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**PW MEDTECH GROUP LIMITED**  
**普华和顺集团公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1358)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**KEY FINANCIALS**

- Revenue for the year ended December 31, 2025 amounted to approximately RMB823.5 million, representing an increase of 7.1% from approximately RMB768.9 million recorded in 2024.
- Gross profit for the year ended December 31, 2025 amounted to approximately RMB407.5 million, representing a decrease of 2.9% from approximately RMB419.4 million recorded in 2024.
- Profit for the year ended December 31, 2025 amounted to approximately RMB135.3 million, representing a decrease of 29.7% from approximately RMB192.5 million recorded in 2024. Profit attributable to owners of the Company for the year ended December 31, 2025 amounted to approximately RMB94.4 million, representing a decrease of 37.4% from approximately RMB150.8 million recorded in 2024.
- Adjusted net profit (non-HKFRS measure)<sup>(1)</sup> for the year ended December 31, 2025 amounted to approximately RMB197.6 million, representing a decrease of 15.4% from approximately RMB233.5 million recorded in 2024. Adjusted net profit attributable to owners of the Company (non-HKFRS measure)<sup>(1)</sup> for the year ended December 31, 2025 amounted to approximately RMB127.7 million, representing a decrease of 25.9% from approximately RMB172.4 million recorded in 2024.
- Basic earnings per share and diluted earnings per share in 2025 were RMB6.25 cents and RMB6.25 cents (2024: RMB9.77 cents and RMB9.77 cents), respectively, representing a decrease of 36.0% and 36.0% from 2024, respectively.
- The Board has recommended the payment of a final dividend of HK2.0 cents per share for the year ended December 31, 2025. Together with the interim dividend of HK4.4 cents per share already paid, total dividend for the full year of 2025 amounted to HK6.4 cents per share.

*Note:*

- (1) We define the “adjusted profit for the year (non-HKFRS measure)” and “adjusted net profit attributable to owners of the Company (non-HKFRS measure)” as profit for the year or profit attributable to owners of the Company adding back (i) share-based compensation expenses of the Blood Purification Business; (ii) professional services fee relating to the spin-off of Sichuan Ruijian Medical (the “Spin-off”); (iii) amortization of fair value increment on intangible assets recognised in the acquisition of Beijing Ruijian Biological; and (iv) income tax effects of non-HKFRS adjustments. We eliminate the impacts of these items that the Group does not consider indicative of the performance of the business of the Group, as they are either non-cash items or non-recurring expenses.

## MARKET AND BUSINESS REVIEW

PW Medtech Group Limited (the “**Company**” or “**PW Medtech**”, together with its subsidiaries, the “**Group**”) is a leading medical device company in China, focusing on high growth and high-margin segments in China’s medical device industry. It is committed to expanding into high potential new markets to consolidate its leading position in the industry. In 2025, the Group continued to focus on developing its core businesses, adapted proactively to market changes, strengthened the research and development (“**R&D**”) and innovation capabilities, and built a solid foundation for its long-term development.

Looking back at 2025, global economic growth presented a complex landscape amid multiple challenges, including elevated trade barriers, ongoing geopolitical conflicts, and high volatility in financial markets. Against the backdrop of intensified global economic uncertainty, industries across sectors have focused on fostering new-quality productive forces, cultivating new growth drivers through innovation and transformation, in order to pursue progress while maintaining stability.

Looking back over the past year, amid a confluence of opportunities and challenges, China’s medical device industry has maintained stable and orderly development. Volume-based procurement has continued to advance with expanded coverage, presenting challenges to enterprises’ profit margins and business models. In the long run, enterprises are actively seizing structural opportunities in industry restructuring by continuously optimizing internal management and operational mechanisms to adapt to the normalized operation requirements of the volume-based centralized procurement. Meanwhile, supported by national policies encouraging R&D and innovation, rigid demand growth driven by population aging and rising public health awareness, as well as the continuously improving global competitiveness of domestic medical devices, China’s medical device industry is poised to enter a strategic period of opportunity for the transformation of old and new growth drivers.

For the year ended December 31, 2025, the Group’s revenue amounted to RMB823.5 million, representing a year-on-year increase of 7.1% compared with 2024, mainly due to the steady growth in the sales volume of the Blood Purification Business and the solid commercial launch of the Regenerative Medical Biomaterials Business, which offset the impact of the decline in sales of the Infusion Set Business segment caused by the substantially full implementation of the volume-based centralized procurement policy. At the same time, the Group recorded a gross profit of RMB407.5 million, representing a year-on-year decrease of 2.9% compared with 2024, with an overall gross profit margin of 49.5% for the period. Profit attributable to owners of the Company amounted to RMB94.4 million, representing a year-on-year decrease of 37.4% compared with the previous year. In 2025, the Group maintained a stable financial position, with cash and cash equivalents of the Company amounting to RMB1,802.8 million and a healthy cash flow.

## **BUSINESS STRATEGIES AND FUTURE OUTLOOK**

Focusing on the fast-growing and high-margin medical device market, PW Medtech continues to advance technological innovation and product development, gradually improves and enriches its product portfolio, and enhances product adaptability and market coverage capabilities. At present, the Group has established the business layout comprising three business segments, namely R&D, manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc. (the “**Infusion Set Business**”), blood purification medical devices (the “**Blood Purification Business**”) and animal derived regenerative medical biomaterials and human tissue repair alternative products (the “**Regenerative Medical Biomaterials Business**”).

In terms of the Infusion Set Business segment, the Group is a leading company in China in the advanced infusion set business sector. It continues to intensify its development in the Infusion Set Business while actively paying attention to the emerging trends of infusion products, focusing on the R&D, manufacturing and sale of products including infusion sets, cannula, and insulin needles and pens, etc. Since infusion therapy is one of the most common treatments alternatives in clinical practice, China’s infusion consumables industry has reached a critical stage of value restructuring amid multiple factors, including the accelerating population ageing, the deepening of tiered healthcare systems, and the normalization of the volume-based centralized procurement policies. In 2025, with the further implementation of the volume-based centralized procurement policies for products covering infusion sets, cannulas and other products, volume-based procurement was gradually rolled out in some non-participating regions, leading to a significant decline in product prices. During the Reporting Period, revenue from the Group’s Infusion Set Business amounted to RMB207.6 million, representing a decrease of 27.6% over the corresponding period of last year, and accounting for approximately 25.2% of the consolidated operating revenue of the Group during the Reporting Period. The Group will continue to implement the “low cost and high quality” strategy, optimize production processes, ensure product quality, take multiple measures to improve operating efficiency and reduce operating costs, and actively adjust marketing strategies to cope with market challenges. Meanwhile, the Group will continuously improve the functionality and safety of existing products, actively monitor the emerging hotspots of infusion products, expand its product portfolio, and develop new markets through R&D and innovation.

In terms of the Blood Purification Business segment, Sichuan Ruijian Medical Technology Co., Ltd. (“**Sichuan Ruijian Medical**”), the entity operating this business, achieved relatively sound growth through continuous R&D investment, resource integration and market expansion. Driven by population ageing and the rising incidence of chronic kidney disease, the number of ESRD (end-stage renal disease) patients requiring hemodialysis treatment has grown significantly. Meanwhile, the gradual improvement of the medical insurance system has boosted the willingness of ESRD patients to receive treatment. Coupled with the continuous optimization and upgrading of hemodialysis technologies, which have effectively improved patient treatment compliance, the treatment penetration rate in China has continued to rise. Going forward, China’s hemodialysis treatment penetration rate is expected to increase further, and the number of hemodialysis centers is also projected to grow, with the market potential of hemodialysis products to be gradually unlocked. Since 2024, the volume-based

procurement of blood purification consumables has continued to advance. The Company's hemodialyzer, hemodiafilter, dialysis tube and arteriovenous fistula puncture needle products were all selected in the 2024 inter-provincial alliance volume-based procurement for hemodialysis consumables covering 23 provinces (regions and corps) including Henan Province, as well as the "3+N" alliance covering the Beijing-Tianjin-Hebei region. Although volume-based procurement has exerted certain pressure on the pricing and profit margins of relevant products through the "volume-for-price" mechanism, in the long run, it will help secure stable industry procurement volumes, reduce marketing expenses, and allow enterprises to focus on production and R&D to enhance product quality. Meanwhile, the Group has continued to enrich its product portfolio of blood purification medical devices. In addition to blood purification consumables products, it has successfully entered the field of blood purification equipment and is actively carrying out sales expansion. In addition, the Group has proactively seized opportunities for overseas expansion and continued to develop international markets. During the year ended December 31, 2025 (the "**Reporting Period**"), the Blood Purification Business recorded steady growth, achieving operating revenue of RMB611.8 million, representing an increase of 26.9% over the corresponding period of the previous year, and accounting for approximately 74.3% of the consolidated operating revenue of the Group during the Reporting Period.

