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2024, the Company had one category of potential ordinary shares: the stock options granted to employees. As the Group incurred losses for the years ended December 31, 2024 and 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2024 and 2023 are the same as basic loss per share.

11 DIVIDEND

No dividend has been paid or declared by the Company or the companies now comprising the Group for the year ended December 31, 2024 (2023: Nil), nor has any dividend has been proposed since the end of the Reporting Period (2023: Nil).

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Trade and other receivables

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables (a)	**22,336**	10,918
Loans to employees (b)	**11,186**	14,061
Value-added tax recoverable	**8,463**	10,177
Deposits	**4,634**	2,086
Interest receivables	**722**	13,532
Other receivables from employees	**—**	17,527
Other receivables	**57,621**	18,802
	104,962	87,103
Disclosed in the consolidated statement of financial position as:		
— Non-current assets, included in other non-current assets	**3,924**	6,892
— Current assets	**101,038**	80,211
	104,962	87,103

(a) At December 31, 2024 and 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 60 days	**22,336**	10,918

(b) As at December 31, 2024, the Group provided loans to certain key management personnel with nominal value of HKD12,035,000 that were unsecured, interest-free and will be repayable from January 2025 to March 2026.

As at December 31, 2023, the Group provided loans to certain key management personnel with nominal value of HKD16,000,000 that were unsecured, interest-free and will be repayable from March 2024 to January 2025.

As at December 31, 2024 and 2023, loans to key management personnel were measured at amortized cost and presented as other receivables and other non-current assets following the scheduled repayment dates.

(c) Transferred financial assets that are derecognized in their entirety

During the year ended December 31, 2024, the Group received one bill receivable from a customer and transferred to a bank by discounting with full recourse basis.

The bill receivable is with nominal value RMB20,000,000 and mature by June 2025. The bill is guaranteed by a reputable PRC bank with high-credit-quality. The directors of the Company consider the risk being claimed by the holder of the discounted bill is remote. Upon the discounting of the bill, the Group has transferred substantially all the risks and rewards of the bill to the discounted bank.

Prepayments

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Prepayments to:		
— inventories	**16,024**	27,466
— services	**12,030**	10,462
— property, plant and equipment	**19,217**	7,962
— others	**4,605**	5,806
	51,876	51,696
Disclosed in the consolidated statement of financial position as:		
— Non-current asset, included in other non-current assets	**19,217**	7,988
— Current asset	**32,659**	43,708
	51,876	51,696

13 TRADE AND OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**25,722**	19,708
Other payables (a)	**262,340**	66,005
Other tax payables	**13,170**	4,609
Staff salaries and welfare payables	**40,465**	39,865
Liabilities arising from share-based payments with cash alternative	**10,186**	13,138
	351,883	143,325
Disclosed in the consolidated statement of financial position as:		
— Non-current liabilities, as other payables	**2,320**	5,490
— Current liabilities	**349,563**	137,835
	351,883	143,325

(a) As at December 31, 2024, included in other payables, RMB107,826,000 is the milestone payable related to an intellectual property under research and development acquired by the Company in prior years.

The following is an ageing analysis of the trade payables, presented based on the invoice date, at the end of each reporting period:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**25,244**	19,697
1 year to 2 years	**478**	11
	25,722	19,708

The average credit period on purchases of goods is 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We have built a medtech platform that focuses on the high-growth interventional procedural medical device markets in China and globally. Our products and product candidates target the vast, fast-growing and under-penetrated markets with high entry barriers, including transcatheter valve therapeutic medical device market and neurointerventional procedural medical device market.

Products and Pipeline

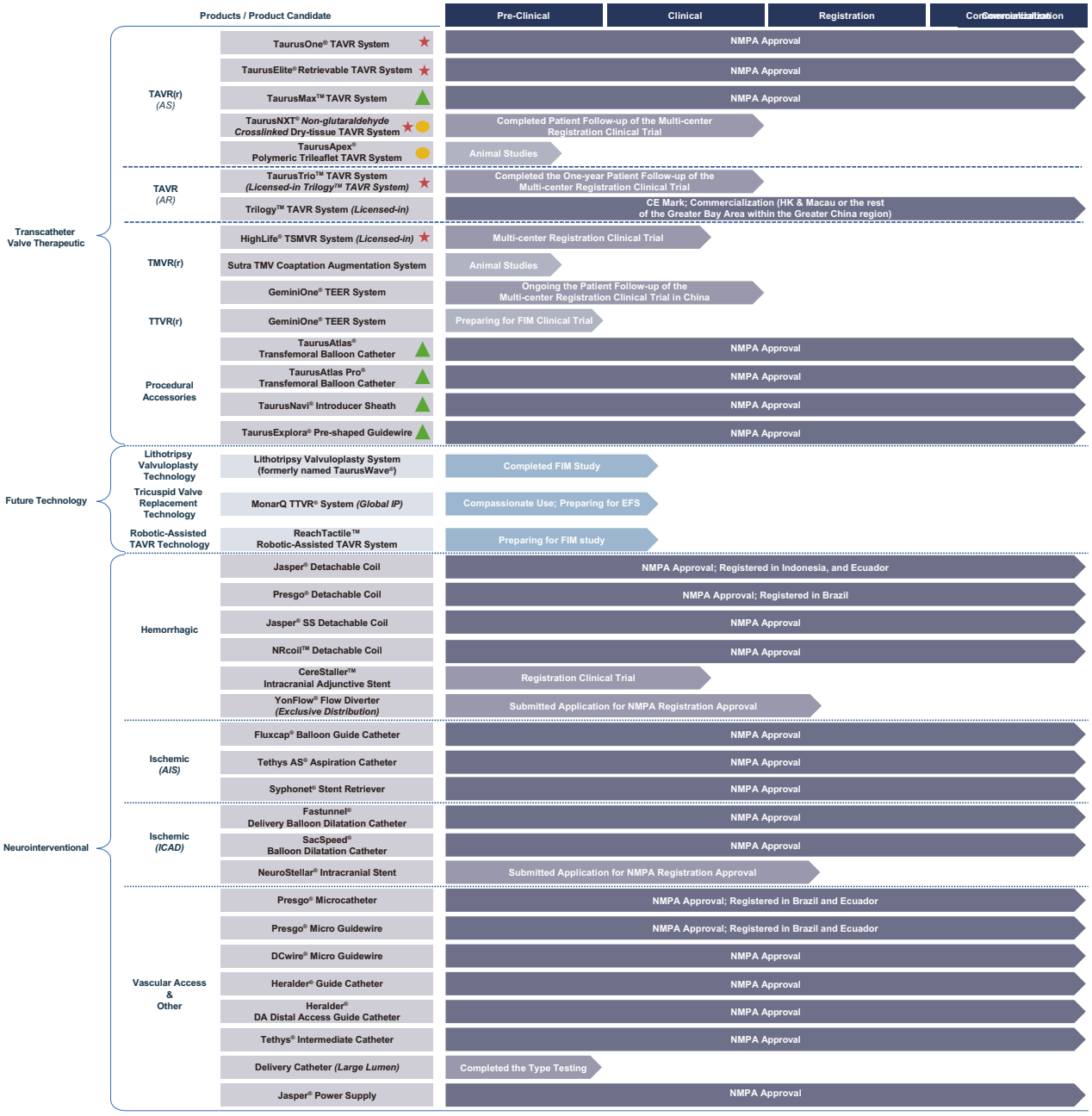
As of the date of this announcement, our product portfolio across key business segments is as follows:

- Transcatheter Valve Therapeutic Business: seven registered products and multiple product candidates in development.

- Future Technology Business (a spin-off from Transcatheter Valve Therapeutic Business): three product candidates in development.

- Neurointerventional Business: sixteen registered products and multiple product candidates in development.

The development status of our product portfolio as of the date of this announcement is summarized in the chart below:



★ Among our products, these devices are accepted by the Special Review and Approval Procedure for Innovative Medical Devices of the NMPA.

▲ Among our products, these devices are exempted from clinical trial requirements in accordance with the Catalogue of Medical Device Exempted from Clinical Trials (免於臨床評價醫療器械目錄) promulgated by the NMPA, as amended.

● Among our products, these devices utilized our platform technologies. For more details of the platform technologies, please see page 33.

Transcatheter Valve Therapeutic Products and Product Candidates

Our Transcatheter Valve Therapeutic Business focuses on treating the most prevalent heart valve diseases, including AS, AR, MR and TR, via transcatheter approaches.

We have a comprehensive portfolio of commercialized and pipeline products. For the Reporting Period, our revenue generated from the sales of transcatheter valve therapeutic products amounted to RMB259.9 million, representing an increase of 40.1% from RMB185.6 million recorded for the year ended December 31, 2023.

