



MEDBOT™
微创机器人

2025

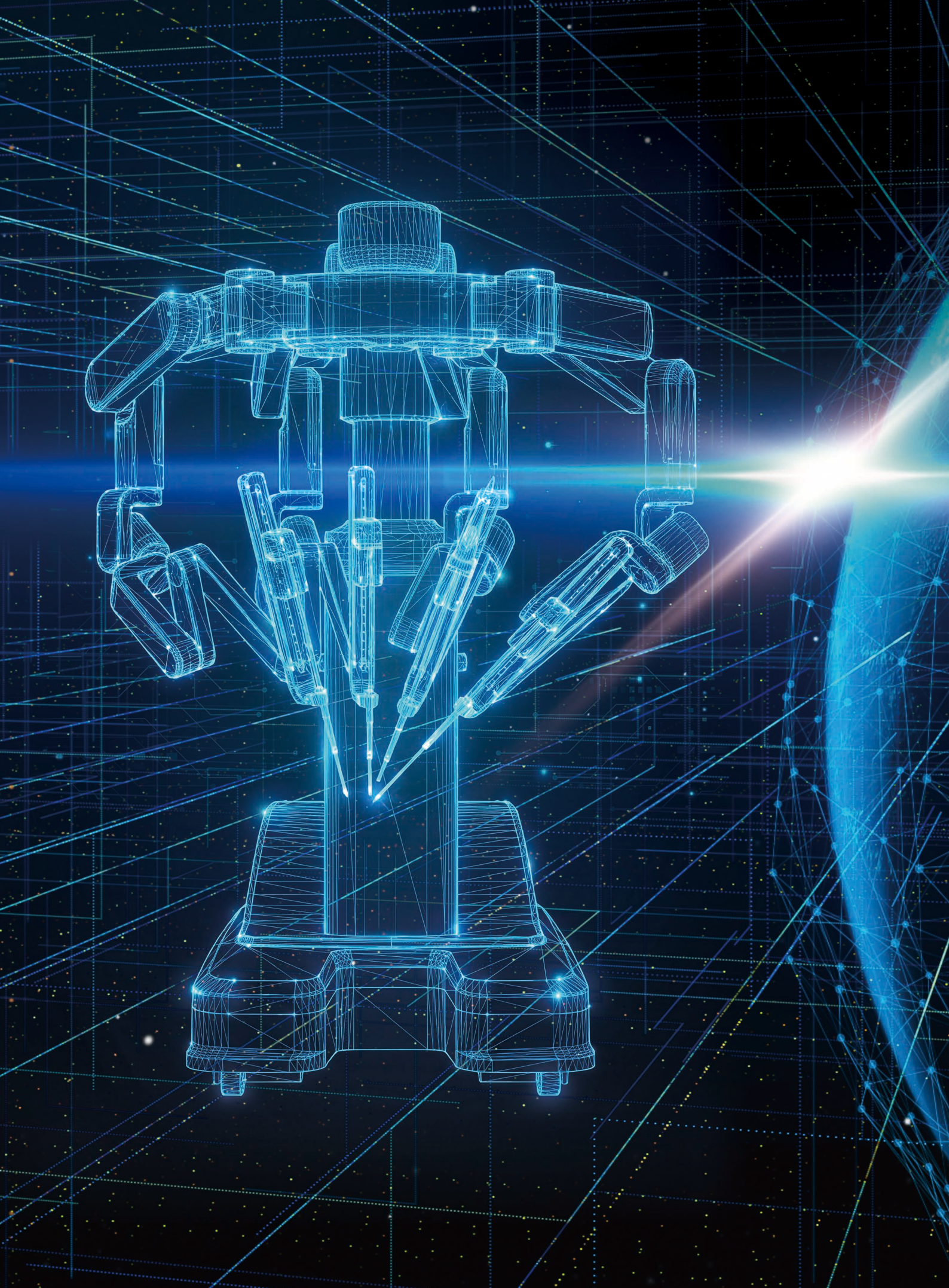
ANNUAL REPORT



Shanghai MicroPort MedBot (Group) Co., Ltd.
上海微创医疗机器人(集团)股份有限公司

Stock Code: 2252

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





MEDBOT™
微创机器人

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Corporate Information

DIRECTORS AND SUPERVISORS

Executive Directors

Dr. He Chao (*President*)
Mr. Liu Yu¹
Ms. Fang Cong²

Non-Executive Directors

Dr. Chang Zhaohua (*Chairperson of the Board*)³
Mr. Shirafuji Hiroshi³
Mr. Ashida Norihiro³
Mr. Sun Hongbin (*Former Chairperson of the Board*)²
Mr. Chen Xinxing⁴
Mr. Chen Chen
Ms. Liang Min³

Independent Non-Executive Directors

Dr. Li Minghua²
Dr. Liu Guoen³
Mr. Chou Jonathan H.³
Mr. Yao Haisong
Mr. Chung Wai Man

Supervisors

Dr. Zhang Jie
Ms. Zhang Lihong
Mr. Chen Gong

COMPANY SECRETARY

Ms. Yeung Siu Lam

AUTHORISED REPRESENTATIVES

Mr. Sun Hongbin²
Dr. Chang Zhaohua³
Ms. Yeung Siu Lam

AUDIT COMMITTEE

Mr. Chou Jonathan H. (*Chairperson*)³
Mr. Chung Wai Man (*Former Chairperson*)⁷
Mr. Ashida Norihiro³
Dr. Li Minghua²
Mr. Yao Haisong⁵
Mr. Chen Xinxing⁴

REMUNERATION AND APPRAISAL COMMITTEE

Dr. Liu Guoen (*Chairperson*)³
Dr. Li Minghua (*Chairperson*)²
Mr. Ashida Norihiro³
Mr. Chou Jonathan H.³
Mr. Yao Haisong⁵
Mr. Sun Hongbin²

NOMINATION COMMITTEE

Mr. Yao Haisong (*Chairperson*)
Ms. Liang Min³
Mr. Chung Wai Man
Dr. He Chao⁶
Ms. Fang Cong²
Dr. Li Minghua²

STRATEGY AND DEVELOPMENT COMMITTEE

Dr. Liu Guoen (*Chairperson*)³
Mr. Sun Hongbin (*Former Chairperson*)²
Dr. He Chao
Dr. Li Minghua²
Mr. Shirafuji Hiroshi³

COMMERCIALISATION COMMITTEE

Mr. Shirafuji Hiroshi (*Chairperson*)³
Mr. Liu Yu (*Former Chairperson*)⁸
Dr. He Chao⁶
Mr. Sun Hongbin²
Mr. Chen Chen
Ms. Liang Min³

1 Appointed on 25 June 2025

2 Resigned on 25 November 2025

3 Appointed on 25 November 2025

4 Resigned on 30 April 2025

5 Mr. Yao Haisong ceased to serve as a member of the Audit Committee and the Remuneration and Appraisal Committee with effect from 25 November 2025.

6 Dr. He Chao ceased to serve as a member of the Nomination Committee and the Commercialisation Committee with effect from 25 November 2025.

7 Mr. Chung Wai Man ceased to serve as the chairman of the Audit Committee with effect from 25 November 2025.

8 Mr. Liu Yu ceased to serve as the chairperson of the Commercialisation Committee with effect from 25 November 2025.

Corporate Information (Continued)

REGISTERED OFFICE IN THE PRC

Room 101, Area B, Building 1
1601 Zhangdong Road
China (Shanghai) Pilot Free Trade Zone
Shanghai
PRC

HEADQUARTERS IN THE PRC

Area B, Building 1
1601 Zhangdong Road
China (Shanghai) Pilot Free Trade Zone
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1922, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Fangda Partners
26th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

LEGAL ADVISER AS TO PRC LAWS

Fangda Partners
24th Floor, HKRI Centre Two, HKRI Taikoo Hui
288 Shi Men Yi Road
Shanghai
PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY WEBSITE

www.medbotsurgical.com

PRINCIPAL BANKS

China Construction Bank, Shanghai Zhangjiang Branch
Shanghai Pudong Development Bank Co., Ltd.
Zhangjiang Innovation Branch
China Merchants Bank Co., Ltd.
Shanghai Hong Kou Stadium Branch
Bank of Shanghai, Pudong Science & Technology Branch

Financial Highlights

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	For the year ended December 31				
	2025 RMB'000 (Audited)	2024 RMB'000 (Audited)	2023 RMB'000 (Audited)	2022 RMB'000 (Audited)	2021 RMB'000 (Audited)
Revenue	551,069	257,249	104,592	21,603	2,150
Gross profit	266,622	86,220	14,694	6,562	919
Loss before taxation	(254,115)	(647,101)	(1,023,530)	(1,146,284)	(584,507)
Loss for the year	(254,115)	(647,101)	(1,023,530)	(1,146,284)	(584,507)
Loss attributable to equity shareholders of the Company	(249,660)	(642,406)	(1,012,174)	(1,139,806)	(582,921)
Loss per share — Basic and diluted (in RMB)	(0.24)	(0.66)	(1.06)	(1.19)	(0.63)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at December 31				
	2025 RMB'000 (Audited)	2024 RMB'000 (Audited)	2023 RMB'000 (Audited)	2022 RMB'000 (Audited)	2021 RMB'000 (Audited)
Non-current assets	298,994	422,493	633,859	831,303	697,658
Current assets	1,035,599	856,546	794,048	1,098,822	2,094,226
Total assets	1,334,593	1,279,039	1,427,907	1,930,125	2,791,884
Non-current liabilities	484,479	517,904	240,876	196,933	167,263
Current liabilities	450,189	503,457	685,276	325,314	234,469
Total liabilities	934,668	1,021,361	926,152	522,247	401,732
Total equity	399,925	257,678	501,755	1,407,878	2,390,152

Note: The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 2 November 2021.