In terms of the Regenerative Medical Biomaterials Business segment, benefiting from the upgrading of China's healthcare consumption, accelerating population ageing, and rising penetration of medical beauty, the medical biomaterials industry is embracing a golden period of development with broad market opportunities. The Group's Regenerative Medical Biomaterials Business focuses on the R&D and manufacturing of animal-derived regenerative medical biomaterials and human tissue repair alternative products, with a comprehensive product pipeline covering breast reconstruction, oral repairing, herniorrhaphy, burns and scalds treatment, and cosmetic injection. The Group believes that the Regenerative Medical Biomaterials Business segment boasts exceptional growth potential and represents one of the most valuable investment subsectors in the medical device industry. In 2025, the Group's Regenerative Medical Biomaterials Business achieved a strong start in commercialization. During the Reporting Period, it recorded an operating revenue of RMB4.1 million. The Group will fully leverage its technological advantages and resource integration capabilities, make active efforts in sales and marketing initiatives to drive the growth of sales and promote the launch more innovative products to the market.

As of December 31, 2025, the Group had obtained 59 registration certificates, covering infusion set, cannula, hemodialyzer, hemoperfutor, hemodialysis equipment, breast tissue patch, absorbable oral cavity repair membrane, biologic patch, intestinal feeding device, insulin injection pen, insulin injection needle and blood transfusion set, etc. The Group also has a number of product candidates under development at various stages.

Looking ahead, the Group will continue to consolidate its leading position in China's medical device industry, advance capability building focused on improving medical safety and efficiency, continuously promote cost reduction and efficiency enhancement, strengthen quality management, enhance R&D innovation and product iteration, and optimize market strategies and resource allocation, so as to enhance its overall competitiveness and strive to reward shareholders and investors with sound operating performance.

### **Emphasis on Innovation and R&D**

The Group has always believed that innovation and R&D is an important cornerstone for achieving sustainable development in the medical device industry. It has always focused on improving its R&D capabilities and commercialization efficiency, while accelerating product iteration and technological upgrading. Currently, the Group has an experienced R&D team with a strong academic and research background, which supports the Group in developing innovative products and continuously strengthening its R&D capabilities.

In 2025, the Group's product registration and R&D work processes progressed smoothly:

- In the Infusion Set Business segment, the Group has been focusing on R&D and continuously optimizing the materials and performance of infusion set and cannula products to improve its product line in the infusion healthcare field, and has also been proactively exploring medical devices for diabetes mellitus and other healthcare fields. The Group obtained the registration certificate for disposable blunt-end injection needles used for cosmetic injection in 2025, and has submitted the registration applications for electronic pen injectors used for insulin injection, and single-use solution transfer devices used for drug dispensing and solution transfer.
- In the Blood Purification Business segment, the Group submitted registration applications for the hemodiafilter used for continuous blood purification treatment and the disposable hemoperfutor used for removing exogenous drugs or poisons in 2025, further expanding the Company's product portfolio in the field of blood purification consumables. Furthermore, the Group expects to submit the registration application for Non-compliant PTA Drug Balloon Catheters for treatment of vascular stenosis and occlusion in arteriovenous fistulas for hemodialysis patients in the first half of 2026, thereby entering the vascular access maintenance field.
- In the Regenerative Medical Biomaterials Business segment, the Group submitted the registration application for injectable tissue matrix filler for cosmetic injections in 2025. In January 2026, the Group obtained the product registration certificate for dural patch used for dural defect repair, and formally initiated clinical trials for a bio-sponge product for tissue defect filling and repair regeneration.

As of December 31, 2025, the Group had obtained 59 registration certificates and owned 175 patents and copyrights, including 67 patents relating to infusion set products, 84 patents and copyrights for blood purification products, and 24 patents for regenerative medical biomaterial products and had applied for 59 new patents. The Group will continue to focus on product innovation and R&D. Adhering to the R&D strategy of “produce one generation, develop the next pioneering generation”, the Group will concentrate on R&D and innovation of medical devices, improve the Group’s overall competitiveness and further consolidate its leading position in the industry.

### **Expansion of Distribution Networks**

The Group has an experienced and strong professional sales and marketing team to support and consolidate our distribution networks in 31 provinces, municipalities and autonomous regions across the country and to strengthen product promotion for all business segments. The Group’s sales force has an average of 10 years of experience in their respective fields, and nearly half of the members of the sales and marketing team have a medical education background, which facilitates their professional and effective communication with doctors and nurses.

The Group continued to optimize sales structure and marketing strategies, keep abreast of policies in the medical industry and flexibly adjust bidding strategies. In terms of operation and management, the Group continued to implement the “low cost and high quality” strategy to improve operation efficiency.

### **Strategic Share Repurchase Scheme**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has announced the repurchase of shares in the open market under the repurchase mandate from time to time during the 12-month period commencing July 2025 (the “**2025 Share Repurchase Scheme**”). Pursuant to the 2025 Share Repurchase Scheme, the Board intends to repurchase not more than 10% of the total number of the Company’s issued shares (excluding treasury shares) as at the date of the 2025 Annual General Meeting of Shareholders on the Stock Exchange or any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange. The Board has designated a dedicated officer of the Company to implement the share repurchase under the repurchase mandate in light of the market conditions. During the period, the Company proactively proceeded the 2025 Share Repurchase Scheme. As at the date of this announcement, the Company had repurchased a total of 19.488 million shares, accounting for 1.31% of the total share capital (excluding treasury shares) of the Company prior to the commencement of the 2025 Share Repurchase Scheme. The highest transaction price was HK\$1.56 per share, the lowest transaction price was HK\$1.28 per share, and the total transaction amount was approximately HK\$27.664 million. The share repurchase helps enhance the liquidity of the Company’s shares, lend support to the share price, demonstrate the management’s confidence in the long-term value of the Company, and improve the flexibility of the capital structure. For details of the share repurchases completed by the Company prior to the date of this announcement, including the number and price of the shares repurchased, please refer to the section headed “Purchase, Sale or Redemption of Listed Securities of the Company” in this announcement.

In the future, the Company will continue to pay close attention to the market dynamics, and flexibly adjust the share repurchase strategy according to the Company's financial position and operating conditions, so as to protect the interests of shareholders and investors.

### **Progress in the Listing of Sichuan Ruijian Medical on the Beijing Stock Exchange**

On March 11, 2026, Sichuan Ruijian Medical, based on a prudent analysis of key factors such as its own business development direction and the current market environment, after careful research, full reasoning and in-depth communication with the sponsor, Sichuan Ruijian Medical has decided to adjust its capital markets strategic plan and intends to voluntarily terminate the application for the listing on the Beijing Stock Exchange through the issuance of new A shares. The voluntary termination of the listing on the Beijing Stock Exchange through the issuance of new A shares is subject to, among others, the approvals from the shareholders' meeting of Sichuan Ruijian Medical and the Beijing Stock Exchange.

The Board is pleased to announce the audited consolidated final results of the Group for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024, as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	3(b)	823,505	768,903
Cost of sales		<u>(416,046)</u>	<u>(349,455)</u>
<b>Gross profit</b>		<b>407,459</b>	419,448
Other gains, net	4	28,650	46,212
Reversal of impairment losses on trade receivables, net		6,498	2,672
Impairment losses recognised on amount due from a related party		(1,220)	—
Fair value loss on investment properties		(1,820)	(1,182)
Selling and marketing expenses		(96,654)	(84,082)
General and administrative expenses		(172,208)	(159,467)
Research and development expenses		<u>(48,405)</u>	<u>(44,120)</u>
<b>Operating profit</b>		<b>122,300</b>	179,481
Finance income, net	5	<u>42,694</u>	<u>50,272</u>
<b>Profit before income tax</b>	6	<b>164,994</b>	229,753
Income tax expense	7	<u>(29,741)</u>	<u>(37,231)</u>
<b>Profit for the year</b>		<b><u>135,253</u></b>	<b><u>192,522</u></b>
<b>Other comprehensive income/(expense)</b>			
Items that will not be subsequently reclassified to profit or loss			
Currency translation differences		(1,848)	(2,748)
Change in fair value of financial assets at fair value through other comprehensive income		<u>23,371</u>	<u>(15,403)</u>
Other comprehensive income/(expense) for the year		<u>21,523</u>	<u>(18,151)</u>
<b>Total comprehensive income for the year</b>		<b><u>156,776</u></b>	<b><u>174,371</u></b>