Transcatheter Aortic Valve Replacement and Repair Products and Product Candidates

TaurusOne® — First-Generation TAVR System

TaurusOne® is our internally developed first-generation TAVR product, and is designed to treat severe calcific AS using catheter-based approach. The product consists of a PAV, a delivery catheter system and a loading system. The PAV includes bovine pericardial leaflets, a nitinol frame, and a sealing skirt to prevent paravalvular leakage. Compared to porcine pericardial leaflets, bovine pericardial leaflets are generally more durable and perform better in terms of hemodynamic profile. The clinical trial of TaurusOne® was the first ever TAVR product registration clinical trial completed entirely by Chinese physicians. It is also the first domestic TAVR product whose clinical results were published in the top quartile research journal. We received the NMPA approval for the registration application of TaurusOne® in April 2021 and commercialized the product in May 2021.

A new AV21 specification of TaurusOne® has been approved by the NMPA in April 2024, which is specifically designed to adapt to the smaller annulus of Chinese patients. In addition, we optimized the performance of the delivery catheter system by adding a TAV marker to enhanced visualization and adding a retrieving and repositioning function to the handle. We received the NMPA approval for these new upgrades in December 2024.

TaurusElite® — Second-Generation Retrievable TAVR System

TaurusElite® is our internally developed second-generation retrievable TAVR product. TaurusElite® has a valve design similar to that of TaurusOne® but features a key upgrade to its delivery catheter system — allowing physicians to retrieve and reposition the PAV during placement, addressing one of the key challenges. This also improves the success rate of TAVR procedures and the long-term benefits to patients, which will ultimately promote wider clinical adoption. Furthermore, the design consists of inner and outer tubes that further enhance the pushability and flexibility of the delivery catheter system, and effectively deal with the challenges posed by the complex anatomy of the aortic arch and horizontal aorta. The TaurusElite® delivery catheter system is also available in an inline sheath model to meet the diverse needs of doctors and treat patients with complicated vascular anatomy. As of the date of this announcement, TaurusElite® remains as the record-breaking domestic retrievable TAVR product in terms of approval time.

We received the NMPA approval for the registration application of TaurusElite® in June 2021 and commercialized the product in July 2021. In April 2024, a new AV21 specification of TaurusElite® has been approved by the NMPA, which is specifically designed to adapt to the smaller annulus of Chinese patients.

TaurusMax™ — New Iteration Steerable TAVR System

TaurusMax™ TAVR System is an iteration of TaurusElite®. The enhanced visualization with three metal radiopaque TAV markers to identify depth, commissures and the valve alignment. Deflection catheter helps valve cross the aortic arch and the calcified leaflets easily in challenging anatomy, and improve valve coaxiality. We received the NMPA approval for the registration application of TaurusMax™ in August 2024. As of the date of this announcement, we are continuing to progress the commercialization of TaurusMax™.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET TaurusMax™ SUCCESSFULLY.

In addition to the products mentioned above, we also received the NMPA approvals for the registration application of a number of procedural accessories, including TaurusAtlas® Transfemoral Balloon Catheter, and TaurusAtlas Pro® Transfemoral Balloon Catheter, TaurusNavi® Introducer Sheath and TaurusExplora® Pre-shaped Guidewire. These are important accessories to help physicians perform the TAVR procedures using Taurus-series products.

TaurusNXT® — Third-Generation Non-glutaraldehyde Crosslinked Dry-tissue TAVR System

TaurusNXT® is our internally developed third-generation TAVR system, and has significantly different tissue and structure from TaurusOne® and TaurusElite®. TaurusNXT® incorporates our patented non-glutaraldehyde bio-tissue crosslinking technology that removes the main source of valve calcification, the primary cause of prosthetic valve degeneration. The technology is expected to greatly enhance the durability and biocompatibility of the PAV. Additionally, compared to the traditional dry tissue technology using glycerin, TaurusNXT® utilizes an ultra-low temperature vacuum freeze-drying technology to maintain the physical integrity of the valve tissue while allowing the PAV to be pre-loaded onto the delivery catheter system. The delivery catheter system of TaurusNXT® is both retrievable and steerable, making it much easier for physicians to guide the PAV to its target position, thereby further improving the safety of the procedure. As of the date of this announcement, we have completed the one-year patient follow-up of the multi-center registration clinical trial for TaurusNXT®.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusNXT® SUCCESSFULLY.

TaurusApex® — Polymeric Trileaflet TAVR System

TaurusApex® is our internally developed fourth-generation TAVR system featuring the polymeric trileaflet instead of biological tissue. By replacing bio-materials with high strength, stable and soft polymer materials, we are able to further improve durability and biocompatibility of the prosthetic valves. The leaflets of TaurusApex® adopt the multi-layer bionic composite braided structure which better mimics the features and hemodynamic performance of human's native valves. Polymeric trileaflet excels biological tissue in durability, tear resistance and wear resistance. As of the date of this announcement, we are conducting animal studies and associated long-term follow-up evaluation on TaurusApex®, with promising results.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusApex® SUCCESSFULLY.

TaurusTrio™ — Licensed-in JenaValve Trilogy™ THV System for AR Indication

We entered into a collaboration and license agreement, a service agreement and a stock purchase agreement with JenaValve, a U.S.-based medical device company, in December 2021. Pursuant to these agreements, JenaValve has granted us an exclusive license for the Trilogy™ THV System for the treatment of symptomatic, severe AR or symptomatic, severe AS. We are entitled to develop, manufacture, and commercialize the Trilogy™ THV System in the Greater China region, and JenaValve agreed to provide services, allowing us to leverage the value of the product within the region. For further details, please refer to our announcement dated January 14, 2022.

The Trilogy™ THV System is the first commercial transfemoral TAVR system to receive CE Mark approval for the treatment of both symptomatic, severe AR and symptomatic, severe AS worldwide. The system's proprietary locator can not only anchor without calcification but also ensure valve commissure alignment. Its design, which includes supra-annular prosthesis and large-open cells, also benefits long-term hemodynamic and future percutaneous coronary intervention. Its valve inflow end is designed with 24 high-density mesh holes to provide annular compliance and sealing. We have successfully completed the technology transfer and established local manufacturing of TaurusTrio™ TAVR System in Suzhou, realizing technical consistency with Trilogy™ THV System.

On July 24, 2024, JenaValve has informed the Company that Edwards has agreed to acquire JenaValve by way of a merger (the "**Merger**"). Completion of the Merger is subject to the terms and conditions as described in the Merger agreement, including the satisfaction of customary conditions. The Merger shall not affect the Group's exclusive license with JenaValve or the Group's rights to develop and commercialize TaurusTrio™. After completion of the Merger, the Group will maintain the exclusive license to develop the THV System for AR and AS in the Greater China region. The Company believes that the Merger signifies confidence in the future prospects of treating AR with JenaValve's technology. For further details, please refer to our announcements dated July 25, 2024, July 26, 2024 and August 5, 2024.

As of the date of this announcement, the Trilogy™ THV System has been successfully implanted in several cases in Hong Kong and Taiwan, China. For TaurusTrio™, the first compassionate use treatment was conducted in Hong Kong, China, in November 2024. In mainland China, patient enrollment for the multi-center registration clinical trial was completed in January 2024. As of the date of this announcement, we have completed the patient follow-up of the multi-center registration clinical trial for TaurusTrio™.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusTrio™ SUCCESSFULLY.

Transcatheter Mitral Valve Replacement and Repair Product Candidates

HighLife®-Licensed-in TSMVR Product

In December 2020, we entered into an exclusive license agreement with HighLife SAS ("**HighLife**"), a French-based medical device company focusing on the development of a novel transseptal replacement system for treating MR. Pursuant to the agreement, we are entitled to, among other things, manufacture, develop, and commercialize the HighLife® TSMVR system in the Greater China region. Mr. Georg BÖRTLEIN, the founder of HighLife, is also the co-founder of CoreValve, Inc., a TAVR company which was acquired by Medtronic, Inc. in 2009.

The field of TMVR still faces many technical difficulties, including access to the target site, anchoring and the risk of paravalvular leakage, and LVOT obstruction. Most existing approaches are either transapical or anchoring using radial force. The HighLife® TSMVR system adopts the unique "Valve-in-Ring" concept, allowing it to self-center and self-align. This system separates the valve from its anchoring ring and delivers the two components through the femoral artery and femoral vein, respectively, through a simple three-step procedure. The 2-component design designed for mitral valve anatomy helps to mitigate the risk of paravalvular leakage and effectively reduces catheter size. The procedure can be successfully completed using teleproctoring support. The learning curve is relatively short, evidenced by significant reduction of procedure time by the same physician.