Company Profile

We are a leading first-tier surgical robot company. The Company is committed to meeting the cutting edge development demand for minimally invasive surgery. By integrating cutting-edge research and industrial integration in the fields of robotics, intelligent control, sensing and information research, we innovatively provide comprehensive robotic-intelligent surgical solutions to prolong and reshape the lives of patients. After years of R&D, innovation and armed with industry experience accumulated for years, the Group has been developed into a collectivised operating group of companies mastering foundation technologies of the full cycle of surgical robot development. We are equipped with multi discipline knowledge covering optics, mechanic, electric, control, software, calculation and imaging, enabling us to develop a series of platforms for further exploration. Consequently, the Group is able to build a comprehensive technical and innovative platform for surgical robots and a sound industrial operation system, covering segments like R&D, clinical trials, registration, supply chain management and marketing.

The Group is the only global surgical robot company with its business covering the five major and fast-growing surgical specialties of laparoscopic, orthopedic, panvascular, natural orifice and percutaneous surgical procedures, and has accumulated several products at various stages as those in development, clinical trials, registration and commercialisation.

VISION

Build a globalised medical robots total solution innovation platform

MISSION

Reshape and prolong life through a robotic intelligent surgical total solution

BELIEF

Make surgery easier, safer, and less invasive

FAITH

Explore the unknown, shaping the era of super intelligent surgery

Chairman's Statement

Dear Investors,

The year 2025 was a pivotal year marked by profound adjustments in the global economy and an accelerated reshaping of the high-end medical equipment industry. Amidst a complex and ever-changing external environment and intensifying market competition, the Company remained steadfast in its mission to "Make surgery easier, safer and less invasive". We continued to drive growth through technological innovation, pursue global expansion as a strategic imperative, and leverage commercialisation to steadily advance high-quality development. Throughout the year, the Company sustained a robust growth trajectory in its operational performance. The commercialisation process of our diverse product portfolios accelerated comprehensively, while the overseas markets emerged as a core growth engine. Concurrently, we successfully translated the achievements in technological innovations into practical applications. With continuous improvements in operational efficiency and resource allocation, alongside significant gains in cost reduction and efficiency improvement, the Company has laid a solid foundation for long-term sustainable development.

OPERATING PERFORMANCE ACHIEVED LEAPFROG GROWTH, WITH REMARKABLE RESULTS IN IMPROVING QUALITY AND EFFICIENCY

From the Company's revenue exceeding RMB100 million for the first time in 2023 to reaching RMB550 million in 2025, we achieved a compound annual growth rate (CAGR) of nearly 130% in revenue scale over the past three years. Alongside a shift in the geographic structure of revenue sources, the proportion of sales revenue from overseas markets increased from 20% in 2023 to 73% in 2025, making the overseas business one of the most important pillars in MedBot's revenue composition. During the Reporting Period, a number of the Group's marketed products achieved leapfrog development in commercialisation, which further consolidated the Group's competitive edge in the industry in the domestic and overseas markets, while its global expansion entered a new phase of scaled implementation.

With the rapid growth of our business, the Company, as always, focused on improving operational efficiency and steadily advancing operational management optimisation. During the Reporting Period, the net loss narrowed by 61% year-on-year, and the net free cash outflow significantly decreased to the tens of millions RMB level. Moreover, the Company successfully achieved a net inflow of free cash flow in the second half of 2025, with operational and financial conditions continuing to improve, contributing to a steady enhancement of operational quality.

DEEPENING GLOBAL LAYOUT, FULLY ESTABLISHING FULL-SPECTRUM PRESENCE

In 2025, the Group adopted a dual-track strategy prioritising both domestic and overseas markets, achieving milestone rapid growth in the global commercialisation of multi-track products. To date, the total order volume of the Company's full product portfolio has accumulated nearly 300 units, with the cumulative installations reaching nearly 200 units. Our products' competitiveness and market recognition continue to strengthen, while the pace of commercialisation has reached a record high. Among them, as a shaper and leader in China's domestic laparoscopic surgical robot industry, Toumai laparoscopic surgical robot has received over 220 commercial orders worldwide, covering over 50 countries and regions, and achieved commercial installations of more than 140 units. SkyWalker orthopedic surgical robots achieved a steady growth in overseas sales, with global cumulative orders now reaching over 65 units and cumulative commercial installations surpassing 50 units. Its overseas territory has gradually expanded to cover countries in five continents. The Company's global commercialisation system is continuously improving, with the penetration capability of its products in multi-regional, multi-clinical scenarios constantly strengthening, and the scaled implementation effect becoming increasingly evident.

Chairman's Statement (Continued)

Leveraging the technological advantages and clinical performance of our core products, we have continued to consolidate our leading position in the domestic market while achieving a critical leap in the overseas market from “initial success” to “scaled breakthrough”. In 2025, overseas market revenue exceeded RMB400 million, representing an increase of 287% year-on-year, making it the core driver of business growth. During the Reporting Period, our core product, Toumai, continued to maintain strong growth momentum in the global market, newly adding the commercial installations of 80 units, more than 60 of which were in overseas markets. Toumai has formed a new pattern of multi-regional synergistic development across the globe, covering multi-tiered healthcare systems including developing countries, emerging markets, and developed countries, and achieving multi-specialty collaboration and scaled application in clinical practices across different regions.

In 2025, the Company expedited the optimisation of its global registration and access system, with the capabilities of major products in key target markets continuously strengthened. During the Reporting Period, Toumai has obtained registration certification from nearly 40 countries or regions, with accumulative certification from more than 60 countries or regions around the world. With the approval of the listing of the UniPath™ Bronchoscopic Surgical Robot, the Company became the only company in the world to have products approved and listed in all five major and fast-growing surgical specialties of laparoscopic, orthopedic, natural orifice, vascular intervention, and percutaneous surgical procedures, fully achieving our “full-spectrum” strategic layout. The core product, Toumai series, has achieved integrated compatibility across multi-port, single-port, and remote systems. As the world's first remote surgical robot system approved for marketing, Toumai Remote has obtained listing approvals in over ten countries, and its application has covered nearly half of the world's population.

CUTTING-EDGE INNOVATION ACHIEVED BREAKTHROUGHS, SOLIDIFYING GLOBAL LEADING TECHNOLOGICAL LEADERSHIP

Robotic-assisted surgery is currently at a critical stage of leapfrog development across three stages: “local surgery, remote surgery, and autonomous surgery”. During the Reporting Period, the Group achieved key breakthroughs in cutting-edge fields within the industry, such as remote surgery and autonomous surgery technologies, pushing the industrialisation of domestic surgical robots toward further advancements in remote and autonomous capabilities, thereby establishing a new paradigm for industry development. In 2025, the Company further deepened the integrated application of remote communication technology and surgical robots, continuously expanding the clinical application scenarios and geographical scope of remote surgery, thus providing innovative solutions for the balanced allocation of medical resources. As the world's first commercial remote surgery system achieving “full department, full procedure” coverage, Toumai has assisted in completing 800 remote surgeries, accounting for about 50% of the total global remote surgeries. Its application spans more than 20 countries worldwide, and the global clinical application network for remote surgery accelerates and improves. In 2025, hundreds of experts from home and abroad conducted numerous milestone remote surgical explorations using this system, which not only continuously expanded the boundaries of clinical applications but also provided crucial practical evidence for the development of global regulatory frameworks and industry standards for remote surgery.

In the field of autonomous surgical technology, leveraging our self-developed Neuron MicroGenius multimodal autonomous surgical foundation model, we successfully completed the world's first large model-driven autonomous surgery animal experiment. This advancement leads the evolution of autonomous surgery technology from “fragmented assistance” to “full-process autonomy”, providing valuable experiential accumulation for subsequent research on the scaled application of autonomous surgery in real-world clinical scenarios.

Chairman's Statement (Continued)

The year 2025 marked the milestone tenth anniversary of MedBot's inception. Building upon a decade of growth and advancing with a relentless spirit, we have delivered solid results in high-quality development. This achievement is rooted in the diligent efforts and unwavering commitment of all our colleagues, the concerted aspirations and strong support from our global partners, and the foresight and steadfast support of our investors. Every bit of support and perseverance from you is the strongest force propelling us forward and gives us the confidence that Chinese high-end medical equipment industry needs as it moves onto the global stage. Your unwavering support and perseverance are not only the driving forces propelling us forward but also the foundation of confidence for the Chinese high-end medical equipment sector as it steps onto the global stage.

Looking ahead to 2026 and beyond, MedBot will continue to leverage its comprehensive product matrix and collaborative capabilities across multiple tracks. We remain committed to fortifying our core competitiveness through technological innovation and driving scaled growth with global commercialisation capabilities. We aim to accelerate the construction of an intelligent surgical infrastructure system for global surgery, evolving high-quality minimally invasive surgery from "locally accessible" to "globally accessible and beneficial". The road ahead is long and arduous, but perseverance will pave the way for success. The Company will continue to lead the evolution of the domestic surgical robot industry, consolidating long-term competitive advantages in the global market and delivering higher-quality solutions from China to healthcare systems around the world.