	<i>Notes</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>94,374</b>	150,780
Non-controlling interests		<u><b>40,879</b></u>	<u>41,742</u>
		<u><b>135,253</b></u>	<u>192,522</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>115,897</b>	132,629
Non-controlling interests		<u><b>40,879</b></u>	<u>41,742</u>
		<u><b>156,776</b></u>	<u>174,371</u>
<b>Earnings per share attributable to owners of the Company for the year:</b>			
		<i>RMB cents</i>	<i>RMB cents</i>
<b>Basic earnings per share</b>	9	<u><b>6.25</b></u>	<u>9.77</u>
<b>Diluted earnings per share</b>	9	<u><b>6.25</b></u>	<u>9.77</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>905,004</b>	891,691
Right-of-use assets		<b>30,498</b>	30,330
Investment properties	<i>10</i>	<b>261,060</b>	262,880
Intangible assets		<b>1,018,395</b>	1,068,300
Goodwill		<b>564,085</b>	564,085
Deferred tax assets		<b>9,817</b>	10,128
Long-term prepayments		<b>14,521</b>	12,732
Non-current financial assets		<b>70,688</b>	46,544
Loan receivables	<i>11</i>	<u>—</u>	<u>180,000</u>
		<b><u>2,874,068</u></b>	<b><u>3,066,690</u></b>
<b>Current assets</b>			
Inventories	<i>12</i>	<b>145,201</b>	120,282
Trade and other receivables	<i>13</i>	<b>168,144</b>	166,825
Loan receivables, net of provision	<i>11</i>	<b>240,000</b>	120,000
Cash and cash equivalents		<b>1,802,841</b>	1,681,984
Financial assets at fair value through profit or loss	<i>14</i>	<u><b>5,000</b></u>	<u>5,148</u>
		<b><u>2,361,186</u></b>	<b><u>2,094,239</u></b>
<b>Total assets</b>		<b><u><u>5,235,254</u></u></b>	<b><u><u>5,160,929</u></u></b>
<b>Current liabilities</b>			
Trade and other payables	<i>15</i>	<b>154,969</b>	138,944
Lease liabilities		<b>2,247</b>	1,697
Bank borrowing		<b>15,000</b>	—
Contract liabilities		<b>30,037</b>	19,761
Tax payables		<u><b>14,543</b></u>	<u>17,038</u>
		<b><u>216,796</u></b>	<b><u>177,440</u></b>
Net current assets		<b><u>2,144,390</u></b>	<b><u>1,916,799</u></b>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>Non-current liabilities</b>			
Lease liabilities		4,754	4,577
Bank borrowing		—	5,800
Deferred tax liabilities		139,108	148,435
Deferred government grants		<u>20,863</u>	<u>21,309</u>
		<u>164,725</u>	<u>180,121</u>
<b>NET ASSETS</b>		<u><b>4,853,733</b></u>	<u><b>4,803,368</b></u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	<i>16</i>	897	939
Share premium		1,392,707	1,456,478
Treasury shares		(2,746)	(46,800)
Retained earnings		2,141,167	2,177,147
Reserves		<u>418,450</u>	<u>383,637</u>
		<b>3,950,475</b>	3,971,401
Non-controlling interests		<u>903,258</u>	<u>831,967</u>
<b>TOTAL EQUITY</b>		<u><b>4,853,733</b></u>	<u><b>4,803,368</b></u>

## NOTES TO FINANCIAL INFORMATION

For the year ended 31 December 2025

### 1. GENERAL

PW Medtech Group Limited (the “Company”) was incorporated in the Cayman Islands on 13 May 2011 as an exempted company with limited liability under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 8 November 2013.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the R&D, manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc. (the “Infusion Set Business”), hemodialysis and blood purification medical devices (the “Blood Purification Business”) and animal-derived regenerative medical biomaterials and human tissue repair alternative products (the “Regenerative Medical Biomaterial Business”) in the People’s Republic of China (the “PRC”).

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

### 2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

#### (a) Adoption of amended HKFRS Accounting Standards — effective 1 January 2025

Amendments to HKAS 21	Lack of Exchangeability
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None of these amended HKFRS Accounting Standards has a material impact on the Company’s results and financial position for the current or prior period. The Company has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

#### (b) Potential impact arising on HKFRS Accounting Standards not yet effective

The following new and amended HKFRS Accounting Standards, potentially relevant to the Company’s financial statements, have been issued but are not yet effective and have not been early adopted by the Company. The Company’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19 and its amendments	Subsidiaries Without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

- <sup>1</sup> No mandatory effective date yet determined but available for adoption.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the adoption of these new and amended standards is not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

### ***HKFRS 18, Presentation and Disclosure in Financial Statements***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## **3. REVENUE AND SEGMENT INFORMATION**

### **(a) Business segments**

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision maker is identified as the executive director of the Company. The chief operating decision maker regularly monitor and receive reports relating to the performance of the three lines of business the Group operates during the year. In this regard, management has identified three reportable operating segments, namely (1) Infusion Set Business, (2) Blood Purification Business and (3) Regenerative Medical Biomaterials Business.

The major business activities for the three segments are summarised as follows:

- the “Infusion Set Business” segment represents the R&D, manufacturing and sales of advanced infusion set, intravenous cannula products, insulin needles, etc;
- the “Blood Purification Business” segment represents the R&D, manufacturing and sales of hemodialysis and blood purification medical devices; and
- the “Regenerative Medical Biomaterials Business” segment represents the R&D and manufacturing and sales of animal-derived tissue regenerative medical biomaterials and human tissue repair alternative product.

Inter-segment sales were conducted at prices no less than cost and with terms mutually agreed among those business segments. Operating expenses of a functional unit are allocated to the relevant segment which is the predominant user of the services provided by the unit. Operating expenses of other shared services which cannot be allocated to a specific segment and corporate expenses are included as unallocated costs.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade and other receivables, loan receivables, amount due from a related party, financial assets at fair value through profit or loss and cash and cash equivalents. Unallocated assets comprise items such as some of cash and cash equivalents, deferred income tax assets and other unallocated assets.

Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

The segment information provided to the Senior Management for the reportable segments is as follow:

(i) For the year ended 31 December 2025:

The segment results for the year ended 31 December 2025 are as follows:

	<b>Infusion Set</b> <i>RMB'000</i>	<b>Blood Purification</b> <i>RMB'000</i>	<b>Regenerative Medical Biomaterials</b> <i>RMB'000</i>	<b>Consolidated</b> <i>RMB'000</i>
Segment revenue from external customers	207,643	611,792	4,070	823,505
Segment results (Operating profit/(loss))	54,882	146,338	(56,963)	144,257
Fair value loss on investment properties				(1,820)
Finance income				43,414
Finance cost				(720)
Unallocated loss				(20,137)
Profit before taxation				164,994
Income tax expense				(29,741)
Profit for the year				135,253
Other segment items				
Depreciation of property, plant and equipment				
— Operating segments	29,899	41,644	710	72,253
— Amount unallocated				<u>1</u>
				72,254
Depreciation of right-of-use assets	407	1,506	778	2,691
Amortisation of intangible assets	3,230	19,424	42,259	64,913
Reversal of impairment losses recognised in respect of trade receivables, net	(6,255)	(243)	—	(6,498)
Impairment losses recognised on amount due from a related party	<u>—</u>	<u>1,220</u>	<u>—</u>	<u>1,220</u>

The segment assets and liabilities as at 31 December 2025 are as follows:

	Infusion Set <i>RMB'000</i>	Blood Purification <i>RMB'000</i>	Regenerative Medical Biomaterials <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Assets				
Segment assets	1,440,417	1,649,359	945,343	4,035,119
Deferred tax assets				9,817
Non-current financial assets				70,688
Unallocated assets				<u>1,119,630</u>
Total assets				<u>5,235,254</u>
Liabilities				
Segment liabilities	112,873	89,956	18,092	220,921
Deferred tax liabilities				139,108
Tax payables				14,543
Unallocated liabilities				<u>6,949</u>
Total liabilities				<u>381,521</u>

(ii) For the year ended 31 December 2024:

The segment results for the year ended 31 December 2024 are as follows:

	Infusion Set <i>RMB'000</i>	Blood Purification <i>RMB'000</i>	Regenerative Medical Biomaterials <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Segment revenue from external customers	286,646	482,257	—	768,903
Segment results (Operating profit/(loss))	90,767	129,412	(41,464)	178,715
Fair value loss on investment properties				(1,182)
Finance income				50,646
Finance cost				(374)
Unallocated profit				1,948
Profit before taxation				229,753
Income tax expense				(37,231)
Profit for the year				192,522
Other segment items				
Depreciation of property, plant and equipment				
— Operating segments	32,073	38,153	797	71,023
— Amount unallocated				<u>1</u>
				71,024
Depreciation of right-of-use assets	406	1,520	526	2,452
Amortisation of intangible assets	3,230	18,666	22,374	44,270
(Reversal of)/provision for impairment losses recognised in respect of trade receivables, net	<u>(2,810)</u>	<u>138</u>	<u>—</u>	<u>(2,672)</u>

The segment assets and liabilities as at 31 December 2024 are as follows:

	Infusion Set <i>RMB'000</i>	Blood Purification <i>RMB'000</i>	Regenerative Medical Biomaterials <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Assets</b>				
Segment assets	1,382,612	1,477,849	977,330	3,837,791
Deferred tax assets				10,128
Non-current financial assets				46,544
Unallocated assets				<u>1,266,466</u>
<b>Total assets</b>				<u><u>5,160,929</u></u>
<b>Liabilities</b>				
Segment liabilities	109,971	68,801	9,548	188,320
Deferred tax liabilities				148,435
Tax payables				17,038
Unallocated liabilities				<u>3,768</u>
<b>Total liabilities</b>				<u><u>357,561</u></u>

***Analysis of information by geographical regions:***

The following table lists out the information about geographical regions. The geographical regions of the sales to external customers are based on the locations where the services are rendered or the places where the goods are delivered.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Geographical markets</b>		
China	<b>635,959</b>	643,933
India	<b>55,954</b>	39,673
Americas (excluding U.S.)	<b>26,448</b>	21,167
Africa	<b>29,268</b>	18,114
Other Asia Countries	<b>65,026</b>	36,167
Others	<b><u>10,850</u></b>	<u>9,849</u>
<b>Total</b>	<b><u><u>823,505</u></u></b>	<u><u>768,903</u></u>

The geographical location of customers is based on the location at which the goods are delivered. No geographical location of non-current assets is presented as the substantial non-current assets are physically based in the PRC.