On June 3, 2024, HighLife has received an IDE approval from the FDA to initiate a pivotal study for the HighLife® TSMVR solution in the United States.

As of the date of this announcement, we are carrying out the multi-center registration clinical trial for the HighLife® TSMVR system.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HighLife® SUCCESSFULLY.

GeminiOne® — TEER System

GeminiOne® is our internally developed TEER device, designed to treat mitral valve and tricuspid valve diseases. The product has a unique design, which enables a longer coaptation length while maintaining smaller implant size and delivery system. Other innovations include its independent leaflet grasp that reduces the complexity of the procedure, auto-locking mechanism that avoids repeated locking and unlocking during the procedure, as well as multi-angular detachment that copes with a wider range of anatomy.

As of the date of this announcement, we are continuing to progress the one-year patient follow-up of the multi-center registration clinical trial for GeminiOne® in China and are planning to carry out the EFS of this product in the United States. In the meantime, we are also exploring the application of GeminiOne® TEER technology in treating tricuspid valve disease.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET GeminiOne® SUCCESSFULLY.

Sutra Hemi Valve — Transcatheter Mitral Valve Coaptation Augmentation System

In April 2021, we entered into a stock purchase agreement with Sutra Medical Inc. ("**Sutra**"), a U.S.-based medical device company that designs and develops transcatheter solutions to treat valvular heart diseases. Sutra's key product candidate, Sutra Hemi Valve, is a trancatheter mitral valve therapeutic device that adopts a hybrid approach between valve replacement and repair technology. The device is designed to treat MR using a coaptation augmentation technology that targets only the posterior mitral valve leaflet. As of the date of this announcement, Sutra is preparing for FIM study.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET Sutra Hemi Valve SUCCESSFULLY.

Future Technology Product Candidates

Our Future Technology Business was established during the Reporting Period as a spin-off from the Transcatheter Valve Therapeutic Business. It focuses on delivering globally cutting-edge therapeutic solutions for a comprehensive range of heart valve diseases. All projects target unmet clinical needs in markets lacking mature treatment options. Currently, Future Technology Business has three product candidates, including Lithotripsy Valvuloplasty System, MonarQ TTVR® system, and ReachTactile™ robotic-assisted TAVR system. Each project is managed by an independent team and executed through dedicated subsidiaries within the Group, which maintain full autonomy in operations and financing. As of the date of this announcement, several projects have independently secured external financing.

Lithotripsy Valvuloplasty System

The Lithotripsy Valvuloplasty System (formerly named TaurusWave®) applies shockwave technology to remodel calcification on the valves. After the treatment, the mobility of the native valve is improved, leading to better hemodynamic performance. The system can be used as a stand-alone transcatheter aortic valve treatment or be used prior to TAVR, in order to alleviate valve stenosis. The FIM study for AS (10 patients) was successfully completed in the Second Affiliated Hospital Zhejiang University School of Medicine. Also, a separated entity SmartWave Medical was incorporated to further develop this platform technology for several applications and indications.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LITHOTRIPSY VALVULOPLASTY SYSTEM SUCCESSFULLY.

MonarQ TTVR® system — Acquired TTVR Product

We entered into an intellectual property ("**IP**") acquisition agreement, a service agreement and a stock purchase agreement with inQB8 Medical Technologies, LLC ("**inQB8**"), a U.S.- based medical technology incubator, in May 2021, to explore innovative solutions for treating structural heart diseases. The transaction includes our acquisition of a TTVR technology, namely MonarQ TTVR® system, from inQB8, and for which inQB8 will continue to develop the device in partnership with us.

The MonarQ TTVR® system is an innovative option for treating TR. Such system has a unique biodynamic attachment system that utilizes and preserves the heart's natural motion to secure the implant to the native leaflets, distribute systolic loads, and minimize paravalvular leaks over a wide range of annulus sizes.

As of the date of this announcement, the MonarQ TTVR® system has been used to treat patients with TR in the Europe and the United States on compassionate grounds. In September 2024, we received the FDA approval for the IDE for the EFS of the MonarQ TTVR® system. The formal launch of the EFS is currently under preparation.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET MonarQ TTVR® SYSTEM SUCCESSFULLY.

ReachTactile™ — Advancing Robotic-Assisted TAVR System

ReachTactile™, our internally developed robotic-assisted TAVR system, offers an innovative, cost-effective solution for transcatheter valve replacement or repair therapies. It targets the rapidly growing TAVR market in China and globally, addressing technical challenges during the procedure and the shortage of expert cardiologists capable to conduct a transcatheter valve replacement or repair procedure.

The mobile, modular design of ReachTactile™ fits conventional catheter rooms, allowing a single cardiologist to operate multiple devices with sub-millimeter precision. A force-sensing mechanism provides real-time tactile feedback, aiding navigation in complex vascular conditions. The Master Unit-Slave Unit architecture allows cardiologists to reduce radiation exposure and other occupational diseases. Meanwhile, remote control capabilities via ethernet enable long-distance operations and training.

As of the date of this announcement, we are in preparation for the FIM clinical trial for ReachTactile™.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ReachTactile™ SUCCESSFULLY.

Platform Technologies

We are committed to constantly exploring platform technologies that can be applied to a variety of therapies. As of the date of this announcement, we have three patented platform technologies, namely *Non-glutaraldehyde Crosslinked* Dry-tissue Technology, Polymeric Trileaflet Technology and Lithotripsy Valvuloplasty Technology, for our Transcatheter Valve Therapeutic Business and Future Technology Business.

Non-glutaraldehyde Crosslinked Dry-tissue Technology and Polymeric Trileaflet Technology are currently utilized in our third-generation TAVR product, TaurusNXT®, and our fourth-generation TAVR product, TaurusApex®. These technologies can also be utilized with other TAVR, TMVR or TTVR product candidates.

Lithotripsy Valvuloplasty Technology, currently utilized in the Lithotripsy Valvuloplasty System, is a non-implant solution to treat AS by remodeling the severe calcification. The research clinical trial of this product is currently underway. The initial results indicate the safety and efficacy of the technology. The technology can be applied on a stand-alone basis or as a pre-implantation step during the transcatheter valve replacement procedure.

Neurointerventional Products and Product Candidates

We have a comprehensive portfolio of registered and pipeline products that target both hemorrhagic and ischemic stroke markets. For the Reporting Period, our revenue generated from the sales of neurointerventional products amounted to RMB355.5 million, representing an increase of 39.1% from approximately RMB255.6 million for the year ended December 2023.

Hemorrhagic Products and Product Candidates

For the Reporting Period, we generated a total revenue of RMB107.8 million from hemorrhagic products, representing an increase of 31.6% from approximately RMB81.9 million for the year ended December 2023 and accounting for 30.3% of the total revenue of the Neurointerventional Business.

Detachable Coils: we have four registered detachable coil products with different detachment methods, namely, Jasper® Detachable Coil, Presgo® Detachable Coil, Jasper® SS Detachable Coil and NRcoil™ Detachable Coil. We received the NMPA approval for the registration application of Jasper® SS Detachable Coil in June 2021. The detachment process of Jasper® SS Detachable Coil is the same as that of the previous generation, Jasper® Detachable Coil, whereas Jasper® SS Detachable Coil is much softer in order to address specific clinical needs during the fill and finish processes of a cerebral aneurysm endovascular coiling procedure. We received the NMPA approval for the registration application of NRcoil™ Detachable Coil, our latest generation coil product which can be thermally detached, in August 2023. The coil is designed for framing, filling and finishing. It is a significant addition to our existing product offering of embolization coils, providing an alternative detachment method to physicians.

CereStellar™ Intracranial Adjunctive Stent: CereStellar™ Intracranial Adjunctive Stent is indicated for use with neurovascular embolization coils in the endovascular treatment of intracranial aneurysms. Stent-assisted coil embolization allows endovascular treatment of complex shaped and wide necked intracranial aneurysms. As of the date of this announcement, we are continuing to progress the patient follow-up of the registration clinical trial of CereStellar™.

YonFlow® Flow Diverter: YonFlow® Flow Diverter is the first retrievable stent system after complete release globally. We entered into an exclusive distribution agreement with Jiangsu NowYon Medical Limited on August 16, 2024 for selling and distributing of the YonFlow® Flow Diverter in the territory of the Greater China. Please refer to the announcement of the Company dated August 28, 2024 for further details.

Ischemic Products and Product Candidates

For the Reporting Period, our revenue generated from the sales of ischemic products amounted to RMB114.9 million, representing an increase of 33.7 % from approximately RMB85.9 million for the year ended December 31, 2023 and accounting for 32.3% of the total revenue of the Neurointerventional Business.