The last but not the least, I, on behalf of the Board, hereby express my sincere gratitude to all employees of the Company for their hard work and dedication and to shareholders, working partners, global physicians and various sectors of the community for their support to MedBot over the years. We look forward to continuing to work hand in hand with everyone to propel the global surgical robot industry to an even more advanced stage of development.

Chang Zhaohua

Chairman

Management Discussion and Analysis

INDUSTRY OVERVIEW

In 2025, the global economic landscape underwent profound adjustments, with the recovery process remaining uneven and uncertainties stemming from geopolitical factors and supply chain restructuring persisting. However, the resilience of demand in the global high-end medical device market became increasingly evident, providing ample room for the international development of the surgical robot industry. Guided by an innovation-driven strategy, China's economy saw solid progress in high-quality development, with the potential for domestic demand continually being released, thereby creating a stable environment for the high-end medical device industry. At the same time, an open and inclusive foreign trade environment also fostered a favorable environment for Chinese surgical robot companies to "go global", facilitating the industry's dual efforts to deepen its presence in the domestic market while achieving breakthroughs in overseas markets.

As one of the most important innovation breakthroughs in the field of high-end medical devices in recent years, surgical robot has high clinical value, which can effectively improve the accuracy and stability of surgeries, shorten the postoperative recovery cycle of patients and reduce the occurrence of complications; also effectively shorten the learning curve of surgeons and reduce the radiation exposure of operators. The surgical robot market presents a rapid growth trend with the continuous development of the global surgical robot industry. According to a report by Frost & Sullivan, the global surgical robot market size grew from US\$7.7 billion in 2019 to US\$21.2 billion in 2024, with a compound annual growth rate (CAGR) of 22.4%; it is projected to reach US\$84.2 billion by 2033, with a CAGR of 16.6%. Although the Chinese market is still in a rapid growth phase and the penetration rate of robot-assisted surgery is relatively low, its growth potential continues to be unleashed. Benefiting from a vast population base, increasing public health awareness, continuously improving surgeon proficiency, and the implementation of new scenarios such as remote surgery, both the overall market size and penetration rate of surgical robots in China have experienced significant growth. Beyond the Chinese market, the vast overseas market has also become a core area for incremental growth in China's surgical robot industry. The pace of international expansion has accelerated comprehensively, with overseas sales now officially underway, marking an acceleration phase for market expansion.

In terms of policy, support for cutting-edge technological innovation in the medical field has been continuously intensified, particularly for the international development of high-end medical equipment such as surgical robots, forming a coordinated national and local policy support system. According to the relevant requirements of the "National Health Plan of the 14th Five-Year Plan" (《「十四五」國民健康規劃》), encouraging cutting-edge technologies and breakthroughs in the medical field will be one of the themes of China's economic development in the "14th Five-Year Plan", and even longer period. Following implementation of the "14th Five-Year Plan", policies to support rapid development of medical industry were introduced successively. Driven by both policy benefits and market demand, the demand for high-end medical equipment is expected to usher in a major breakthrough in independent innovation and commercialisation. In March 2023, the National Health Commission issued the Large Medical Equipment Configuration License Management Catalog (2023), and in June 2023, it promulgated the "Notice on Allocation and Planning of Large-scale Medical Device of the 14th Five-Year Plan" (《「十四五」大型醫用設備配置規劃的通知》). As compared with the "13th Five-Year Plan", the number of planned allocation certificate for laparoscopic surgical system in the "14th Five-Year Plan" ("**14th Five-Year Plan allocation certificate**") increased significantly. The "14th Five-Year Plan" also emphasises technological innovation orientation and enterprise innovation elements, indicating the absolute leading position of innovation entities in the development of the medical device industry. As at the end of 2025, more than half of allocation certificates under the "14th Five-Year Plan" have been issued and utilised, which not only laid a solid foundation for the commercial rollout in the domestic market but also provided strong support for enterprises to accumulate clinical data, enhance product competitiveness, and facilitate their international expansion.

Management Discussion and Analysis (Continued)

Since 2025, the industry's policy framework has been further refined. In January of this year, the National Healthcare Security Administration issued the "Guiding Principles for the Pricing of Medical Services Related to Surgical and Therapeutic Assistive Operations (Trial)" (《手術和治療輔助操作類醫療服務價格項目立項指南(試行)》), which clarified the pricing management framework for robot-assisted surgeries, particularly remote surgeries and related assistive operations. This will further promote the standardisation and normalisation of clinical applications within the domestic surgical robot industry, contributing to the rapid and orderly development of the entire sector.

In the current stage, procurement of high-end medical devices in China is mainly attributable to large hospitals. In the future, with the continuous implementation of high-quality development strategies in the industry and the national push to expand and evenly distribute premium medical resources, the demand for high-end medical equipment, including surgical robots, is expected to gradually emerge in lower-tier markets. Domestic leading brands are poised to leverage their superior quality, widely recognised clinical value, high cost-effectiveness, and integration with new technologies such as 5G communications and artificial intelligence, to accelerate market share acquisition in broader markets, thereby aiding the expansion and equitable distribution of premium medical resources and providing more high-end treatments of more comprehensive and higher quality for doctors and patients in China.

Meanwhile, regarding high-end medical equipment, exemplified by surgical robots, national and local governments vigorously implement open strategies such as the "Belt and Road" Initiative, encouraging enterprises to "go global" and participate in global market competition. In recent years, China's domestic surgical robots have made major breakthroughs in many fields of core technology, as well as the integration and application of new technologies such as 5G communication and artificial intelligence. They actively enter the list of "going global" medical device products and create implementable and replicable integrated solutions with smart and precise medical services for countries along the "Belt and Road". According to the statistics of customs, in 2025, the export of medical devices amounted to US\$50.469 billion, among which exports in the surgical robot segment increased by 368.1% year-on-year, demonstrating robust momentum. More and more high-quality surgical robot brands from China are going abroad, and "Intelligent Manufacturing in China" has been recognised by doctors and patients in more countries and regions around the world.

As one of Shanghai's three key leading industries, the biopharmaceutical sector has become a crucial vehicle in cultivating new productive forces. In 2025, Shanghai continuously implemented various policies supporting the full-chain innovative development of the biopharmaceutical industry, covering critical aspects such as R&D, clinical trials, review and approval, industrialisation, investment and financing, and internationalisation, providing comprehensive and precise policy support for leading enterprises in the high-end medical devices in Shanghai, including MedBot. To implement the "Action Plan for the High-Quality Development of the Medical Equipment Industry (2023–2025)" (《醫療裝備產業高品質發展行動計劃(2023–2025年)》), multiple departments in Shanghai jointly promoted the high-quality development of the medical robot industry, focusing on supporting enterprises in exploring overseas markets, serving the "Belt and Road" initiative, and assisting enterprises in leveraging Shanghai's geographical, industrial, and talent advantages to further expand their global footprint, enhance their overseas market share and brand influence, thereby promoting faster development of China's surgical robot industry in the global market.

Management Discussion and Analysis (Continued)

BUSINESS PROGRESS

In 2025, the Group consistently adhered to a core strategy of business focus and globalisation with the primary objective of driving sustainable revenue growth, and continuously deepened its operational efficiency improvements. By virtue of its leading innovative technologies, excellent product performance and multi-track synergistic advantages, a number of the Group's marketed products achieved leapfrog development in commercialisation, which further consolidated the Group's competitive edge in the industry in the domestic and overseas markets, while its global expansion entered a new phase of scaled implementation.

During the Reporting Period, the Group recorded a revenue of RMB551.1 million, representing a significant increase of 114% as compared with that of RMB257.2 million for the last year. The proportion of revenue from overseas markets increased to 73% during the Reporting Period, becoming the core driver of the Company's revenue growth. Meanwhile, the Group was able to consistently improve its cost control efficiency by focusing on strategies, continuously optimising production processes, and deepening lean operations management, thereby further enhancing its cash flow management capabilities and continuously consolidating the foundation for sustainable development.

• Deepening Global layout, leading commercialisation among domestic brands

- The Group's continuous leading technology advantages and commercialisation strength were strong engines driving the sustained revenue growth. As at the date of this report, the total order volume of the Group's major products in laparoscopic, orthopedic, and vascular intervention has accumulated nearly 300 units, with the cumulative commercial installations of global product portfolio reaching nearly 200 units.
- During the Reporting Period, the Group adopted a dual-track strategy prioritising both domestic and overseas markets, comprehensively promoted complementary advantages and collaborative cooperation with the overseas market team of the parent company, MicroPort. The Company achieved a milestone breakthrough in the commercialisation of overseas markets, recording overseas sales revenue of RMB400.2 million, representing a significant increase of 287% year-on-year. In particular, as a shaper and leader in China's domestic laparoscopic surgical robot industry, Toumai secured new orders for over one hundred units in the overseas market throughout the year, with overseas market sales revenue increasing more than fivefold compared to the last year, significantly outpacing the industry average.
- As at the date of this report, Toumai has received over 220 commercial orders worldwide, covering over 50 countries and regions, and achieved commercial installations of more than 140 units. This symbolises the sustained and widespread recognition of its clinical value around the world, and is a systematic certification of the safety, stability and reliability of Toumai. Surgeons from diverse countries, healthcare systems and specialist backgrounds are integrating Toumai into their daily surgical practices and long-term discipline development through authentic and prudent clinical decision-making.