(b) **Disaggregation of revenue from contracts with customer**

The Group derives revenue from the transfer of goods at a point in time in the following customers' segment for infusion set business, blood purification business and regenerative medical biomaterials business:

	<b>Infusion Set</b>	<b>Blood</b>	<b>Regenerative</b>	
	<b>Infusion Set</b>	<b>Purification</b>	<b>Medical</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>Biomaterials</i>	<i>RMB'000</i>
			<i>RMB'000</i>	
<b>Revenue from contracts with customers</b>				
<b>within the scope of HKFRS 15</b>				
For the year ended 31 December 2025				
Revenue from hospitals	18,171	7,461	—	25,632
Revenue from medical products distributors	<u>189,472</u>	<u>604,331</u>	<u>4,070</u>	<u>797,873</u>
Total	<u><u>207,643</u></u>	<u><u>611,792</u></u>	<u><u>4,070</u></u>	<u><u>823,505</u></u>
For the year ended 31 December 2024				
Revenue from hospitals	33,080	4,348	—	37,428
Revenue from medical products distributors	<u>253,566</u>	<u>477,909</u>	<u>—</u>	<u>731,475</u>
Total	<u><u>286,646</u></u>	<u><u>482,257</u></u>	<u><u>—</u></u>	<u><u>768,903</u></u>
<b>Timing of revenue recognition</b>				
For the year ended 31 December 2025				
At a point in time	<u><u>207,643</u></u>	<u><u>611,792</u></u>	<u><u>4,070</u></u>	<u><u>823,505</u></u>
For the year ended 31 December 2024				
At a point in time	<u><u>286,646</u></u>	<u><u>482,257</u></u>	<u><u>—</u></u>	<u><u>768,903</u></u>

(c) **Concentration of customers**

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024.

#### 4. OTHER GAINS, NET

	2025 RMB'000	2024 RMB'000
Government grants	5,079	4,581
Rental income	20,570	17,819
Property management fee income	3,830	5,865
Loss on disposal of property, plant and equipment	(72)	(107)
Loss on guarantee liability (note (i))	(734)	(734)
Net foreign exchange (loss)/gain	(6,879)	7,499
Compensation income (note (ii))	—	10,230
Fair value change of financial assets through profit or loss	5,946	357
Dividend income on financial assets through profit or loss	1,087	—
Net gain on sales of inventory scrap	283	—
Others	(460)	702
	<u>28,650</u>	<u>46,212</u>
Other gains, net	<u>28,650</u>	<u>46,212</u>

#### Notes:

- (i) The guarantee liability mainly related to a joint guarantee liability of the Group's subsidiary, Xuzhou Yijia Medical Device Co., Ltd ("Xuzhou Yijia"). Based on the judgement from the Supreme People's Court of the PRC in 2018, Xuzhou Yijia is liable to the principal and accumulated interest for a defaulted loan granted by a bank, which Xuzhou Yijia had undertaken a joint guarantee with another independent guarantor.

After assessing the risk relating to the joint guarantee liability, the directors of the Company accrued a provision to guarantee liability which included the principal and accumulated interest of the above loan in 2018. The loss recognised during the year ended 31 December 2025 and 2024 represented the interest accrued for the period on the guarantee liability.

The Group made claims against the former owners of Xuzhou Yijia to claim such loss. Pursuant to the judgement from the Nanjing Jianye District People's Court of the PRC in 2023, the former owners of Xuzhou Yijia are liable to repay such loss to the Group. As of the date of approval of the consolidated financial statements, the former owners of Xuzhou Yijia have not repaid such loss.

- (ii) On 20 May 2014, the Group entered into a sales and purchase agreement ("S&P Agreement") with independent third parties ("Prior Shareholders") to acquire 100% of Beijing Tianxinfu Medical Appliance Co., Ltd. ("Beijing Tianxinfu") which was subsequently disposed of to another third party in 2017. Under the S&P agreement, all historical debts and liabilities incurred before the acquisition closing date remained the responsibility of the prior shareholders. In December 2024, after negotiation, the Group signed a 'Settlement Agreement' with these prior shareholders to resolve certain outstanding historical debts and received approximately RMB10.2 million in compensation which covered the loss suffered by the Group in prior years.

## 5. FINANCE INCOME, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Finance income</b>		
Bank Interest income	27,171	32,093
Interest income on wealth management product	1,395	2,668
Loan interest income	<u>14,848</u>	<u>15,885</u>
	43,414	50,646
<b>Finance costs</b>		
Interest on bank borrowings	(454)	(95)
Interest on lease liabilities	<u>(266)</u>	<u>(279)</u>
	(720)	(374)
<b>Finance income, net</b>	<u><u>42,694</u></u>	<u><u>50,272</u></u>

## 6. PROFIT BEFORE INCOME TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	2,219	2,217
Staff costs (excluding directors' emoluments):		
Wages, salaries and bonuses	134,048	118,353
Share-based payment	26,452	18,599
Staff welfare	7,675	7,613
Social security costs	20,396	19,516
Housing fund	<u>3,891</u>	<u>3,713</u>
Total staff costs	<u>194,681</u>	<u>170,011</u>
Auditor's remuneration:		
— Audit services	2,070	2,040
— Other services	2,020	1,190
Write-off of other receivables	—	260
Write off of inventories	2,920	—
Impairment loss of inventories	505	1,087
Reversal of impairment losses recognised in respect of trade receivables, net	(6,498)	(2,672)
Impairment losses recognised on amount due from a related party	1,220	—
Depreciation of property, plant and equipment	72,254	71,024
Depreciation of right-of-use assets		
— Properties	2,092	1,853
— Leasehold land and land use right	599	599
Amortisation of intangible assets	64,913	44,270
Raw materials and consumable used	280,698	220,807
Research and development expenses	63,413	59,703
Less: amount capitalised in intangible assets	<u>(15,008)</u>	<u>(15,583)</u>
	<u><u>48,405</u></u>	<u><u>44,120</u></u>

## 7. TAXATION

The amount of tax recognised in the consolidated statement of comprehensive income represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
— Current tax on profits for the year	37,424	40,640
— Withholding tax on dividends	<u>836</u>	<u>2,608</u>
	38,260	43,248
Adjustment for under provision in prior periods	497	97
Deferred income tax	<u>(9,016)</u>	<u>(6,114)</u>
Income tax expense	<u><u>29,741</u></u>	<u><u>37,231</u></u>

Below are the major tax jurisdictions that the Group operates during the year.

### (a) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

### (b) Hong Kong profits tax

Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK\$2 million. No provision for taxation in Hong Kong was made in the financial statements for the current year as the Group's operations in HK had no assessable profits.

### (c) PRC corporate income tax (the "CIT")

The statutory PRC enterprise income tax for the PRC subsidiaries is 25% for the year. According to the Tax Relief Notice (Cai Shui [2020] No. 23) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and National Development and Reform Commission, enterprises located in the western region of the PRC with over 60% of the principal revenue generated from the encouraged business activities were entitled to a preferential income tax rate of 15% for 10 years from 1 January 2021 to 31 December 2030. Accordingly, certain subsidiaries located in the western region of the PRC are entitled to an income tax rate of 15% for the year.

Three subsidiaries (2024: Four) of the Group have been qualified as "High and New Technology Enterprises" under the CIT Law. Therefore, they were entitled to a preferential income tax rate of 15% on their estimated assessable profits during the year. They will continue to enjoy the preferential tax rate in the subsequent periods, provided that they continue to be qualified as "High and New Technology Enterprises" during such periods.

PRC subsidiaries, which are micro and small enterprises, enjoy the preferential tax rates. According to the EIT Law and the Implementation Regulation of the EIT Law, an entity qualified as micro and small enterprises is subject to preferential tax treatments, nine of the subsidiaries are entitled to the preferential tax rate for the year ended 31 December 2025.

(d) **Withholding tax (“WHT”)**

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company incorporated in the PRC to foreign investors with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax. Under the double taxation arrangement between the PRC and Hong Kong, the relevant withholding tax rate applicable to the Group is reduced from 10% to 5% subject to the fulfilment of certain conditions.

**8. DIVIDENDS**

The Board of Directors declared 2025 interim dividend of HK4.4 cents (2024: HK4.5 cents) per ordinary share to the shareholders totaling approximately HK\$64,763,000 (2024: HK\$67,713,000).

The Board recommended a final dividend of HK2.0 cents (2024: HK5.3 cents) per ordinary share, absorbing a total amount of about HK\$29,431,000 (2024: HK\$78,797,000) in respect of the year ended 31 December 2025, which is subject to the approval the shareholders of the Company at the forthcoming Annual General Meeting of the Company. The proposed dividends are not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026. The final dividends are converted from Hong Kong dollars to Renminbi at the rate at the end of reporting period.

**9. EARNINGS PER SHARE**

(a) **Basic**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2025 and 2024.

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to owners of the Company	<u><u>94,374</u></u>	<u><u>150,780</u></u>
Weighted average number of ordinary shares in issue (thousands)	<u><u>1,510,882</u></u>	<u><u>1,543,447</u></u>
<b>Basic earnings per share (RMB cents per share)</b>	<u><u>6.25</u></u>	<u><u>9.77</u></u>

(b) **Diluted**

Diluted earnings 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 31 December 2025 and 2024, the Company do not have any dilutive potential ordinary shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all dilutive potential ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted earnings per share). No adjustment is made to earnings (numerator).