Products Designed for Treating AIS

Syphonet® Stent Retriever: Syphonet® Stent Retriever is an important product designed for removing thrombus in intracranial vessels in a mechanical thrombectomy procedure for patients with AIS. The product's unique design features a capture basket at the distal end, which can effectively prevent the thrombus debris from dislodging into the blood stream, thereby improving the removal of the thrombus. Additionally, the stent is designed with an optimized radial force to maintain the integrity of the lumen, even in tortuous vessels. Radiopaque wires in the stent and a radiopaque marker on the distal end allow for visualization of the entire retriever, providing physicians with better visual guidance. The Syphonet® Stent Retriever has various specifications, all compatible with 0.017-inch microcatheter. The compatibility will improve the success rate of deployment and reduce procedure time. We received the NMPA approval for the registration application of Syphonet® Stent Retriever in February 2022.

Tethys AS® Aspiration Catheter: our Tethys AS® Aspiration Catheter is specially designed for direct aspiration in mechanical thrombectomy. The 0.071-inch large lumen of the product largely increases the aspiration force, which can significantly shorten procedure time. It features a 20cm soft segment at the distal end, which conforms to the tortuous vessels and largely enhances its deliverability to the distal vessels. The optimized design of the transitional structure improves the trackability of the catheter, allowing the device to be delivered to the target vessel more easily. The entire device adopts a double-layer design with outer braids and inner coils, which allows high compressive strength and helps maintain lumen integrity. We received NMPA approval for the registration application of Tethys AS® Aspiration Catheter in May 2022.

Fluxcap® Balloon Guide Catheter: Fluxcap® Balloon Guide Catheter has 0.087-inch large lumen and is compatible with 6F intermediate catheters or aspiration catheters. The reinforced layer with transition zones leads to a balance of proximal support and distal flexibility, offering a stable passage for intracranial devices. The 0.75mm non-radiopaque segment at the tip can reduce the blind spots of the physicians and thus, improving the safety of the procedure. The compliant balloon, at its tip, can block proximal flow and effectively prevent the thrombus from dislodging into the distal vessels. We received the NMPA approval for the registration application of Fluxcap® Balloon Guide Catheter in June 2022.

With the successive launch of Syphonet® Stent Retriever, Tethys AS® Aspiration Catheter and Fluxcap® Balloon Guide Catheter, we are able to provide physicians a fully integrated solution for mechanical thrombectomy. Physicians can rely on our product combinations for different procedures, based on the clinical needs of patients.

Products Designed for Treating ICAD

SacSpeed® Balloon Dilatation Catheter: we commercially launched SacSpeed® Balloon Dilatation Catheter in the fourth quarter of 2020. The Catheter is used for dilating stenosis to help with intracranial blood supply, while treating ICAD.

Fastunnel® Delivery Balloon Dilatation Catheter: Fastunnel® Delivery Balloon Dilatation Catheter is designed for treating ICAD. As the first medical device in China which combines balloon dilatation and stent delivery in one device, its unique "zero exchange" technique redefines ICAD treatment. The product utilizes an integrated design combining the features of both balloon dilatation catheter and microcatheter, which can reduce the number of device exchanges and improve the safety of the procedure. The balloon uses Pebax® semi-compliant materials to achieve steady shape and safe expansion. Meanwhile, the stainless steel structure reinforces the entire device, and thus improves the trackability of the catheter and the deliverability of the intracranial stent system. In addition, the 150cm delivery system is compatible with intermediate catheters length of 135cm and below. We received the NMPA approval for the registration application of Fastunnel® Delivery Balloon Dilatation Catheter in May 2022.

NeuroStellar® Intracranial Stent: NeuroStellar® Intracranial Stent is designed for treating ICAD. The product is compatible with 0.017-inch microcatheter and is designed with optimized radial force which enables better stent apposition. As of the date of this announcement, we have submitted the application for the registration approval of this product to the NMPA.

Vascular Access Products and Product Candidates

For the Reporting Period, we generated a total revenue of RMB132.6 million from vascular access products, representing an increase of 52.3% from approximately RMB87.1 million for the year ended December 31, 2023 and accounting for 37.3% of the total revenue in the Neurointerventional Business.

Tethys® Intermediate Catheter: we received the NMPA approval for the registration application of Tethys® Intermediate Catheter in October 2020. Our Tethys® Intermediate Catheter assists the delivery of diagnostic devices and/or treatment devices to the neurovascular and peripheral vascular system. It is applicable in various procedures, including aneurysm embolization, mechanical thrombectomy and ICAD procedures. The catheter provides strong support and stability for the operation of microcatheters, embolization coils, stent retrievers, and balloon dilatation catheters in distal blood vessels.

Heralder® DA Distal Access Catheter: we received the NMPA approval for the registration application of Heralder® DA Distal Access Catheter in June 2021, providing more options for the delivery of devices to different positions.

DCwire® Micro Guidewire: DCwire® Micro Guidewire is designed based on the idea of "microstructure". The term "microstructure" refers to the design of a multi-layered microstructured device made of multiple materials through precision manufacturing. DCwire® Micro Guidewire has realized the manufacturing precision as well as the unique material properties of "microstructure", which allows the device to be precisely controlled and easy to super select vessels, enabling physicians build vascular access quickly and more easily during procedures. We received the NMPA approval for the registration application of DCwire® Micro Guidewire in June 2023.

Delivery Catheter (Large Lumen): the Delivery Catheter (Large Lumen) is a large lumen sheath with a 7F inner diameter. The product allows for delivery accuracy and strong support, which helps the physician to better deliver devices during neurointerventional procedures. As of the date of this announcement, the type testing of this product is completed.

Other commercialized vascular access products include Presgo® Microcatheter, Presgo® Micro Guidewire and Heralder® Guide Catheter. Meanwhile, we are optimizing the performance of our current products by developing the next generation products based on clinical feedback and are actively advancing the development and registration for related iterative products.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET THE ABOVE PRODUCTS OR PRODUCT CANDIDATES SUCCESSFULLY.

Research & Development

In-house innovation and business development opportunities are crucial to the Company's R&D pipeline. Our core R&D team is led by Dr. Yi ZHANG (Chairman and chief executive officer), Mr. Kongrong Karl PAN (chief operating officer) and Dr. Jian Fong TAN (chief technology officer). All of them are industry veterans with impressive academic and professional backgrounds, having previously worked in managerial positions at various leading players in the medical device sector.

We have extensive relationships with global leaders in both the transcatheter valve therapeutic and neurointerventional fields, including world-class scientists, physicians and industry experts. In addition to the licensing of cutting-edge technologies, we have also established overseas R&D capabilities through close collaboration:

For Sutra, the Company is the second-largest shareholder beside the founder, and has the right of first offer if Sutra proposes to offer or sell any new securities, subject to certain customary exceptions. We share R&D facilities with Sutra in the United States, and they have assisted us in expanding our R&D presence in North America. The founding team of Sutra is composed of professionals with extensive academic and industrial experience.

For inQB8, it is a medtech incubator in partnership with the Company. Under the partnership, we will have exclusive global privileges and rights to the technologies regarding the joint development of novel products and solutions in treating structural heart disease. The founding team of inQB8 has a multidisciplinary background in medtech and engineering. Before founding inQB8, the team founded CardiAQ Valve Technologies, which developed the world's first TMVR system and was later acquired by Edwards Lifesciences.

We have established close working relationship with world-class consultants, who provide services exclusively for us in China. They are heavily involved in our R&D process, contributing significantly to our innovative aortic, mitral and tricuspid valve products:

Dr. Nicolo PIAZZA is a renowned interventional cardiologist at McGill University Health Center and the German Heart Center in Munich. He has also served as either the chairman or a core team member in many premier transcatheter valve therapeutics conferences, including EuroPCR, PCR London Valves and PCR-CIT China Chengdu Valves. He is actively involved in our overseas business development, product promotion and clinical trials, including the clinical trial and technology transfer of HighLife® as well as the clinical trial of Lithotripsy Valvuloplasty System.

Dr. Saibal KAR joined the Company as a consultant in September 2021. He is a world-leading doctor well-known for his research and achievements in the field of structural heart therapies, particularly in mitral repair space. Dr. Saibal KAR also serves as an external consultant for various multinational medical device companies such as Medtronic plc, Boston Scientific Corporation, and Abbott Vascular Inc. He has worked as a principal investigator in several multi-center studies and randomized studies for MitraClip™. Dr. Saibal KAR is currently advising on the R&D of our mitral edge-to-edge therapies.

In 2024, we entered into a consulting agreement with Dr. Gilbert Tang, who provides us with consulting advice in the field of structural heart technology. Dr. Tang is Surgical Director of the Structural Heart Program at the Mount Sinai Health System and Professor in the Department of Cardiovascular Surgery at the Icahn School of Medicine at Mount Sinai.