Management Discussion and Analysis (Continued)

- In 2025, the flagship product SkyWalker fully leveraged the synergistic effects with the MicroPort Group, achieving a steady growth in overseas sales, with global cumulative orders now reaching over 65 units, covering medical institutions across countries in five continents, including China, the United States, Germany, Italy, Belgium, Greece, Australia, and Brazil. In the field of global commercialisation of domestic orthopedic surgical robots, it continues to maintain the leading position.
 - Since R-ONE, a vascular interventional robot deployed by the Group in the panvascular domain through international cooperation, was approved by the NMPA in December 2023, the Group has accelerated its promotion in hospitals. R-ONE achieved the commercial installations in six leading hospitals including Zhongshan Hospital, Fudan University during the Reporting Period, and has been widely recognised in clinical practice.
 - By successfully appearing and sharing experiences at international industry conferences and exhibitions, including the SRS Annual Meeting, the Group has been able to rapidly build and enhance our brand recognition and academic influence in the international market. Through demonstrating our flagship products, remote surgery and innovative concepts, the Group, as a representative of domestic surgical robots, proved to international clinical experts the technical strength of “Intelligent Manufacturing in China”, helping more overseas medical experts, scholars and even patients to recognise and deeply understand the application level and development status of innovative medical technologies in the field of minimally invasive surgery in China. As our academic influence in the international field continues to increase, it will ultimately drive the huge potential for our products to be sold in overseas markets.
- **Global certification efforts are accelerating comprehensively, with the product’s capabilities gaining recognition from international authoritative regulatory bodies**
 - During the Reporting Period, Toumai has obtained registration certification from nearly 40 countries or regions, with accumulative certification from more than 60 countries or regions around the world. This demonstrates that Toumai’s stability, clinical effectiveness, safety, as well as its level of innovation and technological sophistication, have been recognised by multiple international authoritative regulatory bodies, laying a foundation for enhancing its competitiveness in the international market.
 - Toumai Single-port obtained registration approval from the NMPA in February 2025, and Toumai Remote obtained the world’s first registration certificate for a remote surgical robot in April 2025, further enhancing and diversifying the Group’s product portfolio. The Toumai series is progressively achieving integrated compatibility across multi-port, single-port, and remote systems, which is expected to bolster the market competitiveness of the Group’s products. As the world’s first remote surgical robot system approved for commercial application, Toumai Remote has obtained listing approvals in nearly ten countries, including China, India and Brazil, and its application has covered nearly half of the world’s population.
 - SkyWalker has obtained listing approvals from regulatory authorities in nearly twenty countries and regions, including China’s NMPA, the U.S. FDA, and the EU CE, achieving comprehensive coverage of developed markets and key emerging markets. Meanwhile, SkyWalker has also expanded its commercial footprint into the “Belt and Road” markets, progressively advancing product registrations in regions such as Southeast Asia, Africa, Central Asia, and South America. During the Reporting Period, SkyWalker Hip and Knee Compatibility obtained CE certification, further expanding clinical applications in the global market.

Management Discussion and Analysis (Continued)

- **Adhering to research and development of cutting-edge technologies, the innovation engine continues to lead the industry**
 - The Group is committed to promoting the sharing of high-quality medical resources and bringing more health and well-being to people in remote areas such as border areas through the combination of new quality productive forces represented by surgical robots and cutting-edge medical technologies. During the Reporting Period, Toumai Remote obtained the registration approval from the NMPA, becoming the world's first remote surgery system to be approved for marketing, be approved by FDA-IDE for cross-continental remote surgery human trials, and achieve coverage of multiple countries, multiple departments and all surgical methods. This revolutionarily promotes and leads the full-chain innovation evolution of remote surgery from "technological concept innovation", "clinical application", and "regulatory approval" to "scaled commercial application", establishing and accelerating the development of global remote surgery technology and regulatory systems.
 - Credited to our comprehensive mastery and continuous and forward-looking exploration of the underlying technology, joint application with 5G technology has been realised on many surgical robot products of the Group, including Toumai, SkyWalker and R-ONE. To date, Toumai has assisted in completing nearly 800 remote surgeries in urology, general surgery, thoracic surgery, gynecology and paediatric surgery worldwide, covering more than 20 countries around the world, and the success rate of implementation has remained at 100%.
 - During the Reporting Period, leveraging its neuron "MicroGenius" multimodal autonomous surgery large model, Toumai successfully completed the world's first large model-driven autonomous surgery animal experiment. This breakthrough overcame the scenario limitations and functional boundaries of traditional surgical automation technologies, marking a core leap for AI technology from assisting decision-making to autonomous execution. It will further accelerate the synergistic innovation between AI technology and the healthcare industry.
- **Strategic focus deepens implementation, and profitability continues to improve**
 - The Group continued to implement the strategy of strategic focus by focusing resources on the performance optimisation and iteration, commercial expansion and production process optimisation of key and commercial-stage products (including Toumai and SkyWalker, etc.) to consolidate our strong momentum of commercialisation in both domestic and overseas markets, thereby effectively enhancing the Group's competitive edge.
 - During the Reporting Period, we continued to enhance our production and supply chain management capabilities, and drove quality and efficiency improvements in the production and manufacturing processes to enhance their market competitiveness through continuous optimisation of product design and processing technology. At the same time, the Group carefully reviewed and sorted out its overall operations, and effectively implemented measures to optimise and enhance research and development efficiency, with a view to strengthening its lean operation capability. During the Reporting Period, the Group's net loss narrowed significantly by 61% year-on-year, thereby laying a good foundation for subsequent performance growth and profitability improvement.
 - During the Reporting Period, the Group made full use of internal and external funding resources through the implementation of refined cash flow management and control measures, resulting in the net free cash outflow decreasing by 84% from RMB388 million for the year ended 31 December 2024 to RMB63 million for the year ended 31 December 2025.

Management Discussion and Analysis (Continued)

RESEARCH AND DEVELOPMENT AND PRODUCT PIPELINE

After years of innovative R&D and industrial accumulation, we are the only surgical robot company in the world with a product portfolio covering the five major and fast-growing surgical specialties of laparoscopic, orthopedic, panvascular, natural orifice and percutaneous surgical procedures, and have more than ten products at the fast promotion stage of industrialisation projects.

With our clear strategical focus and efficient operational management, the Group has put more research and development resources on the development, optimisation and upgrading of its products (including Toumai, our core product, and SkyWalker, our flagship product) in the early stage of commercialisation, to provide doctors and patients with more comprehensive, better and more innovative robotic surgical solutions as fast as possible.

During the Reporting Period, with the approval of the listing of the Group's self-developed 獨道 UniPath™ Electronic Bronchoscopic Surgical Robotic System, the number of the Group's approved products in the field of surgical robots has increased to seven, becoming the first and only company in the world to realise the approval and commercialisation of full-spectrum products across "five major and fast-growing surgical specialties" in the field of surgical robots.

The following table summarises our product portfolio as at the date of this report.

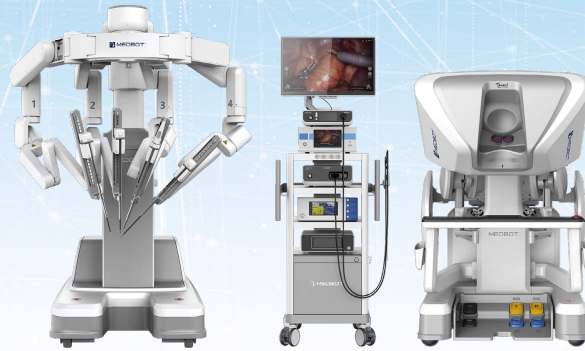
	Surgical Specialty	Product	Indicated Application	Medical Device Product Classification	Development stage			
					Design Development	Design Validation	Clinical Trial/Clinical Evaluation	Registration Application
Self Development	Laparoscopic Surgery	Toumai Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery, thoracic surgery, general surgery▲●	III	full-department remote surgery application			
				II(b)	obtained EU CE, ANVISA and other certifications from approximately 60 countries/regions ¹ full-department remote surgery application have obtained certifications from nearly 10 countries/regions, including India and Brazil			
		Toumai Single-port Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery and arthroplasty general surgery▲●	III				
		II(b)	obtained United Arab Emirates' s MOHAP certification					
	DFVision 3D Electronic Laparoscope	Laparoscopic surgeries for abdominal, thoracic and pelvic organs▲●	II	with real-time fluorescence imaging function				
			II(a)	obtained CE Mark				
	Orthopedic Surgery	SkyWalker Orthopedic Surgical Robot	Total knee arthroplasty▲● Total knee arthroplast and Total hip arthroplasty▲● Unicompartmental knee arthroplasty	III				
				II(b)	obtained FDA, EU CE and other certifications from 20 countries/regions ²			
				III				
				II(b)	obtained EU CE Mark			
Natural Orifice Surgery	Trans-bronchial Surgical Robot	Trans-bronchial diagnosis & treatment▲	III					
Panvascular Surgery	R-ONE Vascular Interventional Robot	Coronary angioplasty▲	III					
Percutaneous Surgery	ISR'obot Mona Lisa Robotic Transperineal Prostate Biopsy System	Transperineal prostate biopsy▲	III					

--- Products entered into Green Path ▲ Products approved by the NMPA ● Products with approval for launch overseas

1. Including but not limited to: European Union, India, Brazil, Malaysia, Thailand, Philippines, Morocco, South Africa, Turkey, Australia, Serbia, Greece, Russia, United Arab Emirates, Argentina, etc.
2. Including: United States, European Union, Brazil, Australia, India, Japan, United Kingdom, Canada, Thailand, etc.