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit attributable to owners of the Company	<u><b>94,374</b></u>	<u>150,780</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u><b>1,510,882</b></u>	<u>1,543,447</u>
<b>Diluted earnings per share (RMB cents per share)</b>	<u><b>6.25</b></u>	<u>9.77</u>

## 10. INVESTMENT PROPERTIES

	<b>Total</b> <i>RMB'000</i>
<b>FAIR VALUE</b>	
<b>At 1 January 2024</b>	264,878
Change in fair value	(1,182)
Disposal of an investment property	<u>(816)</u>
<b>At 31 December 2024 and 1 January 2025</b>	262,880
Change in fair value	<u>(1,820)</u>
<b>At 31 December 2025</b>	<u><b>261,060</b></u>

During the year ended 31 December 2023, the Group obtained the legal title of a property with carrying value of approximately RMB838,000 from a customer as the full settlement of its trade receivables. The property was subsequently disposed of during the year ended 31 December 2024 for a consideration of RMB816,000.

The balance as at 31 December 2024 and 2025 represented office premises located at No.23 Panlong West Road, Pinggu District, Beijing, with a construction area of approximately 39,714.5 square meters which are held by the Group under a medium-term lease in the PRC.

The fair value of the Group's investment properties at 31 December 2025 was approximately RMB261,060,000 (2024: RMB262,880,000) which has arrived at on market valuation carried out by Zhong Qi Ying (Beijing) Asset Appraisal Company Limited, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

The fair value was determined based on the income approach, where capitalising the estimated net income derived from the investment properties with reference to the lease agreement and taking into account the future growth potential. The discount rate was determined by reference to weighted average cost of capital of the listed companies with similar business portfolio.

## 11. LOAN RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fixed-rate loan receivables	240,000	300,000
Analysed as:		
Current	240,000	120,000
Non-current	<u>—</u>	<u>180,000</u>
	<u><b>240,000</b></u>	<u><b>300,000</b></u>

On 20 April 2023, the Group granted a loan advance to an independent third party in the principal amount of RMB180,000,000 at the rate of 5.3% per annum with a maturity date in April 2026. The interest is repayable on a half-yearly basis. It is considered to be low risk as the loan is collateralised by the real properties owned by such borrower located in Beijing with fair value amounted RMB237,980,000 and therefore the impairment provision is determined as 12-month expected credit losses. The management assessed that the effect of applying the expected credit risk model on loan receivable was immaterial.

On 28 September 2023, a loan advance with the principal of RMB120,000,000 was granted to another independent third party. The loan is interest bearing at 4.55% per annum. The interest is repayable on a semi-yearly basis. In May 2025, the outstanding principal amount was extended to a maturity date on 31 May 2026 with other terms remaining unchanged. It is considered to be low risk as the loan is collateralised by the real properties owned by such borrower located in Suzhou with fair value amounted to RMB185,000,000 and therefore the impairment provision is determined as 12 months expected credit losses. The management assessed that the effect of applying the expected credit risk model on loan receivable was immaterial. Such borrower repaid RMB60 million in July 2025.

## 12. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	41,339	45,507
Work in progress	15,936	18,821
Finished goods	73,106	49,304
Goods in transit	<u>15,852</u>	<u>11,107</u>
	<b>146,233</b>	124,739
Provision for impairment	<u>(1,032)</u>	<u>(4,457)</u>
	<u><b>145,201</b></u>	<u><b>120,282</b></u>

### 13. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables ( <i>note i</i> )	67,394	72,988
Bills receivable ( <i>note ii</i> )	1,234	1,338
Prepayments and deposits	25,817	22,403
Value added tax recoverable	12,364	12,937
Other receivables	29,049	35,817
Interest receivables	2,647	2,771
Amount due from a related party ( <i>note iii</i> )	<u>29,639</u>	<u>18,571</u>
Trade and other receivables	<u><u>168,144</u></u>	<u><u>166,825</u></u>

*Notes:*

- (i) Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Up to 3 months	44,559	46,864
3 months to 6 months	9,016	3,624
6 months to 12 months	8,975	9,301
1 year to 2 years	89	1,465
2 years to 3 years	<u>4,755</u>	<u>11,734</u>
	<u><u>67,394</u></u>	<u><u>72,988</u></u>

The Group and the Company recognised impairment loss based on expected credit loss model.

Trade receivables are due within 180 days from the date of billing. The Group does not hold any collateral as security.

- (ii) The ageing of bills receivable is within 180 days, which is within the credit term.
- (iii) The amount due from a related party is trade in nature. The Group granted the credit terms of 150 days to this related party. As at 31 December 2025, an impairment loss of RMB1,220,000 was recognised in profit or loss for the year ended 31 December 2025.

#### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Wealth management products		
— non-principal protected	<u>5,000</u>	<u>5,148</u>

The amount included a wealth management product issued by a bank in the PRC. The product is not redeemable on demand and not principal protected. The return of the product is determined by the performance of the underlying investments which are mainly debt instruments.

#### 15. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	58,788	41,787
Salary and staff welfare payables	43,487	38,922
Advances from customers	2,697	4,792
Deposits received	3,240	3,704
Value added tax and other taxes	5,362	10,384
Professional service fee	8,815	8,163
Provision of loss from guarantee liability	23,414	22,680
Deferred government grant — current portion	1,327	1,325
Amount due to related parties	242	729
Other payables	<u>7,597</u>	<u>6,458</u>
	<u>154,969</u>	<u>138,944</u>

As at 31 December 2025 and 2024, except for the advances from customers, deposits received, value added tax and other taxes and deferred government grant which are not financial liabilities. All trade and other payables of the Group were non-interest bearing, and their fair values approximated their carrying amounts due to their short maturities.

Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Up to 6 months	44,159	26,160
6 months to 12 months	3,566	1,371
Over 1 year	1,278	2,954
2 years to 3 years	1,480	1,354
Over 3 years	<u>8,305</u>	<u>9,948</u>
	<u>58,788</u>	<u>41,787</u>

## 16. SHARE CAPITAL

	<b>Number of issued and fully Paid ordinary shares</b>	<b>Share capital RMB'000</b>
<b>At 1 January 2024</b>	1,565,632,098	962
Cancellation of shares	<u>(32,401,000)</u>	<u>(23)</u>
<b>At 31 December 2024</b>	1,533,231,098	939
Cancellation of shares	<u>(59,642,000)</u>	<u>(42)</u>
<b>At 31 December 2025</b>	<u>1,473,589,098</u>	<u>897</u>

During the year ended 31 December 2025, 15,191,000 ordinary shares were repurchased, of which 59,642,000 ordinary shares have been cancelled as at 31 December 2025. The total amount paid to acquire the ordinary shares was approximately RMB19,759,000 during the year.

During the year ended 31 December 2024, 78,897,000 ordinary shares were repurchased, of which 32,401,000 ordinary shares have been cancelled as at 31 December 2024. The total amount paid to acquire the ordinary shares was approximately RMB80,221,000 during the year.

## FINANCIAL REVIEW

### Overview

	For the year ended		Change
	December 31,		
	2025	2024	
	RMB'000	RMB'000	
Revenue			
— Infusion Set Business	207,643	286,646	-27.6%
— Blood Purification Business	611,792	482,257	26.9%
— Regenerative Medical Biomaterials Business	4,070	—	Not applicable
Total Revenue	823,505	768,903	7.1%
Gross profit	407,459	419,448	-2.9%
Gross profit margin	49.5%	54.6%	
Profit for the year	135,253	192,522	-29.7%
Profit attributable to owners of the Company	94,374	150,780	-37.4%
Adjusted profit for the year <sup>(1)</sup>	197,599	233,469	-15.4%
Adjusted Profit attributable to owners of the Company <sup>(1)</sup>	<u>127,737</u>	<u>172,355</u>	<u>-25.9%</u>

Note:

- (1) Please refer to the section entitled “Non-HKFRS Measure — Adjusted Net Profit and Adjusted Net Profit Attributable to Owners of the Company” for more information about the non-HKFRS measures.

### Revenue

The total revenue of the Group increased by 7.1% from approximately RMB768.9 million in 2024 to approximately RMB823.5 million in 2025, mainly as a result of increase in sales from the Blood Purification Business, alongside the first-ever recorded revenue from Regenerative Medical Biomaterials Business, partially offset by the decrease in sales from the Infusion Set Business.

Revenue from the Blood Purification Business for the year ended December 31, 2025 amounted to approximately RMB611.8 million, representing an increase of 26.9% compared to approximately RMB482.3 million in 2024. The increase was mainly due to higher sales volume driven by the increased market demand and the expansion of sales network, including a rapid growth in export sales and sales of dialysis machine, partially offset by the decrease in unit sales price with the implementation of the volume-based procurement in the domestic market.

Revenue from the Infusion Set Business amounted to approximately RMB207.6 million for the year ended December 31, 2025, representing a decrease of 27.6% from 2024. The decrease was mainly due to the near-full implementation of the volume-based centralized procurement policy, which covered Beijing and other regions that account for a high proportion of the Group's sales, coupled with sustained price pressure.