Suzhou SITRI Interventional Medtech Institute ("**IMI**"), an innovation incubation and investment platform dedicated to the field of vascular interventional medical devices, was established in October 2021. The IMI was proposed and funded together by the Company and with Suzhou Industrial Park Administrative Committee, Suzhou Industrial Technology Research Institute, and IMI management team. The establishment of IMI will facilitate our R&D activities by providing us with access to emerging medical device technologies that might have significant global impact, which will benefit our future business expansion.

As of December 31, 2024, we had an in-house R&D team of 175 employees dedicated to the R&D of our transcatheter valve therapeutic business, future technology business and neurointerventional business.

Intellectual Property

We remain unwavering in our commitment to independent innovation to solidify our core competitive edge. In 2024, we strategically evolved the Company's IP framework from a defensive posture to a dual strategy of offense and defense. This transformation was marked by strengthened compliance in trademark usage, the establishment of a preliminary framework for trade secret management, and more comprehensive protection of our core technologies. Moreover, we obtained the GB/T 29490–2013 Intellectual Property Management System Certification in April 2022. We are currently undergoing a upgrade in accordance with the requirements of the GB/T 29490–2023 Enterprise Intellectual Property Compliance Management System, marking a significant step forward in our intellectual property management.

We have a robust intellectual property portfolio, consisting of a total of 200 granted and valid patents, 170 patents under application and 132 registered trademarks. As of December 31, 2024, there were 114 granted and valid patents, 122 patents under application and 53 registered trademarks for our Transcatheter Valve Therapeutics and Future Technology Businesses, and 86 granted and valid patents, 48 patents under application and 79 registered trademarks for our Neurointerventional Business.

Manufacturing

For our Transcatheter Valve Therapeutic Business, our new headquarters has a production area of approximately 10,000 sq.m (including functional areas such as Class 10,000 cleanroom, general workshop, warehousing workshop, quality inspection workshop, etc.), which is more than three times of the original production facilities in Zhongtian Road, Suzhou. The new plants have passed the inspection by the NMPA and obtained permission to manufacture medical devices. Currently, the annual production capacity of the new plant is about 30,000 sets, which is more than three times of the original production capacity.

For our Neurointerventional Business, we manufactured, assembled and inspected our products at two production facilities in 2024. One is located in an 18,843.9 sq.m self-owned property at Zhongtian Road, Suzhou, Jiangsu province, and the other one is located in an 1,188.4 sq.m. leased property at Zhangjiang Industrial Park, Shanghai. Following the lease expiration of our production facility at Zhangjiang Industrial Park in October 2024, the manufacturing for our neurointerventional products have been fully transitioned to our production facility located at Zhongtian Road, Suzhou.

We are currently renovating and expanding our plant at Zhongtian Road, Suzhou to increase production capacity in response to the growing demand of the market. We have added approximately 1,080 sq.m of cleanroom and completed the validation in June 2024.

We have developed the Risk Management and Control Procedures (《風險管理控制程序》) to monitor compliance with our quality control system at every phase of the product life cycle and use scientific tools to identify, analyze, evaluate and control risks to ensure the safety and efficacy of our medical devices.

We have established an advanced quality management system, rigorously upholding product excellence and safeguarding consumer rights across all dimensions. It is our responsibility to develop products that allow patients to enjoy healthy lives and strictly abide by the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), Measures for the Supervision and Administration of Medical Device Production (《醫療器械生產監督管理辦法》), Good Manufacturing Practices for Medical Devices (《醫療器械生產質量管理規範》) and other laws and regulations. We have implemented the Non-Conforming Product Control Procedures (《不合格品控制程序》) to standardize the identification, handling, and resolution of non-compliant products throughout the entire product lifecycle — from raw material procurement and production processes to final delivery — ensuring systematic compliance and operational integrity. Our Quality Management System is aligned to relevant laws and international standards, including GMP standards and the ISO 13485:2016 Medical devices — Quality management systems.

Commercialization

The Company is committed to being physicians' most trusted product partner and service provider through three core pillars: (i) precise product positioning and superior product performance; (ii) well-rounded sales and marketing support; and (iii) end-to-end engagement across the product lifecycle.

For the Company's Transcatheter Valve Therapeutics, during the Reporting Period, we placed our products in over 150 new hospitals, expanding total coverage to approximately 650 medical institutions in China as of December 31, 2024. Total annual terminal implantation volume surpassed 3,400 units, while our share in the Chinese transfemoral TAVR market grew to approximately 25%.

Through structured internal training programs and talent development initiatives, we have cultivated a high-performance team with industry-leading expertise in medical education and commercial operations. As of December 31, 2024, our sales and marketing workforce stood at 193 professionals, supported by a medical department of 10+ licensed physicians providing expert clinical support for patient evaluation, procedure planning, and other perioperative management affairs.

Capitalizing on continuous product iterations and the penetration of technologies into broader clinical practice, our value-driven academic initiatives have significantly enhanced commercialization efficacy. We advance the transcatheter valve therapeutic technologies through multidimensional academic ecosystem development: (i) delivering standardized procedure and core technology mastery trainings for TAVR; (ii) developing lifecycle management for AS patients based on the features of Taurus-series products; (iii) anatomical assessment and advanced techniques for the treatment of AR patients; and (iv) exchange of practical experience in complex cases and related academic and clinical hotspots. These clinician-centric academic activities have facilitated the gradual translation from iterative surgical technology to clinical treatment benefits, driving durable physician engagement and active interaction. Since its official launch in June 2022, our proprietary *Yijia Institute* has emerged as a leading digital education brand in the field of transcatheter valve therapy, driven by its consistent delivery of high-quality content and innovative online professional education models. The platform has attracted a total of 1,392 registered users, with clinical practitioners accounting for 84.3% of the user base. Its WeChat official account has garnered over 4,500 followers, and the cumulative readership of professional articles on the platform has exceeded 44,000 views.

During the Reporting Period, the Company's Neurointerventional Business achieved further commercial success driven by our comprehensive product portfolio, innovative procedure techniques, and strategic responses to VBPs. Our hemorrhagic, ischemic and vascular access product lines all experienced significant growth. In August 2024, we entered into a partnership with Jiangsu NowYon Medical Limited, securing exclusive distribution right

for its self-developed YonFlow® Flow Diverter in the territory of the Greater China, which completed the final piece of our hemorrhagic product pipeline.

As of December 31, 2024, we had 95 employees dedicated to the sales and marketing of our neurointerventional products, and our distributor network covers approximately 2,300 hospitals across 31 provinces and municipalities in China.

Facing intense market competition, we adopted differentiated marketing strategies tailored to the competitive landscape and design features of each individual product. Notably, based on the superior design and performance of our products, we have developed more than ten innovative procedure techniques that directly address unmet clinical needs and pain points, in collaboration with physicians. The promotion of these innovative techniques effectively drove the commercialization of our product portfolio during the Reporting Period, including the Syphonet® Stent Retriever (representative techniques: BASIS, COSIS), Tethys® Intermediate Catheter (representative techniques: TRUST, REST, ATTACH) and Fastunnel® Delivery Balloon Dilatation Catheter (representative techniques: Zero Exchange, FAST ICAS, ANSWER).

Since the beginning of 2023, the VBP of neurointerventional products has been progressively implemented at the provincial and regional levels. The Company has consistently and proactively engaged in relevant initiatives. Leveraging our comprehensive product portfolio, long-term brand penetration, and effective strategic pricing, we have secured winning bids multiple times, ensuring a stable supply of high-quality and cost-effective neurointerventional products to the market. Following the successful bid in the provincial alliance VBP of coils led by Jilin Province (Group A), our coil product was again selected in the *3+N* Alliance VBP of coils in the Beijing-Tianjin-Hebei region in March 2024. The winning bid regions for our coil products now cover over 90% of provinces nationwide. Additionally, in the provincial alliance VBP of vascular interventional consumables led by Hebei Province in January 2025, both our SacSpeed® Balloon Dilatation Catheter and Fastunnel® Delivery Balloon Dilatation Catheter won bids in Group A under Rule One.

Future Outlook

Going forward, we will maintain our corporate vision and remain committed to the development and commercialization of interventional solutions for structural heart and neurovascular diseases in China and globally.