Management Discussion and Analysis (Continued)

Toumai Laparoscopic Surgical Robot — Our Core Product



Toumai, the core product of the Company, is a laparoscopic surgical robot designed and developed by the Group for a wide range of surgical procedures, which enables complex surgeries to adopt a minimally invasive approach. The agility of robotic arms allows greater precision in operations, enhances the safety of surgery and reduces surgeon fatigue. Seated comfortably at the console, a surgeon views an immersive 3D HD image of the surgical field and manipulates the surgical instruments inside the patient's body by controlling the robotic arms. Toumai provides surgeons with a range of motions analogous to those of human wrists, while filtering out the tremors inherent in human hands.

- **Commercialisation map expanding rapidly, with brand influence radiating globally**

Since obtaining NMPA approval for marketing for multi-departmental application in 2023, Toumai has won the trust of doctors and gained high recognition from hospitals and the market by virtue of its excellent clinical value, forward looking technological innovation capabilities and perfect training service system.

In May 2024, as the first domestic laparoscopic surgical robot, which successfully obtained the CE Mark from the EU, Toumai became the first to be introduced to the international mainstream market. In just more than one year, Toumai not only expanded into emerging markets such as Asia, Africa, and Latin America, but also achieved a breakthrough in the high-end markets of Europe, which indicates the international market's full recognition of its leading technical strengths and product performance. During the Reporting Period, Toumai has obtained registration certificates from nearly 40 countries or regions, with accumulative certificates from more than 60 countries or regions around the world. Toumai's stability, clinical effectiveness and safety, as well as its innovation level and technological content will be certified by more and more international authoritative regulatory agencies.

During the Reporting Period, Toumai continued to maintain strong growth momentum in the global market, newly adding the commercial installations of 80 units. In overseas markets, Toumai has formed a new pattern of multi-regional synergistic resonance across the globe, spanning developing countries, emerging markets, and mature healthcare systems in developed countries. During the Reporting Period, Toumai secured over one hundred orders in overseas markets, covering nearly 50 countries and regions. Among these, 12 countries had orders exceeding 5 units. Emerging markets such as India, Brazil, and Argentina experienced robust growth, with India achieving cumulative orders of 14 units and Brazil surpassing 10 units. The developed country markets also saw continuous breakthroughs, with countries like Spain and Australia becoming rapid growth points. According to publicly available statistics, Toumai's global order volume in 2025 ranked among the top two globally.

Management Discussion and Analysis (Continued)

In the domestic market, Toumai secured nearly twenty new successful bids during the Reporting Period and completed commercial installations at top-tier Class A tertiary hospitals in China, including Zhongshan Hospital, Fudan University, West China Hospital of Sichuan University, and the 301 Hospital. Meanwhile, during the Reporting Period, Toumai pioneered the first-ever installation of a domestic brand on an island and at a high-altitude location, further validating the system's reliability and engineering resilience under complex environmental conditions. As of now, among the domestic hospitals where Toumai has been installed, 23% are ranked among the top 100 hospitals, and over 90% are Class A tertiary hospitals, gradually forming a high-quality installation landscape driven by clinical value and the accumulation of professional expertise.

In the future, the Group will continue to integrate resources at home and abroad and develop a global presence, compete with industry peers from all over the world, and lead innovative breakthroughs in domestic laparoscopic surgical robots in multi-departmental clinical applications, remote technology, and international market development, so that "Intelligent Manufacturing in China" can benefit patients around the world as soon as possible.

- **Rapid accumulation of clinical surgery volumes, with dozens of centres surpassing 100 surgeries**

In terms of human clinical applications, Toumai's commercial clinical surgery volume rapidly accumulated, continuously achieving milestones in the scaled application of domestic laparoscopic surgical robots. During the Reporting Period, Toumai has also been making breakthroughs in the depth of single-centre clinical applications. According to internal statistics, among the medical institutions across various countries that have completed commercial installation of Toumai, more than ten institutions have performed over 100 single-center surgeries, covering a wide range of departments including urology, general surgery, thoracic surgery, gynecology, pediatric surgery, and head and neck surgery. Notably, Shanghai Pulmonary Hospital achieved over 1,000 surgeries in a single centre and single specialty within one and a half years of installing Toumai. Clinique Ain Diab Littoral, the first medical institution in Morocco to introduce surgical robots, exceeded 400 surgeries with Toumai in a single centre.

In practical applications across multiple countries and centres, Toumai's key dimensions, such as its control logic, clarity and stability of the surgical field, human-machine interaction design, and its sustained precise and stable control capabilities during highly complex surgeries, align closely with surgeons' existing experience in laparoscopy and robotic surgery. This significantly reduces the impact of the learning curve on clinical efficiency. With the large-scale, routine clinical application of Toumai, its innovativeness, stability, safety, and effectiveness have been validated through extensive and diverse clinical evidence, benefiting more patients from the high-quality medical treatment brought by surgical robot technology.

At the same time, since its international debut, through industry exhibitions around the world, Toumai has demonstrated its high-level clinical performance and technical level to top overseas clinical experts, and shared the exploration experience of MedBot in the field of remote surgery. At the SRS 2025 conference held in France in July 2025, nearly a thousand surgical experts, scholars, industry leaders and agents from various countries attended to experience the charm of Toumai's remote surgery technology. The experts unanimously praised Toumai's remote surgery technology and its "wide coverage" full product range for bringing revolutionary changes to the development of minimally invasive surgery. Its precision, universality and potential to significantly improve surgical outcomes have brought high-quality solutions to the global medical industry.

Management Discussion and Analysis (Continued)

- **The world's first and only commercial remote surgery system achieving "full department, full procedure" coverage**

As a global leader in technological innovation and clinical applications in the field of remote surgery, we are committed to effectively realising the standardisation, normalisation and commercialisation of remote robotic surgery. Helping to realise the flow of quality medical resources to lower-tier cities to benefit patients in extensive remote areas is one of the key directions for the Group's continuous research and active progress. During the Reporting Period, the Group's self-developed Full-department Application of Toumai Laparoscopic Surgery Robot for Remote Surgery ("**Toumai Remote**") has been approved by the NMPA, becoming the world's first laparoscopic surgical robot approved for remote surgery in all departments, leading the global surgical industry to officially enter the "remote" era.

Up to now, Toumai Remote has obtained marketing approvals in nearly 10 countries, including China, India, and Brazil, covering regions inhabited by nearly half of the global population. It has successfully performed nearly 800 remote human clinical surgeries worldwide, achieving a 100% success rate. It continues to push the technological boundaries of remote surgery in dimensions such as distance, geographical environment, network conditions, procedural complexity, and the combined application of multiple procedures, setting over 60 world records. It has, for the first time, completed the full cycle of remote robotic surgery — from concept proposal and technological realisation to clinical validation and regulatory acceptance — establishing a replicable and sustainable development pathway for remote surgery as a new form of medical practice.

Toumai Remote, based on its system-level architectural design, possesses the capability for full-department coverage, full-procedure compatibility, full-process remote control, and all-weather stable operation upon approval. The Group's breakthrough innovation in the field of remote surgery applications and its forward-looking research and leading exploration in international cutting-edge fields such as remote surgery and smart surgery also continuously attracted more and more top domestic and overseas surgical robot experts, who have joined hands to promote the routine development of remote surgical applications:

- In May 2025, Toumai assisted surgical experts in Belgium in performing two consecutive remote surgeries, which was also the first robot-assisted remote human surgery in Europe. This operation adopted the hospital's conventional network (V-LAN) transmission channel, with a two-way delay of only 20 milliseconds, fully ensuring the technical requirement of precise operation at the millisecond level for remote robotic surgery. This further demonstrates the advanced nature of the remote surgical technology system adopted by Toumai, including low-latency image ultra-compression technology, multi-dimensional data encryption technology, dynamic communication network optimisation strategy, and surgical safety assurance mechanism in complex network environments.
- In June 2025, Toumai assisted the president of the Global Robot Surgery Association in successfully performing prostate cancer radical surgery on a patient in Angola, Africa, from Orlando, Florida, USA. This is also the first known robot remote human clinical surgery trial approved under an FDA-IDE, and has been listed by ABC News as one of the most significant medical breakthroughs of 2025.
- During the 2025 annual meeting of the SRS, the most prestigious global surgical robotics event, held in July 2025, Toumai successively assisted experts in successfully implementing the world's first "Europe-Middle East cross-continental ultra-remote prostatectomy" and the world's first "cross-continental ultra-remote hepatectomy for liver cancer", fully demonstrating its stability, safety and adaptability in assisting multi-department, high-difficulty and complex cross-continental remote surgeries to authoritative experts and scholars from Asia, Europe, the United States and other countries and regions.