Revenue from the Regenerative Medical Biomaterials Business amounted to approximately RMB4.1 million for the year ended December 31, 2025, marking its revenue debut, mainly contributed by the successful launch of breast tissue patch in the market.

## **Gross Profit**

The Group's gross profit decreased by 2.9% from approximately RMB419.4 million in 2024 to approximately RMB407.5 million in 2025. The gross profit margin decreased from 54.6% in 2024 to 49.5% in 2025, which was mainly due to the decrease in the gross profit margin of the Blood Purification Business and the Infusion Set Business.

The gross profit margin of the Blood Purification Business decreased from 51.0% in 2024 to 47.8% in 2025, primarily due to (i) the decrease in unit sales prices resulting from the volume-based centralized procurement policy implemented since June 2024; (ii) a higher proportion of export sales, which have lower gross margin rates.

The gross profit margin of the Infusion Set Business decreased from 60.5% in 2024 to 54.0% in 2025, which was mainly due to the decrease in unit sales prices resulting from the expansion of implementation areas of volume-based procurement policy.

The gross profit margin of the Regenerative Medical Biomaterials Business was 63.7% for the Reporting Period, reflecting its early-phase production scale.

## **Selling and Marketing Expenses**

Selling and marketing expenses increased by 15.0% from approximately RMB84.1 million in 2024 to approximately RMB96.7 million in 2025. This increase was attributable to the increase in selling and marketing expenses incurred by the Blood Purification Business and the Regenerative Medical Biomaterials Business, partially offset by the decrease in selling and marketing expenses incurred by the Infusion Set Business.

Selling and marketing expenses of the Blood Purification Business increased by 36.1% from approximately RMB35.3 million in 2024 to approximately RMB48.0 million in 2025, which was mainly due to (i) the increase of share-based compensation expense from RMB5.7 million for the year ended December 31, 2024 to RMB8.0 million for the Reporting period as a result of the implementation of the stock incentive plan of Sichuan Ruijian Medical in April 2024; (ii) increased staff remuneration caused by increased headcount; and (iii) the increase in export agency service fee.

Selling and marketing expenses of the Regenerative Medical Biomaterials Business amounted to approximately RMB6.8 million for the Reporting Period, which was nil for the year ended December 31, 2024. The increase was due to the continuing efforts for market development for the Reporting Period. Selling and marketing expenses of the Regenerative Medical Biomaterials Business mainly consist of personnel expenses of sales team.

Selling and marketing expenses of the Infusion Set Business decreased by 14.2% from approximately RMB48.8 million in 2024 to approximately RMB41.9 million in 2025 due to the decrease in promotion expenses and staff cost as a result of sales contraction.

### **General and Administrative Expenses**

General and administrative expenses increased by 8.0% from approximately RMB159.5 million in 2024 to approximately RMB172.2 million in 2025. The increase was mainly attributable to the increase in administrative expenses incurred by the Blood Purification Business and the Regenerative Medical Biomaterials Business, partially offset by the decrease of administrative expenses incurred by the group headquarters and the Infusion Set Business.

The general and administrative expenses of the Blood Purification Business increased by 9.6% from approximately RMB69.4 million in 2024 to approximately RMB76.1 million in 2025. The increase was mainly due to (i) the increase of share-based compensation expense from RMB12.0 million for the year ended December 31, 2024 to RMB17.2 million for the Reporting period as a result of the implementation of the stock incentive plan of Sichuan Ruijian Medical in April 2024; and (ii) increased staff remuneration caused by increased headcount, partially offset by the decrease of approximately RMB3.1 million in professional service fees related to the Spin-off.

The general and administrative expenses of the Blood Purification Business included amortization and depreciation of fair value increments on assets identified and recorded in the Group's consolidated financial statements during the business combination accounting process under HKFRSs, which amounted to approximately RMB21.5 million for the year ended December 31, 2025 (approximately RMB21.5 million for the year ended December 31, 2024).

The general and administrative expenses of the Regenerative Medical Biomaterials Business increased by 50.6% from approximately RMB29.1 million in 2024 to approximately RMB43.9 million in 2025. The increase was primarily attributed to the amortisation of the fair value increments on intangible assets identified and recognised during the business combination accounting process under HKFRSs, which increased by approximately RMB18.8 million from approximately RMB20.9 million for the year ended December 31, 2024 to approximately RMB39.7 million for the year ended December 31, 2025.

During the accounting process for the acquisition of Beijing Ruijian Biological, the Group recognised certain fair value increments on intangible assets which totaling approximately RMB793.7 million. These intangible assets relate to certain products under development as at the date of acquisition. The amortisation was calculated using the straight-line method over a 20-year period, commencing upon the Group obtaining registration certificate for the products. For the seven-month period ended July 31,

2024, only part of the intangible assets were amortised, with a fixed monthly amortisation of approximately RMB0.6 million recorded during the year as not all the relevant registration certificates were obtained. Starting from August 1, 2024, amortisation has commenced for all of the foresaid intangible assets with fair value increments, as Beijing Ruijian Biological had obtained the registration certificates for the relevant products and started preparing for the production and sales of such products. Accordingly, the fixed monthly amortisation (before income tax) increased to approximately RMB3.3 million from August 2024 onward.

The general and administrative expenses of the group headquarters and the Infusion Set Business decreased by 14.2% from approximately RMB60.9 million in 2024 to approximately RMB52.2 million in 2025. The decrease was mainly due to the effective cost control and the decrease of repair and maintenance costs for the properties.

### **R&D Expenses**

R&D expenses increased by 9.7% from approximately RMB44.1 million in 2024 to approximately RMB48.4 million in 2025, which was mainly due to the increase of R&D expenses incurred by the Blood Purification Business, partially offset by the decrease of R&D expenses incurred by the Regenerative Medical Biomaterials Business.

R&D expenses of the Blood Purification Business increased from approximately RMB18.2 million in 2024 to approximately RMB24.6 million in 2025. The increase was mainly due to increased investment in R&D projects.

R&D expenses of the Regenerative Medical Biomaterials Business decreased from approximately RMB12.7 million in 2024 to approximately RMB9.9 million in 2025. The decrease was mainly due to the decrease in direct R&D expense, since some R&D projects are not at stages that require substantial R&D investment.

### **Other Gains, net**

Net other gains decreased by 38.0% from approximately RMB46.2 million for the year ended December 31, 2024 to approximately RMB28.7 million for the Reporting Period, mainly due to the foreign exchange loss amounted to RMB6.9 million caused by the fluctuation of the exchange rate between RMB and US dollar, while a foreign exchange gain of RMB7.5 million was recorded for the year ended December 31, 2024.

### **Fair Value Loss on Investment Properties**

Fair value loss on investment properties increased from approximately RMB1.2 million for the year ended December 31, 2024 to approximately RMB1.8 million for the Reporting Period. The fair value loss was mainly due to the decline of the rental market.

## **Operating Profit**

Operating profit decreased by 31.9% from approximately RMB179.5 million for the year ended December 31, 2024 to approximately RMB122.3 million for the Reporting Period, which was the net result of: (i) the decrease of the operating profit generated by the group headquarters and the Infusion Set Business from RMB91.5 million for the year ended December 31, 2024 to approximately RMB32.8 million for the Reporting Period due to the decrease in gross profit and net other gains, partially offset by decrease in selling and marketing expenses and administrative expenses; (ii) the increase in the operating loss generated by the Regenerative Medical Biomaterials Business from approximately RMB41.4 million for the year ended December 31, 2024 to approximately RMB56.9 million for the Reporting Period due to the increase in straight-line method amortisation expenses of the intangible assets related to the products obtaining licenses in 2024, while their respective sales are yet to be further ramp up; and (iii) the increase of the operating profit generated by the Blood Purification Business from approximately RMB129.4 million for the year ended December 31, 2024 to approximately RMB146.4 million for the Reporting Period due to the increase in gross profit, partially offset by increase of share-based compensation expenses, staff remuneration cost and R&D expenses.

## **Finance Income, Net**

Net finance income decreased by 15.1% from approximately RMB50.3 million for the year ended December 31, 2024 to approximately RMB42.7 million for the Reporting Period. The decrease was mainly due to lower interest rates of bank deposits.

## **Income Tax Expenses**

Income tax expenses decreased by 20.1% from approximately RMB37.2 million for the year ended December 31, 2024 to approximately RMB29.7 million for the Reporting Period, which was mainly due to the decrease in taxable profit.

## **Profit for the Year and Profit Attributable to Owners of the Company**

The profit for the year of the Group and profit attributable to owners of the Company was approximately RMB135.3 million and RMB94.4 million in 2025, representing a decrease of 29.7% and 37.4% from RMB192.5 million and RMB150.8 million in 2024, respectively. The decrease was mainly due to decreases of operating profit and finance income.

## **Non-HKFRS Measure — Adjusted Net Profit and Adjusted Net Profit Attributable to Owners of the Company**

To supplement our consolidated financial information which are presented in accordance with HKFRS, we set forth below our adjusted net profit and adjusted net profit attributable to owners of the Company, each a non-HKFRS measure, as additional financial measures.

Adjusted net profit and adjusted net profit attributable to owners of the Company is defined as profit for the year or profit attributable to owners of the Company, as adjusted by adding back (i) share-based compensation expenses of the Blood Purification Business; (ii) professional services fee relating to the Spin-off; (iii) amortization of fair value increments on intangible assets recognised in the acquisition of Beijing Ruijian Biological; and (iv) income tax effects of non-HKFRS adjustments.