For our Transcatheter Valve Therapeutic Business, we will remain steadfast in our goal of becoming China's foremost TAVR brand. We will continue to strengthen our presence in the Chinese market and increase sales of our launched products, including TaurusOne®, TaurusElite®, TaurusMax™ and various procedural accessories. At the same time, we will focus on advancing the follow-up and registration efforts for our pipeline products, including TaurusTrio™, TaurusNXT® and GeminiOne® etc. in the hope of bringing safe

and effective treatment solutions to patients in China. As of the date of this announcement, patient enrollment and one-year patient follow-up have been completed in the registration clinical trials of TaurusTrio™ and TaurusNXT®, and we are committed to bringing them to market as quickly as we can to address significant unmet clinical needs. In addition, we will continue to invest in R&D to advance the clinical progress of our other innovative pipeline products and achieve breakthroughs.

For our Future Technology Business, we will continuously advance the financing initiatives of our subsidiaries and the R&D of cutting-edge therapeutic products to accelerate the translation of technological innovations into clinical applications, with the goal of providing high-quality medical services to a greater number of patients worldwide. This strategic commitment not only benefits patients with heart valve diseases worldwide, but also enhances clinical convenience for cardiologists through technological innovation.

For our Neurointerventional Business, we will continue to maintain the momentum of revenue growth while implementing cost control measures to enhance profitability and maximize shareholder value. We will actively seize the opportunities presented through policy support and industry development, leveraging our superior product performance, outstanding sales and marketing capabilities and extensive distribution network to further expand our market share and strengthen our leading position in the industry.

II. FINANCIAL REVIEW

Revenue

For the year ended December 31, 2024, our Group's revenue was RMB615.5 million, representing an increase of 39.5% as compared to RMB441.1 million for the year ended December 31, 2023. Revenue from Neurointerventional Business and Transcatheter Valve Therapeutic Business were RMB355.5 million and RMB259.9 million, representing an increase of 39.1% and 40.1% as compared to RMB255.6 million and RMB185.6 million for the year ended December 31, 2023, respectively.

The increase in revenue was primarily attributable to: (i) increase of sales volume of TAVR products, of which the revenue increased by RMB74.4 million; (ii) increase of sales volume of DCwire® Micro Guidewire, of which the revenue increased by over RMB37.0 million; (iii) increase of sales volume of Syphonet® Stent Retriever, of which the revenue increased by RMB24.4 million; and (iv) increase of sales volume of Jasper® Detachable Coil, of which the revenue increased by RMB18.5 million.

The following table sets forth a breakdown of our revenue generated from Neurointerventional Business for the periods indicated:

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Hemorrhagic	**107,791**	**30.3**	81,892	32.1
Ischemic	**114,922**	**32.3**	85,938	33.6
Vascular Access	**132,625**	**37.3**	87,100	34.1
Others	**209**	**0.1**	625	0.2
Total	**355,547**	**100.0**	255,555	100.0

Cost of Sales

For the year ended December 31, 2024, our Group's cost of sales was RMB181.9 million, representing an increase of 57.1% as compared to RMB115.8 million for the year ended December 31, 2023. The increase was primarily attributable to the increase in the material costs, labor costs and overheads as a result of the increased sales volume of the Transcatheter Valve Therapeutic Business and Neurointerventional Business.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, our Group's gross profit increased by 33.3%, from RMB325.4 million for the year ended December 31, 2023 to RMB433.6 million for the year ended December 31, 2024, in line with the increase in sales revenue. Gross profit margin is calculated as gross profit divided by revenue and multiplying the result by 100%. Our Group's gross profit margin was 70.5% for the year ended December 31, 2024, as compared to 73.8% for the year ended December 31, 2023.

Selling and Distribution Expenses

Selling and distribution expenses increased by 1.0% from RMB325.0 million for the year ended December 31, 2023 to RMB328.3 million for the year ended December 31, 2024.

Administrative Expenses

Administrative expenses increased by 6.7% from RMB141.6 million for the year ended December 31, 2023 to RMB151.1 million for the year ended December 31, 2024. The increase was primarily attributable to the increase in depreciation.

Research and Development Expenses

Research and development expenses decreased by 30.7% from RMB293.4 million for the year ended December 31, 2023 to RMB203.4 million for the year ended December 31, 2024. Such decrease was primarily attributable to the service expenses decreased.

For the year ended December 31, 2024, R&D expenses for Transcatheter Valve Therapeutic Business and Neurointerventional Business were amounted to RMB124.2 million and RMB50.3 million, respectively. The following table sets forth the components of research and development expenses for the periods indicated:

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Service expenses for research and development	**42,498**	**16.1**	141,225	48.1
Employee benefits expenses	**107,666**	**48.9**	79,817	27.2
Raw materials and consumables used	**53,599**	**22.8**	55,173	18.8
Depreciation and amortization	**11,393**	**4.5**	8,890	3.0
Other	**17,974**	**7.7**	8,315	2.9
Less: Capitalized research and development expenses in intangible assets	**(29,710)**	**N/A**	—	—
Total	**203,420**	**100.0**	293,420	100.0

Other gains and losses

Other gains and losses decreased from a net other loss of RMB15.8 million for the year ended December 31, 2023 to a net other loss of RMB9.3 million for the year ended December 31, 2024. The loss in 2024 was mainly due to the fair value change of financial assets at fair value through profit or loss. The decrease was mainly due to the reduction of loss from foreign exchange forward contracts.

Finance Income — net

Net finance income decreased from RMB39.3 million for the year ended December 31, 2023 to RMB17.7 million for the year ended December 31, 2024. The decrease was mainly due to the bank interest income decreased.

Gearing Ratio

Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100%. As at December 31, 2024, the gearing ratio of our Group increased to 31.5% from 17.5% as of December 31, 2023. The increase was primarily attributable to the unsettlement of milestone payments for certain business development project for the year ended December 31, 2024.

Net Current Assets

As of December 31, 2024, our Group's net current assets were RMB544.3 million, as compared with RMB1,083.2 million as of December 31, 2023, was primarily attributable to certain milestone was achieved for the year ended December 31, 2024 and corresponding payments were unsettled for the year ended December 31, 2024.

Borrowings

As of December 31, 2024, our Group's borrowings, which bore interest rates of 3.25%-3.60%, were RMB248.1 million, as compared with 217.4 million as of December 31, 2023. The purpose of the long-term borrowing was for financing the construction of the new headquarter.

Capital Management

The primary goal of our Group's capital management is to maintain our Group's stability and growth, safeguard its normal operations and maximize shareholders' value. Our Group reviews and manages its capital structure on a regular basis. Timely adjustments are made in light of changes in operating and market conditions.

Liquidity and Financial Resources

As of December 31, 2024, our Group's total cash, cash equivalents and term deposits amounted to approximately RMB707.8 million, representing a decrease of 26.7% as compared to RMB965.8 million as of December 31, 2023. Our Group continues to maintain a strong financial position and is confident that it has sufficient funds to meet its daily business operation requirements.

We rely on capital contributions by our shareholders as the major sources of liquidity. We also generate cash from our sales of existing commercialized products. As our business develops and expands, we expect to generate more net cash inflow from our operating activities, by increasing sales volume of existing commercialized products and launching new products, as a result of the broader market acceptance of our existing products and our continued efforts in promotion and expansion, and improving cost control and operating efficiency.

Our Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimize the cost of funds, our Group's treasury is centralized. Cash is generally placed in deposits mostly denominated in U.S. Dollars, Hong Kong dollars and RMB. Our Group's liquidity and financing requirements are reviewed regularly.

Capital Expenditure

For the year ended December 31, 2024, our Group's total capital expenditure amounted to approximately RMB280.1 million, which was mainly used in (i) the construction of new headquarter and factory; (ii) equipment procurement; and (iii) technologies development.

Significant Investment

As at December 31, 2024, the balance of non-current financial assets at FVTPL amounted to RMB316.8 million, representing eight unlisted equity investments, while the balance of current financial assets at FVTPL amounted to RMB14.7 million, representing one unlisted debt investment.

inQB8

inQB8 is a medical device incubator company headquartered in Massachusetts, USA, exploring and developing new solutions for major cardiovascular diseases, including structural heart disease, type A aortic dissection, HFpEF and HFmrEF. As at December 31, 2024, we held 1,326,263 shares, representing 50% of the total equity interests of inQB8, and the fair value of the equity interests held by our Group amounted to RMB165.3 million, constituting 6.2% of our total assets as at December 31, 2024.

InQB8 incubates and proceeds various start-up projects through prototype design, bench testing, and preclinical testing, allowing these early concepts to develop within inQB8 until the project is acquired or grown into an independent cardiovascular company.

At present, inQB8 is in strategic cooperation with our Group to develop an innovative product for treating TR, MonarQ TTVR® system. As of the date of this announcement, the MonarQ TTVR® system has been used to treat patients with TR in the Europe and the United States on compassionate grounds. In September 2024, we received the FDA approval for the IDE for the EFS of the MonarQ TTVR® system. The formal launch of the EFS is currently under preparation.