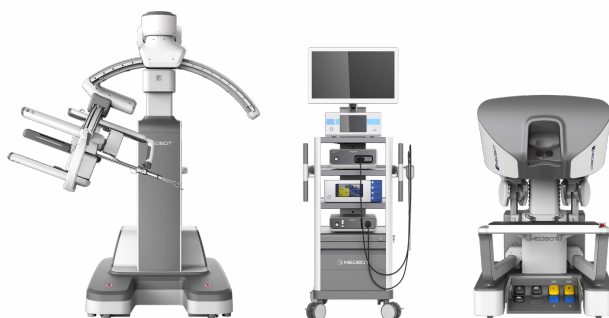
Management Discussion and Analysis (Continued)

- In October 2025, two Brazilian hospitals, Hospital Nove de Julho and Hospital Mãe de Deus, jointly completed the first commercial remote robotic surgery in Latin American history, marking a significant milestone in the medical development history of Latin America.
- In December 2025, urologic oncology and robotic surgery specialists at Kokilaben Dhirubhai Ambani Hospital (KDAH) in India successfully completed a cross-border remote surgery from Shanghai to Mumbai, marking the first commercial remote surgery in Indian medical history.
- Toumai Remote successfully completed the world's first remote surgeries via high-orbit and low-orbit satellites in December 2024 and July 2025, respectively. Toumai has become the world's first and only surgical robot to achieve full coverage of multi-department, high-difficulty and complex remote surgeries via different communication methods such as dedicated lines, 5G networks, conventional networks, high-orbit satellites and low-orbit satellites, and to obtain remote commercial clinical marketing approval.

Warning under Rule 18A.08(3) of the Listing Rules: We cannot assure that our core product may ultimately be successfully commercialised. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

Toumai Single-port Laparoscopic Surgical Robot (“Toumai Single-port”)

Toumai Single-port Laparoscopic Surgical Robot independently developed by the Group features a unique single-arm structure with self-developed intellectual property rights, flexible movement, as well as a convenient set-up. Toumai Single-port is the only single-arm single-port surgical robot in China and the second in the world with a mechanical fixed point, whose device in snake design can achieve seven increments of adjustment levels within a narrow space, offering greater precision than multi-arm and multi-port robots. Toumai Single-port adopts a highly integrated single-port design, which is not only convenient to install and operate, but also demonstrates remarkable effectiveness and safety, and shows significant advantages in many aspects such as surgical accuracy, procedure duration, bleeding volume, postoperative recovery time and aesthetics.



Toumai Single-port was officially approved for marketing by the NMPA in February 2025, which, together with Toumai multi-port, DFVision and Toumai Remote, formed comprehensive solutions for integrated laparoscopic intelligent surgery, achieving compatibility and complementarity, which will help enhance the comprehensive market competitiveness of the Company's product portfolio. During the Reporting Period, the Toumai Single-port obtained registration approval by the UAE's MOHAP and was adopted by Cleveland Clinic Abu Dhabi, a world-leading medical institution.

Management Discussion and Analysis (Continued)

DFVision 3D Electronic Laparoscope

DFVision is a 3D electronic laparoscope independently developed by the Group, which can be used for examination and imaging in laparoscope surgeries, to observe, diagnose, take photos of or treat in organs such as abdominal cavity and thoracic cavity. Through the application of high-resolution imaging objective lens and electronic lens structure, it presents full HD two-way images, provides the operator with the 3D sense of surgical field of vision and natural depth of field, to satisfy the anatomical demand of high precision and high stereoscopic level in clinical application, which is of great significance to the precise freeing, suturing and knotting during surgery. It can reduce the operation time, reduce surgical errors, improve the quality of surgery, and increase the efficiency of surgery. It breaks through the limitations of the traditional two-dimensional laparoscopic surgery, making it applicable to surgeries in different departments including urological surgery, general surgery, thoracic surgery and gynecological surgery.

DFVision obtained the registration certificate for launch issued by the NMPA in June 2021. As the Group's high-end vision platform that connects the technical equipment with underlying algorithms and surgical robot products, DFFVision's performance and technical level have been further improved. In July 2024, DFFVision 3D electronic thoracoabdominal endoscopy system with real-time fluorescence imaging function independently developed by the Group was approved by the NMPA. During the Reporting Period, the product further obtained the CE Mark from the EU, which can greatly reduce the difficulty of surgery, shorten the operation time, promote the improvement of the intelligence level and safety of robotic surgery.

SkyWalker Orthopedic Surgical Robot



SkyWalker has the platform-based, standardised, precise and personalised features. Its preoperative planning system establishes three-dimensional models of knee joints and hip joints based on the patient's preoperative CT scan data, and generates personalised prosthetic implant surgical solutions based on the patient's physiological and anatomical characteristics. During the operation, a self-developed highly dexterous and lightweight robotic arm is used, and precise osteotomy and grinding are completed through man-machine collaboration. After the operation, the alignment correction of the lower limbs is significantly better than traditional surgery, improving surgical accuracy and efficiency. SkyWalker can precisely position during the operation, precisely perform knee osteotomy and acetabular grinding, and precisely restore the patient's lower limb alignment. It can achieve more precise and efficient osteotomy, bone grinding and prosthetic installation than traditional hip and knee replacement, avoid damage caused by intramedullary positioning in traditional surgery, reduce the risk of dislocation or surgical failure caused by implantation position of the acetabular cup, decrease surgical complications, and help patients recover quickly after surgery. As the instruments for hip grinding, acetabular cup installation and knee joint osteotomy are basically the same as those used in traditional surgery, it can greatly shorten the learning curve of doctors and facilitate their rapid proficiency.

Management Discussion and Analysis (Continued)

In 2023, SkyWalker (being used for total knee replacement surgery and total hip replacement surgery) obtained the registration certificate for launch issued by the NMPA, becoming the first domestic hip and knee integrated orthopaedic surgery robot equipped with self-developed robotic arm and approved for launch. In terms of overseas market expansion, SkyWalker has obtained regulatory approvals for listing in nearly 20 countries and regions worldwide, and has achieved commercialised installations and scaled clinical applications in nations and regions including the United States, Europe, Japan, Brazil and India. It has basically achieved full coverage of developed country markets and important emerging markets, and reconstructed a new development pattern for the global orthopedic surgical robot market.

In terms of clinical application and promotion, with its advantages of customised planning and precise surgical operation, SkyWalker can reduce wounds of patients and avoid over-reliance on physicians' skills and experience in traditional joint replacement surgery. It can optimise surgical results and benefit the patients. Leveraging the Group's extensive and targeted marketing promotion and physicians' training for SkyWalker, as well as the effective synergy and full utilisation of good brand reputation and solid market foundation of MicroPort Group in overseas orthopaedic market, SkyWalker rapidly converted its achievement upon its commercialisation. SkyWalker's overseas territory has gradually expanded to cover countries in five continents, and its cumulative global orders exceeding 65 units, with cumulative commercial installations surpassing 50 units. During the Reporting Period, SkyWalker successfully obtained the guideline recommendation from the National Institute for Health and Care Excellence (NICE) in the UK, demonstrating its growing clinical recognition and professional attention within the UK and European markets.

SkyWalker is committed to providing more excellent clinical solutions for joint replacement for doctors and patients around the world. By continuously meeting the clinical practice in the mainstream countries of the world's high-end medical equipment, as well as the clinical needs of the mature markets, we have won the wider recognition of the clinical staff in various countries, which will also provide continuous impetus for the continuous improvement of SkyWalker's performance and the creation of a more forward-looking competitive advantage. As at the date of this report, SkyWalker has cumulatively performed over 3,000 clinical surgeries worldwide, with clinical applications covering over 100 hospitals both domestically and internationally. Among them, the Nettetel Hospital (Krankenhaus Nettetel) in Germany has performed over 500 total knee arthroplasty (TKA) procedures assisted by SkyWalker following its commercial installation, ranking among the world's leading single-centre annual surgical volumes.

UniPath Electronic Bronchoscopic Surgical Robotic System ("UniPath")



The UniPath independently developed by the Group is a non-invasive natural orifice transluminal robotic platform. The system features an ultra-smooth, ultra-thin snake-shaped robotic catheter, which can access hard-to-reach and narrow lesions through human's natural orifice without making any wound on the body. It has significant meaning in early diagnosis and treatment of small pulmonary nodule and other cancer.

Management Discussion and Analysis (Continued)

UniPath integrates key technologies such as robotic precision control, thin and flexible catheter navigation, intelligent path planning and closed-loop control at the system level, building a total solution for complex pulmonary anatomical environments. It focuses on four core capabilities such as “full lung accessibility, full visualisation throughout, precise alignment and stable operation”. Through the multi-layered collaboration of instruments, navigation, imaging and control, the accessibility to the bronchioles and deep lung segments is effectively enhanced, and it supports the higher-certainty access, puncture and ablation operations of deep and peripheral small pulmonary lesions under dynamic breathing conditions, continuously expanding the clinical application boundaries of bronchoscopic interventions.

UniPath officially obtained registration approval from the NMPA in December 2025 and has started commercial promotion.

R-ONE Vascular Interventional Surgical Robot

R-ONE, introduced by Shanghai Cathbot, a joint venture established in China by the Company and Robocath in France, is an innovative robotics product in the field of pan-vascular. R-ONE is a vascular intervention control system based on master-slave control technology, which is designed to assist cardiovascular interventional physicians in conducting percutaneous coronary intervention (“PCI”) surgeries to locate lesions precisely, optimise the delivery of balloons and stent catheters, thereby standardising the surgical process, improving the surgical accuracy, and reducing surgical complications. Furthermore, doctors can sit at the anti-radiation console to complete remote control, effectively reducing the exposure time under the radiation while accurately operating the operation.