We believe that the presentation of non-HKFRS measures facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items that the Group does not consider indicative of the performance of the business of the Group. We believe that this measure provides useful information to investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help our management. However, the use of non-HKFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of the Group's results as reported under HKFRS. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following table sets forth the reconciliations of our non-HKFRS financial measures for the year ended December 31, 2025 and 2024 to the nearest measure prepared in accordance with HKFRS.

	<b>For the year ended</b>		
	<b>December 31,</b>		
	<b>2025</b>	2024	Change
	<b>RMB'000</b>	RMB'000	
Profit for the Year under HKFRS	<b>135,253</b>	192,522	-29.7%
Add:			
Share-based compensation expenses of the Blood Purification Business <sup>(1)</sup>	<b>26,452</b>	18,599	
Professional services fees related to the Spin-off	<b>2,733</b>	5,876	
Amortization of fair value increment on intangible assets recognised in the acquisition of Beijing Ruijian Biological <sup>(2)</sup>	<b>39,683</b>	20,856	
Income tax effects of non-HKFRS adjustments above	<u><b>(6,522)</b></u>	<u>(4,384)</u>	
Adjusted net profit (non-HKFRS)	<u><b>197,599</b></u>	<u>233,469</u>	-15.4%

	<b>For the year ended</b>		
	<b>December 31,</b>		
	<b>2025</b>	2024	Change
	<b>RMB'000</b>	RMB'000	
Profit attributable to owners of the Company under HKFRS	<b>94,374</b>	150,780	-37.4%
Add:			
Share-based compensation expenses of the Blood Purification Business <sup>(1)</sup>	<b>12,684</b>	9,018	
Professional services fees related to the Spin-off	<b>1,325</b>	2,849	
Amortization of fair value increment on intangible assets recognised in the acquisition of Beijing Ruijian Biological <sup>(2)</sup>	<b>23,095</b>	12,138	
Income tax effects of non-HKFRS adjustments above	<u><b>(3,741)</b></u>	<u>(2,430)</u>	
Adjusted net profit attributable to owners of the Company (non-HKFRS)	<u><b>127,737</b></u>	<u>172,355</u>	-25.9%

*Notes:*

- (1) The item represents the expenses related to share-based payments granted to employees of the Blood Purification Business. On April 18, 2024, the stock incentive plan was approved at the general meeting of Sichuan Ruijian Medical. Under the stock incentive plan, a total of 6,332,340 shares of Sichuan Ruijian Medical (approximately 2.06% shareholding percentage of Sichuan Ruijian Medical) held by its shareholder and employee shareholding platform Ningbo Zhengyao Investment Management Center (Limited Partnership) (寧波正壹投資管理中心(有限合夥)) (“**Ningbo Zhengyao**”) will be granted to eligible employees of Sichuan Ruijian Medical. The exercise price per share granted is RMB1.783. All realised gains and corresponding yields of Ningbo Zhengyao will be distributed to the grantees.

The vesting period is from the date of grant until the end of fourth year following the successful initial public offering of Sichuan Ruijian Medical, and the fair value of the shares granted to employees less amount paid by employees is recognized as expenses over the vesting period.

For the year ended December 31, 2025, approximately RMB17.2 million, RMB8.0 million, RMB0.7 million and RMB0.6 million of share-based compensation expense was recognized as general and administrative expense, selling and marketing expense, R&D expense, and manufacturing overheads, respectively.

- (2) The item represents the amortisation of fair value increments on intangible assets identified and recognised through the business combination of Beijing Ruijian Biological. Please refer to the section headed General and Administrative Expenses for details of this item.

## **Trade and other Receivables**

The Group's trade receivables primarily comprised the outstanding payment from credit sales. As of December 31, 2025, the trade and other receivables of the Group was approximately RMB168.1 million, representing an increase of approximately RMB1.3 million as compared to approximately RMB166.8 million as of December 31, 2024, which was mainly due to the increase in trade and other receivables of the Blood Purification Business, partially offset by the decrease in trade and other receivables of the group headquarters and the Infusion Set Business.

Trade and other receivables of the Blood Purification Business increased from approximately RMB35.4 million as of December 31, 2024 to approximately RMB66.9 million as of December 31, 2025, mainly due to the increase in overseas sales where longer credit periods are usually provided to the distributors due to time-consuming processes involved in cross-border orders.

Trade and other receivables of the group headquarters and the Infusion Set Business decreased from approximately RMB129.9 million as of December 31, 2024 to approximately RMB99.5 million as of December 31, 2025, mainly due to the collection of trade receivables and the decrease in sales in 2025.

The Group has selected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and established a provision matrix that was based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group reviews the financial performance of the customers with long aging receivables periodically and revises the credit terms granted to the customers based on credit risk analysis. Besides review of account receivables, the management may also use letter of collection and lawyer's letter to collect the receivables. The Group would also negotiate with customers to explore the use of debt agreement if there are higher risk of recoverability. In some circumstances, the internal legal department of the Group would be involved in collection of receivables to explore the availability of legal actions, and to issue formal communication to the customer before escalating the actions. Out of the trade receivables aged over 6 months that amounted to approximately RMB22.5 million (with a gross amount of approximately RMB36.3 million and loss allowances of approximately RMB13.8 million) at December 31, 2024, a total of approximately RMB24.4 million was subsequently received up to December 31, 2025. As at December 31, 2025, the Group had made loss allowances of approximately RMB12.6 million (as at December 31, 2024: RMB19.1 million) on the trade receivables with a gross amount of approximately RMB80.0 million (as at December 31, 2024: RMB92.0 million).

## **Inventories**

Inventories increased by 20.7% from approximately RMB120.3 million as at December 31, 2024 to approximately RMB145.2 million as at December 31, 2025, which was mainly due to the increase in inventories of the Blood Purification Business and the Infusion Set Business.

Inventories of the Blood Purification Business increased from approximately RMB79.4 million as at December 31, 2024 to approximately RMB93.1 million as at December 31, 2025, which was mainly due to stock of goods to meet the increased sales orders.

Inventories of the Infusion Set Business increased from approximately RMB32.9 million as at December 31, 2024 to approximately RMB41.6 million as at December 31, 2025, which was mainly due to the slowdown in inventory turnover as a result of declining sales.

Inventories of the Regenerative Medical Biomaterials Business increased from approximately RMB8.0 million as at December 31, 2024 to approximately RMB10.4 million as at December 31, 2025, which was mainly due to stock of goods for the expected market demand.

### **Property, Plant and Equipment**

Property, plant and equipment mainly include buildings and facilities, machinery and equipment and construction in progress. As at December 31, 2025, the property, plant and equipment of the Group amounted to approximately RMB905.0 million, representing an increase of approximately RMB13.3 million as compared to approximately RMB891.7 million as at December 31, 2024. The increase was mainly the net result of construction in production lines, purchase of new production facilities and the depreciation.

### **Investment Properties**

Investment properties, mainly comprising factories and offices which are held by the Group for long-term rental yields. As at December 31, 2025, the investment properties of the Group amounted to approximately RMB261.1 million, representing a decrease by approximately RMB1.8 million as compared to approximately RMB262.9 million as at December 31, 2024. The decrease was mainly due to the fair value loss of the properties. The detailed information regarding the investment properties could be found in Note 10 to the annual condensed consolidated financial statements.

### **Intangible Assets and Goodwill**

The Group's intangible assets mainly include development cost, technology know-how, trademarks, computer software and customer relationship. The Group's goodwill, technology know-how, trademarks and customer relationships are mainly identified and recorded during the business combination accounting process for the acquisitions of subsidiaries. The intangible assets are amortised with straight line method for 5–20 years. The goodwill is subject to impairment test at each period end.

As at December 31, 2025, the net value of the Group's intangible assets and goodwill was approximately RMB1,582.5 million, representing a decrease of RMB49.9 million as compared to approximately RMB1,632.4 million as of December 31, 2024. The decrease was primarily the net result of amortisation of the intangible assets which amounted to approximately RMB64.9 million (2024: RMB44.3 million) and addition of capitalised development costs which amounted to approximately RMB15.0 million (2024: RMB15.6 million) for the Reporting Period.

## **Loan Receivables**

As at December 31, 2025, the Company's gross amount of loan receivable was RMB240.0 million which includes a loan granted to an independent third party in April 2023 as disclosed in the announcement of the Company dated April 20, 2023 and a loan granted to an independent third party in September 2023 and extended in May 2024 and May 2025 as disclosed in the announcement of the Company dated September 5, 2023 and May 31, 2024, respectively. The detailed information regarding the loan receivable, including the collaterals and key terms, could be found in Note 11 to the annual consolidated financial statements for the year ended December 31, 2025.

## **Non-current Financial Assets**

As at December 31, 2025, the Group's non-current financial assets was approximately RMB70.7 million (December 31, 2024: RMB46.5 million), comprising investment in the H shares of Lepu Biopharma Co., Ltd. and an unlisted fund. The increase was mainly due to the increase in the fair value of the investment in the H shares of Lepu Biopharma Co., Ltd. as a result of increase in its share price.