Based on the progress of each unlisted investee, the Company will continue to evaluate and make reasonable arrangements on the growth and development of our equity interest.

Contingent Liabilities

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

Material Acquisitions and Disposals

As of December 31, 2024, our Group did not have any material acquisitions and disposals of subsidiary, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

As of the date of this announcement, our Group had not authorized and does not have any specific plan for any material investments or acquisitions of capital assets.

Charge on Assets

As of December 31, 2024, a land use right and a building under construction of our Group with carrying amounts of RMB8.9 million and RMB360.8 million respectively have been mortgaged for a long-term bank borrowing.

Foreign Exchange Exposure

Our Group has transactional currency exposures. Certain cash and cash equivalents as well as financial assets at fair value through profit or loss are dominated in foreign currencies and are exposed to foreign currency risk. Our management monitors foreign exchange exposure and the Group has entered into several forward exchange forward contracts with reputable banks to hedge exchange rate risks.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Net proceeds from the Global Offering and the Listing on the Listing Date, and the full exercise of the Over-allotment Option, after deduction of the underwriting fees and commissions and expenses of the Company in connection with the Global Offering was approximately HK$2,587.98 million. Our Group would apply such proceeds in a manner consistent with the intended use of proceeds as disclosed in the Prospectus.

The table below sets forth the utilization of the net proceeds from the Global Offering and the expected timeline of the unutilized amount as of December 31, 2024:

Business objective as stated in the Prospectus	**Percentage to total amount**	**Net proceeds**	**Unutilized amount as of December 31, 2023**	**Utilized amount during the Reporting Period**	**Unutilized amount as of December 31, 2024**	**Expected timeline for Unutilized amount**
	%	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
Development and commercialization of our Core Product and other major product candidates	65	1,682.18	732.37	332.93	399.44	Yr 2025
Ongoing pre-clinical studies and planned clinical trials, preparation for registration flings and potential commercial launches (including sales and marketing) of our other product candidates in our pipeline	10	258.8	0	—	—	—
Strengthen our research and development capables to enrich our product pipeline	8	207.04	79.64	49.19	30.45	Yr 2025
Expand our product portfolio or intellectual property portfolio through potential strategic acquisitions, investments, partnerships and licensing opportunities	10	258.8	0	—	—	—
Working capital and other general corporate purposes	7	181.16	0	—	—	—
Total	100	2,587.98	812.01	382.12	429.89	

Note: The expected timeline for utilization of the unutilized net proceeds above is based on the Company's best estimation and is subject to change based on the future development of market conditions.

As of December 31, 2024, net proceeds from the Global Offering not yet utilized were deposited with certain licensed banks in Hong Kong or the PRC.

USE OF PROCEEDS FROM THE PLACING

On January 22, 2021, the Company entered into the Placing Agreement with Morgan Stanley & Co. International plc, pursuant to which the Company appointed Morgan Stanley & Co. International plc as its placing agent to procure not less than six Placees who are Independent Third Parties to subscribe up to 33,800,000 Placing Shares at the placing price of HK$29.38 per Placing Share in accordance with the terms and conditions of the Placing Agreement. The net placing price per Placing Share after deducting related fees and expenses is approximately HK$28.74 per Share. The Placing Shares had a market value of approximately HK$1,012.31 million based on the closing price of HK$29.95 per Share as of January 21, 2021 and an aggregate nominal value of US$3,380.

The Placing Shares represented approximately 5.3% of the existing issued share capital of the Company as of the Placing Agreement date, and approximately 5.1% of the enlarged issued share capital of the Company immediately following the completion of the Placing.

The Placing was completed on January 29, 2021. An aggregate of 33,800,000 Placing Shares have been successfully placed to no less than six Placees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are professional, institutional, or other investors who are Independent Third Parties. The net proceeds from the Placing were approximately HK$971.48 million, of which the intended use was set out in the announcement of the Company dated January 22, 2021. The Placing was being undertaken to strengthen the Group's financial position and for the long term funding of its business, expansion and growth plan.

The table below sets forth the utilization of the net proceeds from the Placing and the expected timeline of the unutilized amount as of December 31, 2024:

Business objective as stated in the announcement of the Company dated Jan 22, 2021	**Percentage to total amount**	**Net proceeds**	**Unutilized amount as of December 31, 2023**	**Utilized amount during the Reporting Period**	**Unutilized amount as of December 31, 2024**	**Expected timeline for Unutilized amount**
	%	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
To fund potential product licensing and possible merger and acquisition opportunities in the area of mitral valve replacement and repair treatment, including a collaboration and license agreement for transeptal mitral valve replacement with HighLife SAS dated December 18, 2020 (for further details, please refer to the voluntary announcement of the Company, published on December 21, 2020)	30	291.44	25.31	0.00	25.31	Yr 2025
To fund potential product licensing and possible merger and acquisition opportunities in other areas including tricuspid valve replacement and repair treatment	40	388.59	0.00	—	—	—
To fund ongoing technology transfer, product development, and research and development, across the Group	25	242.87	0.00	—	—	—
For other general corporate purposes	5	48.58	48.58	0.00	48.58	Yr 2025
Total	100	971.48	73.89	—	73.89	

Note: The expected timeline for utilization of the unutilized net proceeds from the Placing above is based on the Company's best estimation and is subject to change based on the future development of market conditions.

As of December 31, 2024, net proceeds from the Placing not yet utilized were deposited with certain licensed banks in Hong Kong or the PRC.

HUMAN RESOURCES

As of December 31, 2024, our Group had 1,047 employees, all of whom were based in China. Our Group's total employee benefits for the Reporting Period were approximately RMB346.5 million, consisted of (i) wages, salaries and bonuses, (ii) social security costs and housing benefits, (iii) employee welfare and (iv) share-based compensation expenses.

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant position. We invest in continuing education programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salaries, promotion and career development.

In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination.

In addition, we are required under PRC law to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, our Group is not aware of any material subsequent events after the Reporting Period.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the Reporting Period (year ended December 31, 2023: nil).

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as of the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions as set out in the CG Code, as its own code to govern its corporate governance practices.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organization structure of the Company, Dr. Zhang is the chairman of the Board and chief executive officer of the Company. With extensive experience in the medical devices industry and having served in the Company since its establishment, Dr. Zhang is in charge of overall management, business, strategic development and scientific R&D of our Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Dr. Zhang), three non-executive Directors and four independent non-executive Directors, and therefore has a strong independent element in its composition.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Having made specific enquiries with all Directors, each of them has confirmed that he/she has complied with the Model Code during the year ended December 31, 2024. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of our Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY OR SALE OF TREASURY SHARES

Until December 31, 2024, the trustee of the RSU Scheme has purchased an aggregate of 5,859,000 Shares (representing approximately 0.8764% of the total issued shares of the Company as of December 31, 2024) under the RSU Scheme.

During the Reporting Period, the Company repurchased a total of 10,809,000 Shares on the Stock Exchange in June 2024 at an aggregate consideration of approximately HK$29.3 million, the highest and lower price paid for each share was HK$3.13 and HK$2.44 respectively. The repurchased shares were cancelled on September 16, 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares (as defined under the Listing Rules) during the Reporting Period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. As of the date of this announcement, the Audit Committee comprises one non-executive Director, namely Mr. Jifeng GUAN, and three independent nonexecutive Directors, namely, Mr. Robert Ralph PARKS, Mr. Wai Ming YIP and Mr. Huacheng WEI. Mr. Wai Ming YIP is the chairman of the Audit Committee.

The Audit Committee has held relevant discussions with the Company's management, and reviewed the audited consolidated financial statements of the Group for the Reporting Period. The Audit Committee considered that the annual results of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

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 December 31, 2024 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 Group's audited consolidated financial statements for the year as approved by the Board of Directors on March 25, 2025. 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 announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.peijiamedical.com). The annual report of the Company for the Reporting Period containing all the information require by the Listing Rules will be dispatched only to the Shareholders as per the Company's corporate communications arrangement and published on the above websites in due course.

APPRECIATION

The Board would like to thank all the colleagues for their diligence, dedication, loyalty and integrity and thank all our Shareholders, customers, bankers and other business associates for their trust and support.