R-ONE has accelerated its in-hospital rollout since the approval of the NMPA in December 2023. Leveraging the high degree of synergy with the cardiovascular business of MicroPort Group, R-ONE has already obtained sales orders of multiple units in the domestic market and achieved commercial installation in six leading hospitals, including Zhongshan Hospital, Fudan University and Beijing 301 Hospital, during the Reporting Period. Based on the establishment of R-ONE platform for PCI, we led the completion of the world’s first multicentre clinical trial application using 5G remote technology during the Reporting Period. Currently, over 800 vascular interventional robot surgeries have been successfully conducted globally, including more than 50 remote vascular interventional robot surgeries, which have been widely recognised in clinical practice.

iSR’obot Mona Lisa Robotic Transperineal Prostate Biopsy System

Mona Lisa, a product of Shanghai Intbot, a joint venture company jointly established by the Company and Biobot in China, is an innovative robotics product in the field of percutaneous puncture of the Group. Mona Lisa allows physicians to conduct biopsy sampling more precisely and easily: before the procedure, physicians can conduct surgical planning and interactive adjustment through intelligent software; in the course of procedure, a powerful elastic MRI-ultrasound fusion algorithm can guide physicians immediately, allowing target sites to be easily and accurately sampled regardless of whether they are located in the prostate sharp, base bottom or peripheral belt. The innovative two-point needling approach can minimise the interference of the bones, reduce the incisions of patients, and achieve full prostate coverage; after the procedure, Mona Lisa can generate a complete report containing 3D images and clinical data.

Management Discussion and Analysis (Continued)

Mona Lisa has been commercialised since it was approved by the NMPA in 2023. It forms an integrated solution for diagnosis and treatment of prostate cancer with the Company's core product, Toumai, and facilitates the improvement of diagnosis and treatment models for prostate diseases. As the first prostate puncture robot to obtain approval in the field of urology in China, Mona Lisa can improve the positive detection rate of patients, reduce manual error and omission diagnostic rate, assist clinical physicians to complete biopsy puncture surgeries more accurately and efficiently, and at the same time reduce the pain of patients. The product provides more medical options and better conditions for patients requiring prostate biopsy puncture, which will fill the gap in the domestic market for robot assisted puncture products.

CUTTING-EDGE TECHNOLOGY

With the continuous progress of technologies, such as big data, artificial intelligence, human-computer interaction technology, 5G communication, etc., surgical robots will lead the intelligent transformation in the medical field continuously, making surgery more accurate, smarter, safer, more affordable and more minimally-invasive. During the Reporting Period, while deeply engaged in the R&D of five core underlying technologies of surgical robots, the Group persisted in an innovation-driven approach, committed to meeting the demand for robotic surgery.

Remote surgical technology

The technology of remote surgeries is one of our key R&D directions that we continuously tackle and focus on. Free from the constraint of physical distance, it is a powerful tool for resolving the grassroots' difficulties in seeking healthcare services, and represents our pragmatic approach to our belief of "Make surgery easier, safer and less invasive". Based on the comprehensive mastery of the underlying technology, the Group's multi-track surgical robot products, including Toumai, SkyWalker and R-ONE, have achieved the joint application with remote surgery technology. We have also built the world's first and largest remote surgery network system, providing a solid "interconnectivity" network communication foundation for the future global large-scale application deployment of remote surgery for various surgical robot products.

The Group is the first in the industry to propose the "second-generation remote surgery" technology concept, the core of which is the multi-network integration technology compatible with 5G and conventional hospital networks. This technology achieves one-to-multiple and multiple-to-multiple remote interconnection and control at low cost, successfully overcoming the two major challenges of large-scale application and network compatibility of remote surgery, and clearing obstacles for the full normalisation and commercial clinical application of remote surgery. Based on this technology, we have progressively achieved the world's only large-scale, multi-regional and long-distance clinical application of complex surgeries. Since the completion of the world's first 5G ultra-remote surgery in June 2022, we have assisted in nearly 800 multi-department remote surgeries under different environments in multiple countries. We also pioneered the world's first global remote verification test, the world's first vehicle-mounted mobile robot remote surgery, the world's first ultra-remote lung tumor resection surgery, the world's first ship-based robot remote surgery, and carried out the world's farthest remote surgery of 12,000 kilometers.

On this basis, the Group also pioneered the launch of "third-generation remote surgery", namely remote surgery technology based on satellite communications, ushering remote surgery into a new era of integrated land, sea, air, and space operations, and realising truly seamless, all-weather, and full-regional coverage on a global scale. Toumai successfully assisted in completing the first global satellite remote surgeries with the aid of high-orbit satellites and low-orbit satellites respectively, leading to the re-upgrade and the leap in application level of remote surgery technology, and the third-generation remote surgery technology has also achieved a major milestone breakthrough.

Management Discussion and Analysis (Continued)

Autonomous surgical technology

Robotic-assisted surgery is currently at a critical stage of leapfrog development across three stages: “local surgery, remote surgery, and autonomous surgery”. This progression shifts from “complete reliance on real-time control by the surgeon” towards “surgeon-led, breaking through physical limitations, and cross-regional collaborative execution”, while gradually enhancing intelligence levels, advancing towards the ultimate goal of “fully autonomous surgery”. The Group has taken the lead in achieving three-tiered milestone leap: the industrialisation of domestic surgical robots, the global commercialisation of remote surgery, and the world’s pioneering achievement in autonomous surgical technology, laying a solid foundation for the subsequent clinical and commercial application of this technology.

During the Reporting Period, leveraging our self-developed Neuron® MicroGenius® multimodal autonomous surgical foundation model, the Group successfully completed the world’s first “large model-driven autonomous surgery” animal experiment. In this experiment, the system precisely performed the full-process autonomous procedure of bile duct clipping and transection on a laboratory pig. The success rate for individual operational steps reached 88%, with real-time autonomous dynamic adjustments and corrections, leading to the successful completion of the overall surgery in a single attempt, signifying the evolution of autonomous surgical technology from “fragmented assistance” to “full-process autonomy”. This large model is innovatively powered by a dual large-model driving architecture, incorporating both a High-Level (HL) model and a Low-Level (LL) model. It fundamentally subverts the control logic of traditional surgical robots, enabling cross-scenario and cross-platform generalisation capabilities. This architecture significantly reduces model training costs and enhances model development efficiency.

RESEARCH AND DEVELOPMENT

We have fully mastered the five core underlying technologies of surgical robots (i.e. robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging). Through years of solid accumulation in the five technical fields, the Group has been able to establish an innovative surgical robot platform and maintain the ability to develop new products continuously.

At present, the Group has two China R&D centres in Shanghai and Shenzhen, respectively. The Group also makes full advantages of medical and engineering integration, and has reacted promptly to clinical needs. We have vigorously carried out multi-centre clinical trials led by clinicians, promoted industrial upgrading and product iteration, and realised the transformation of underlying research results. Our Shanghai Engineering Research Centre of Minimally Invasive Surgical Robots (上海微创手术机器人工程技术研究中心) is the first provincial surgical robot engineering centre. It created an open service platform covering research and development, verification, clinical and industrialisation support, aiming at promoting cooperation throughout the industry chain, including scientific research institution under medical device testing organisations. The platform cooperated with the institutions to establish standards for surgical robots and construct experimental testing capabilities for surgical robots.

Management Discussion and Analysis (Continued)

CAPABILITY OF COMMERCIALISATION

In the domestic market, leveraging its “three-tier network marketing model”, the Group has built a full-scenario ecosystem covering national academic medical centres, provincial (regional) medical centres, and prefectural/county-level hospitals. As at the date of this report, the Group has not only gained access to national academic medical centres such as Ruijin Hospital affiliated to Shanghai Jiao Tong University School of Medicine, Beijing 301 Hospital, West China Hospital of Sichuan University, Zhongshan Hospital, Fudan University, Shanghai Sixth People’s Hospital, Shanghai Pulmonary Hospital, and Xinhua Hospital affiliated to Shanghai Jiao Tong University School of Medicine, but is also accelerating its deployment in provincial regional centres, county-level grassroots hospitals, and high-end private institutions.

In overseas markets, relying on the dual-engine drive of “high-end leadership + grassroots penetration” and the assurance capability of a unified global quality system, the Group is accelerating the construction of a new infrastructure system for global surgery. This transformation aims to move high-quality minimally invasive surgery from “locally accessible” to “globally accessible and beneficial”. The Group’s products, including Toumai and SkyWalker, are gradually becoming globally leading brands widely recognised and proactively chosen by international clinical teams.

The Group has established a well-trained and fully responsible consultant marketing team to provide hospitals with comprehensive services, such as training, surgery support, maintenance, as well as equipment adjustment and testing, creating a mature, diversified, replicable and sustainably accelerated global commercialisation pathway. During the Reporting Period, the Group has promoted establishment of a targeted training system, helping the Group to continuously improve its product marketing system, further optimise service capabilities and continuously enhance brand influence. To date, relying on global commercial expansion and product implementation, the Group has successfully established a professional and standardised robotic surgery training service system covering dozens of countries in Asia, Europe, North and South America and Africa. The Group has cumulatively established over 40 clinical application and training centres for Toumai and nearly 20 for SkyWalker across the world, with annual training exceeding 2,000 participants. These centres not only cultivate technical and skilled talents for developing countries, but also for developed countries in Europe and the United States who are familiar with the application of China’s surgical robots, understand the level of China’s scientific and technological innovation, and recognise China’s high-end medical equipment.