## **Financial Resources and Liquidity**

As at December 31, 2025, the Group's cash and bank balances amounted to approximately RMB1,802.8 million (December 31, 2024: RMB1,682.0 million), the Group's financial assets at fair value through profit or loss amounted to approximately RMB5.0 million (December 31, 2024: RMB5.1 million). As at December 31, 2025, the Group's bank borrowing balance was RMB15.0 million (December 31, 2024: RMB5.8 million). The bank borrowing carried a fixed interest rate at 3.45% per annum.

The Board is of the opinion that the Group is in a healthy financial position and has sufficient resources to support its operations and meet its foreseeable capital expenditures.

## **Pledge of Assets**

As at 31 December 2025, the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB68.8 million and right-of-use assets with an aggregate carrying amount of approximately RMB5.6 million were pledged to secure general banking facilities granted to the Group. Saved as disclosed above, during the year ended December 31, 2025, the Group did not enter into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. The Group did not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing or hedging, R&D or other services with it.

## **Commitments**

As of December 31, 2025, the Group had a total capital commitment of approximately RMB11.7 million (December 31, 2024: RMB25.6 million), comprising mainly contracted capital expenditure for acquisition of property, plant and equipment.

## Capital Expenditure

During the year ended December 31, 2025, the Group incurred capital expenditure of approximately RMB71.7 million (for the year ended December 31, 2024: RMB46.3 million) on the construction in progress including facilities and production lines and expenditure of approximately RMB33.3 million (for the year ended December 31, 2024: RMB25.8 million) on the purchase of property, plant and equipment as well as intangible assets.

## Gearing Ratio

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowing divided by total capital. Total borrowing is bank borrowing as shown in the condensed consolidated statement of financial position. Total capital is calculated as “total equity” as shown in the condensed consolidated statement of financial position plus total borrowing.

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Total borrowing	15,000	5,800
Total equity	4,853,733	4,803,368
Total capital	4,868,733	4,809,168
Gearing ratio	<u>0.31%</u>	<u>0.12%</u>

## Foreign Exchange Risk

The Group mainly operates its business in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Foreign exchange risk arises from foreign currencies held by certain overseas subsidiaries. The Group did not hedge against any fluctuation in foreign currency during the year ended December 31, 2025. Management may consider entering into currency hedging transactions to manage the Group's exposure towards fluctuations in exchange rates in future.

## Cash Flow and Fair Value Interest Rate Risk

Other than bank balances with variable interest rates, and the loan receivables with fixed interest rate, the Group has no other significant interest-bearing assets. The management does not anticipate any significant impact to interest-bearing assets resulting from the changes in interest rates because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from bank and other borrowings. Borrowing issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively.

As at December 31, 2025, it was estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would not affect the Group's profit for the Relevant Period (for the year ended December 31, 2024: Nil).

The sensitivity analysis above has been determined by assuming that the change in interest rates had occurred at the end of Reporting Period and had been applied to the exposure to interest rate risk for the borrowings in existence on that date. The increase or decrease of the 100 basis points represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

### **Contingent Liabilities**

As at December 31, 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

### **Credit Risk**

The carrying amounts of cash and cash equivalents, trade and other receivables and loan receivables represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problems.

The credit risk of bank balances is limited because the counterparties are banks with good reputation and most of them are state-owned commercial banks in China or public listed companies. Most of the bank deposits of the Group are placed with commercial banks with an acceptable credit rating.

For trade and other receivables and loan receivables, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Most of trade and other receivables balances are due from state-owned enterprises or major customers with good repayment history. There was no material default of the balances in the past. Details of the Group's trade and other receivables credit management are also discussed above under the heading of "Trade and Other Receivables".

### **Significant Investments**

As at December 31, 2025, the Group did not hold significant investments with a value of 5% or more of the Company's total assets. As at the date of this announcement, the Group does not have any plan for material investments or purchase of capital assets.

### **EMPLOYEES**

The Group had approximately 1,477 employees as at December 31, 2025, as compared to 1,415 employees as at December 31, 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits, liabilities for breaches and grounds for termination.

Remuneration of the Group’s employees includes basic salaries, allowances, bonus and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board based on their merit, qualification and competence.

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

The Company has from time to time, repurchased the shares on the open market during the twelve-month period commencing July 2025, subject to market conditions and pursuant to the Repurchase Mandate. The Board has designated a dedicated officer of the Company to implement the share repurchase, subject to market conditions and pursuant to the Repurchase Mandate. The timing, price and amount of repurchases will be determined based upon market conditions and other factors. For further details, please refer to the relevant announcement of the Company dated July 4, 2025.

During the year ended December 31, 2025 and up to the date of this announcement, the Company has repurchased on the Stock Exchange a total of 19,488,000 shares of the Company (the “**Shares Repurchased**”) at a total consideration of approximately HK\$27,664,010. Details of the Shares Repurchased are summarized as follows:

<b>Month of repurchase</b>	<b>Total number of Shares Repurchased</b>	<b>Repurchase price per share</b>		<b>Aggregate consideration HK\$</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
July 2025	4,413,000	1.48	1.36	6,367,210
August 2025	0	N/A	N/A	N/A
September 2025	9,108,000	1.56	1.38	13,194,800
October 2025	1,331,000	1.47	1.46	1,953,570
November 2025	339,000	1.38	1.34	466,440
December 2025	0	N/A	N/A	N/A
January 2026	677,000	1.28	1.28	866,560
February 2026	3,620,000	1.40	1.28	4,815,430
March 2026 ( <i>up to the date of this announcement</i> )	0	N/A	N/A	N/A

As at the date of this announcement, a total of 13,146,000 Shares Repurchased have been cancelled, out of which 4,413,000 and 8,733,000 Shares Repurchased were cancelled on August 18, 2025 and September 30, 2025, respectively.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the year ended December 31, 2025 and up to the date of this announcement.

As at December 31, 2025 and up to the date of this announcement, there were no treasury shares held by the Company.

## **2026 ANNUAL GENERAL MEETING**

The Company's forthcoming annual general meeting will be held on June 26, 2026 (the "2026 AGM"). For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from June 23, 2026 to June 26, 2026, both days inclusive, and during which period no transfer of shares of the Company will be registered. The record date will be June 26, 2026. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on June 22, 2026.

## **FINAL DIVIDEND**

In light of the financial performance of the Group for the year ended December 31, 2025 and in appreciation of the shareholders' continuing support, the Board has recommended the payment of a final dividend of HK2.0 cents per share for the year ended December 31, 2025 (for the year ended December 31, 2024: HK5.3 cents per share). Together with the interim dividend of HK4.4 cents per share already paid, total dividend for the full year of 2025 amounted to HK6.4 cents per share.

For determining the entitlement to the proposed final dividend for the year ended December 31, 2025, the register of members of the Company will be closed from July 6, 2026 to July 8, 2026, both days inclusive, and during which period no transfer of shares of the Company will be registered. The record date will be July 8, 2026. In order to qualify for the final dividend, unregistered holders of shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on July 3, 2026.

Subject to the shareholders' approval at the 2026 AGM, the final dividend will be payable on July 31, 2026 to shareholders whose names appear on the register of members of the Company at the close of business on July 8, 2026. Such declaration of final dividend demonstrates the Company's commitment to delivering shareholder returns as well as its optimism about the Group's business prospects.

As at the date of this announcement, there were no treasury shares held by the Company (including treasury shares held or deposited with the Central Clearing and Settlement System). Such treasury shares will not receive the recommended dividend, if any.

## **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 its shareholders as a whole. The Company has adopted the code provisions as set out in the “Corporate Governance Code” (the “**Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Code during the year ended December 31, 2025, with the exception of code provision C.2.1 of the Code.

According to code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. Currently, Ms. Yue’e Zhang performs both the roles of the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group’s business strategies which is in the best interests of the Company. Under the leadership of Ms. Yue’e Zhang, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by each of the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the year ended December 31, 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year ended December 31, 2025.

## **REVIEW OF FINANCIAL STATEMENTS**

### **Audit Committee**

The Audit Committee of the Company (comprising Mr. Wang Xiaogang, Mr. Chen Geng and Mr. Lin Junshan) has reviewed with the Group's management the consolidated financial information of the Group for the year ended December 31, 2025, including accounting principles and practices adopted by the Group, and discussed risk management and internal controls and financial reporting matters.

### **Review of Preliminary Announcement of Results by the Independent Auditor**

The figures in respect of the Group's results for the year ended December 31, 2025 as set out in this announcement have been agreed by the Company's independent auditor, BDO Limited, in relation to the amounts set out in the Group's consolidated financial statements for the year ended December 31, 2025. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by BDO Limited on this announcement.

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

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.pwmedtech.com](http://www.pwmedtech.com). The annual report of the Company containing all the information required by the Listing Rules will be dispatched (if requested) to the shareholders of the Company and published on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business partners for their trust and support.

By Order of the Board  
**PW Medtech Group Limited**  
**Yue'e Zhang**  
*Chairman & Chief Executive Officer*

Hong Kong, March 27, 2026

*As at the date of this announcement, the Board comprises one executive Director, namely, Ms. Yue'e Zhang; two non-executive Directors, namely Mr. Jiang Liwei and Mr. Lin Junshan; and three independent non-executive Directors, namely, Mr. Wang Xiaogang, Mr. Chen Geng and Ms. Wang Fengli.*