DEFINITIONS

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

"Achieva Group"	includes Achieva Medical and its subsidiaries
"Achieva Medical"	Achieva Medical Limited, an exempt limited liability company incorporated under the laws of the Cayman Islands on November 2, 2005, being a wholly-owned subsidiary of our Company
"AIS"	acute ischemic stroke, a disease occurs when the blood flow through the cerebral arteries is blocked by a clot (i.e., a large amount of thickened blood)
"ANSWER"	**AN**eury**S**m **W**ith stenosis treatment using fastunn**E**l delive**R**ing balloon dilatation catheter, one of our innovative techniques for neurointerventional procedures
"aortic valve"	a valve in the human heart between the left ventricle and the aorta
"AR"	aortic regurgitation
"AS"	aortic stenosis

"ATTACH"	**A T**rans-radial technique using looping **T**ethys intermediate catheter with two lo**ACH** guide wires, one of our innovative techniques for neurointerventional procedures
"Audit Committee"	the audit committee of the Board
"BASIS"	**B**alloon **A**ngiopla**S**ty with the d**I**stal protection of **S**tent retriever, one of our innovative techniques for neurointerventional procedures
"Board" or "Board of Directors"	board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"CODM"	chief operating decision-maker
"Company" or "our Company"	Peijia Medical Limited (沛嘉醫療有限公司), an exempt limited liability company incorporated under the laws of the Cayman Islands on May 30, 2012
"Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which, for purposes of this announcement, refers to TaurusOne®
"COSIS"	**C**hronic artery **O**cclu**S**ion recanalization with the **I**ntracranial protection of **S**tent Retriever, one of our innovative techniques for neurointerventional procedures
"delivery catheter system"	an integral delivery catheter with a tip, a sheath tube, a catheter and a handle system used to deliver and release the PAV to the target position
"Director(s)"	the director(s) of the Company

"Dr. Zhang"	Dr. Yi ZHANG, one of our Founders, and our chairman, chief executive officer, an executive Director of our Company and our substantial shareholder upon Listing
"EFS"	Early Feasibility Study, an FDA Early Feasibility Study is a structured, exploratory clinical investigation performed under an IDE that enables the early clinical evaluation of a medical device in a small cohort of human subjects. It is designed to generate preliminary safety and functional data, refine device design or procedural methodologies, and assess the feasibility of advancing the device to more comprehensive clinical trials. These studies are particularly critical for novel devices with limited predicate data, allowing developers to address uncertainties and mitigate risks early in the regulatory pathway.
"FDA"	U.S. Food and Drug Administration
"FIM"	First-in-man, a stage of clinical trial
"FAST ICAS"	**FAST**unnel in thrombectomy for **ICAS** occlusion, one of our innovative techniques for neurointerventional procedures
"Global Offering"	has the meaning as ascribed to it under the Prospectus
"Group," "our Group," "our," "we," or "us"	our Company and all of its subsidiaries (including but not limited to Achieva Group), or any one of them as the context may require or, where the context refers to any time prior to its incorporation or the Share Swap, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"IAS"	International Accounting Standard
"IASB"	International Accounting Standards Board

"ICAD"	intracranial atherosclerotic disease, a disease occurs when plaque (cholesterol, fatty deposits and other materials) builds up in the blood vessels at the base of the brain, causing them to narrow and harden
"ICAS-LVO"	intracranial atherosclerosis-related large vascular occlusion
"IDE"	Investigational Device Exemption, a regulatory authorization from the FDA that permits the use of an unapproved medical device in a clinical study. It allows researchers to collect safety and effectiveness data on the device in human subjects, typically required for significant-risk device investigations before pursuing market approval
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party" or "Independent Third Parties"	a person or entity who is not a connected person of our Company under the Listing Rules
"KOL(s)"	Key Opinion Leader(s), renowned physicians that are able to influence their peers' medical practice
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	the date, Friday, May 15, 2020, on which the Shares were listed and dealings in the Shares first commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"LVOT"	left ventricular outflow tract, the anatomic structure through which the left ventricular stroke volume passes towards the aorta
"mechanical thrombectomy"	a type of minimally-invasive therapy in which blood clot is removed from arteries using imaging techniques guiding medical devices through patients' arteries to the blood clot

"microstructure"	the design of a multi-layered micro-structured device made of multiple materials through precision manufacturing
"mitral valve"	the valve that lets blood flow from one chamber of the heart, the left atrium, to another called the left ventricle
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MR"	mitral regurgitation
"Neurointerventional Business"	the business of our Group in research and development of neurointerventional procedural medical devices
"neurointerventional procedural medical devices"	medical devices for treatment of neurovascular diseases using interventional endovascular technique
"neurovascular diseases"	also known as cerebrovascular diseases, including any abnormality of the bloodvessels within the brain and spine or abnormality with supplying blood to such areas
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), formerly known as the China Food and Drug Administration or the CFDA
"Over-allotment Option"	has the meaning as ascribed to it under the Prospectus
"PAV"	prosthetic aortic valve, the artificial valve of our TAVR Products
"Peijia Shanghai"	Peijia Medical Technology (Shanghai) Co., Ltd. (沛嘉醫療科技(上海)有限公司), a limited liability company incorporated under the laws of PRC on February 24, 2012, being an indirect wholly-owned subsidiary of our Company
"Peijia Suzhou"	Peijia Medical Technology (Suzhou) Co., Ltd. (沛嘉醫療科技(蘇州)有限公司), a limited liability company incorporated under the laws of PRC on March 4, 2013, being an indirect wholly-owned subsidiary of our Company

"Placee(s)"	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or their respective agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of 33,800,000 Placing Shares pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional placing agreement entered into between the Company and Morgan Stanley & Co. International plc dated January 22, 2021 in relation to the Placing
"Prospectus"	the prospectus of the Company dated May 5, 2020, in relation to the Global Offering
"PTAS"	percutaneous transluminal angioplasty and stenting, a minimally invasive procedure used to open a blocked artery
"Reporting Period"	the year ended December 31, 2024
"REST"	Trans-**R**adial **E**stablish **S**imple access technique with **T**ethys intermediate catheter, one of our innovative techniques for neurointerventional procedures
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RSU Scheme"	the restricted share unit award scheme of the Company conditionally approved and adopted by our Shareholders on April 28, 2020, the principal terms of which are set out in Prospectus
"R&D"	research and development
"Share(s)"	ordinary share(s) with nominal value of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SmartWave Medical"	SmartWave Medical (Changzhou) Co., Ltd. (智維心醫療科技(常州)有限公司), a limited liability company incorporated under the laws of PRC on May 27, 2024, being a subsidiary of our Company

"sq.m."	square meter, a unit of area
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed thereto under the Listing Rules
"TAV"	transcatheter aortic valve
"TAVR"	transcatheter aortic valve replacement, a catheter-based technique to implant a new aortic valve in an interventional procedure that does not involve open-chest surgery
"TEER"	transcatheter edge-to-edge repair
"TMVR"	transcatheter mitral valve replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery
"Transcatheter Valve Therapeutic Business"	the business of our Group in research and development of transcatheter valve therapeutic medical devices
"transcatheter valve therapeutic medical devices"	medical devices for the treatment of valvular heart diseases using cardiovascular interventional technique by implanting a prosthetic valve through an artery
"TR"	tricuspid regurgitation
"tricuspid valve"	the valve on the right dorsal side of the mammalian heart, between the right atrium and the right ventricle, the function of which is to prevent back flow of blood from the right ventricle into the right atriums
"TRUST"	**T**rans-**R**adial coaxial catheter technique **U**sing a short sheath, **S**immons catheter and **T**ethys intermediate catheter, one of our innovative techniques for neurointerventional procedures
"TSMVR"	transseptal mitral value replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery through transseptal puncture approach

"TTVR"	transcatheter tricuspid valve replacement, a catheterbased technique to implant a new tricuspid valve in an interventional procedure that does not involve open-chest surgery
"United States" or "U.S." or "USA"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"valvular heart diseases"	the failure or dysfunction of one or more of the four heart valves, where the valves become too narrow and hardened to open fully, or are unable to close completely
"valvuloplasty"	a procedure using balloons to repair a heart valve with a narrowed opening and to improve blood flow through the valve
"VBP" or "volume-based procurement"	a program that enables local governments to procure medical devices in high volume and at low cost, thereby driving down medical expenses for patients
"Zhicheng Medical"	Zhicheng Medical (Jiaxing) Co., Ltd. (智程醫療科技(嘉興)有限公司), a limited liability company incorporated under the laws of PRC on May 31, 2023, being a subsidiary of our Company
"%"	per cent

By order of the Board
Peijia Medical Limited
Dr. Yi ZHANG
Chairman and Executive Director

Hong Kong, March 25, 2024

As of the date of this announcement, the Board comprises Dr. Yi ZHANG, Mrs. Ping Ye ZHANG and Ms. Hong YE as executive Directors, Mr. Jifeng GUAN, Mr. Fei CHEN and Mr. Jun YANG as non-executive Directors, and Dr. Stephen Newman OESTERLE, Mr. Robert Ralph PARKS, Mr. WaiMing YIP and Mr. Huacheng WEI as independent non-executive Directors.