We have also collected ample feedback from doctors through trainings and communication activities, thereby providing critical clinical support for the continuous upgrading of the Group’s products and improving product functions. At the same time, we continued to conduct large-scale clinical validation surgeries based on real clinical application scenarios and needs. The Group has achieved conductive transformation reflected in sales results with the efficient implementation of various and comprehensive marketing, physician training and clinical validation activities.

MedBot Mobile Demonstration & Training Centre (微創機器人移動培訓展示平台) developed by the Group is equipped with Toumai and SkyWalker surgical robot systems. During the Reporting Period, through continuous promotion and application of those systems, we promoted the surgical robot technology of “Intelligent Manufacturing in China” across the country, providing a platform for more healthcare professionals to access and experience surgical robots without having to travel long distances, which would help alleviate current shortage of domestic surgical robot training resources, and accelerate the popularisation of affordable robotic surgeries.

Management Discussion and Analysis (Continued)

MANUFACTURING AND SUPPLY CHAIN

The Group's internal manufacturing and supply chain team is responsible for managing our manufacturing, supply and transportation. We currently have two production bases in China, located in Shanghai and Suzhou, respectively. We established a multi-level supply chain system covering precision parts, consumables, core components and system integration and have achieved production capacity at scale for a number of marketed surgical robots and its complementary consumables. The Group expedited the research and development of core parts prototype and the products iteration through its subsidiary, Jiaying Weizhuo Technology Co., Ltd. (嘉興微琢科技有限公司). Through strategic and refined procurement management as well as the effective measures, the Group continuously optimises sampling and product iteration efficiency and improves product delivery rate.

HUMAN RESOURCES AND PERSONNEL TRAINING

After years of accumulation, we have a surgical robot industrialisation team that involves in the full cycle of surgical robot development covering R&D, clinical trial and registration, supply chain management and commercialisation and marketing. As at 31 December 2025, the Group had 464 employees. The Company evaluated, identified and motivated scientific and technological talents through its effective talent selection mechanism, and has added more than 100 outstanding talents to the pool through continuous expansion of external talent graph. The Group's internal talent growth platform stayed closely aligned with our business. On the basis of the existing diversified course system comprising basic knowledge, management knowledge, professional knowledge and project experience sharing, the Group has added new overseas training camp projects tailored to the needs of the overseas business, placing importance on overseas case studies and practical courses on overseas skills to provide a strong talent pool for the globalisation of the business.

INTELLECTUAL PROPERTY

As at 31 December 2025, the Group has cumulatively filed 1,378 patents worldwide, among which 667 have been granted (including 480 Chinese patents and 187 overseas patents). The remaining 711 patents are still under application. The patent layout comprehensively covers cutting-edge technological areas such as clinical applications, automated surgery and AI algorithms. In 2025, the Group was granted 155 new patents, including 16 overseas patents for inventions, completing the overseas deployment of core technologies and providing solid guarantee for the product globalisation strategy. In addition, according to the branding strategy, marketing and compliance protection requirement, the Group has completed the layout of domestic and foreign trademarks, and accumulated 331 trademark registrations, establishing a comprehensive trademark system covering both launched products and corporate brands.

Management Discussion and Analysis (Continued)

OUTLOOK

With the growing recognition of the advantages of surgical robots by the public, the continuous improvement of global medical infrastructure, the active guidance and support of the Chinese government for innovative medical devices, we expect the market of surgical robots to grow sustainably. Facing the fast-growing demand for surgical robots, we will adhere to the management credo of “Eyes For Greatness, Hands On Details” and firmly implement a positive and efficient business strategy, including but not limited to the following:

1. Continue to strengthen product portfolio to build a multi-specialty surgical platform

We will continue fulfilling our commitment to meeting the frontier demand for minimally-invasive surgery. By integrating the cutting-edge research and robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging, we provide comprehensive intelligent surgical solutions to prolong and reshape the lives of patients. Based on the five major and fast-growing surgical specialties, we will adhere to our strategic focus, optimise and upgrade existing products continuously through independent development and external cooperation, actively promoting the development of innovative products, as well as the application of surgical robots in more clinical fields.

2. Accelerate the commercialisation, and enhance the market penetration

With the continuous surgical robot products launch, we will establish more training and education centres for surgical robots, strengthen communication with doctors and patients, improve clinical application experience, standardise robot operation processes and standards, accelerate the popularisation of surgical robots, empower the total solution of high quality medical robots assisted surgery to lower-tier medical institutions all over China, and realise our belief of “Make surgery easier, safer and less invasive”.

3. Continue to promote globalisation strategy

We will build a globalised medical robots total solution innovation platform and integrate potential resources to improve the commercialisation and supply chain capacity of the Group overseas, paving the way for launching more of our surgical robot products in overseas markets in the future. We plan to cooperate with top hospitals and well-known research institutions all over the world to enhance our soft power in the industry to support the implementation of the globalisation strategy.

Management Discussion and Analysis (Continued)

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial data and the notes included elsewhere in this report.

Revenue

The Group recorded revenue of RMB551.1 million for the year ended 31 December 2025, representing an increase of 114.2% as compared to RMB257.2 million for the year ended 31 December 2024, which is mainly attributable to the breakthrough progress in commercialising the core product, the Toumai® (圖邁®) Laparoscopic Surgical Robot (“Toumai”) and the rapid growth in sales. Notably, Toumai’s overseas market expansion has achieved remarkable results, with over 100 new overseas market orders signed throughout the year. Revenue from overseas market in 2025 was more than five times as compared with last year, with a growth rate far surpassing the industry average and demonstrating robust global expansion momentum.

Gross Profit and Gross Profit Margin

Gross profit increased significantly by 209.2% from RMB86.2 million for the year ended 31 December 2024 to RMB266.6 million for the year ended 31 December 2025, which was mainly due to increased product sales and a notable improvement in gross profit margin. The gross profit margin increased from last year’s 34% to 48% for the year, benefiting from the Group’s continuous cost reduction in production. Given that the Group has completed the investment in production bases and facilities with an annual capacity of 300 units, the fixed costs allocated per unit product are relatively high at this stage, and the gross profit margin does not yet reflect the effect of economies of scale. As expected sales continue to ramp up and capacity utilisation improves, the operating leverage effect will be further released, proving considerable room for improvement in gross profit margin.

Selling and Marketing Expenses

Selling and marketing expenses for the year ended 31 December 2025 were RMB203.6 million, and RMB207.9 million the year ended 31 December 2024. The proportion of revenue dropped significantly from last year’s 80.8% to 36.9% for this year. In terms of cost structure, domestic efficiency has been enhanced and costs reduced, while overseas investment has been increased reasonably to accelerate coverage and penetration. Benefiting from the synergy with the overseas marketing network of MicroPort Group and the improvement in domestic promotion efficiency, the selling and marketing expenses decreased compared to last year, despite a substantial increase in operating revenue during the year.

Administrative Expenses

Administrative expenses decreased by 17.5% from RMB55.3 million for the year ended 31 December 2024 to RMB45.6 million for the year ended 31 December 2025, marking the third consecutive year of significant narrowing. The continuous reduction of administrative expenses was attributed to the Company’s long-term commitment to improving operational efficiency, effectively reducing labor costs by streamlining the management functional team and strictly controlling other administrative expenses.

Management Discussion and Analysis (Continued)

Research and Development Costs

Research and development costs decreased by 30.0% from RMB308.7 million for the year ended 31 December 2024 to RMB216.0 million for the year ended 31 December 2025. The decrease was primarily due to the concentration on the R&D of product pipeline near the stage of commercialisation and the improvement on R&D efficiency. As several core products have entered the commercialisation stage, the Company's R&D investment has further focused on precisely advancing high-value pipelines. At the same time, benefiting from the increasing maturity of the digital R&D platform, the in-depth application of new auxiliary technologies, and the coordinated optimisation of cross-segment R&D resources, the Company has achieved broader innovation coverage driven by more intensive costs, significantly enhancing the productivity of R&D resources.

The following table sets out the breakdown of the research and development costs of the Group for the periods indicated:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Staff costs	128,190	178,914
Cost of materials and consumables	28,040	32,002
Contracting costs	16,724	23,260
Depreciation and amortisation	29,261	40,026
Clinical trial expenses	1,397	9,714
Others	12,371	24,809
Total	215,982	308,725

Net (Loss)/Gain on Financial Instruments Carried at FVPL

For the year ended 31 December 2025, the Group recorded a net loss of RMB17.6 million on financial instruments carried at FVPL, due to a decrease in the fair value of the Biobot investment. For the year ended 31 December 2024, the Group recorded a net gain of RMB0.1 million.

Finance Costs

The finance costs of the Group decreased from RMB21.6 million for the year ended 31 December 2024 to RMB19.8 million for the year ended 31 December 2025, primarily due to decreased interest on lease liabilities.

Share of Profits Less Losses of Equity-Accounted Investees

Share of losses of equity-accounted investees decreased by 94.9% from RMB20.2 million for the year ended 31 December 2024 to RMB1.0 million for the year ended 31 December 2025. The significant decrease in the share of losses of equity-accounted investees was primarily due to (i) an equity-accounted investee generated profit in 2025; and (ii) we discontinued recognising the share of further losses on an equity-accounted investee as its carrying value was zero.

Management Discussion and Analysis (Continued)

Reversal of/(Provision for) Impairment Loss on an Equity-Accounted Investee

During the year ended 31 December 2024, the Group provided full provision for impairment loss of RMB116.5 million on the investments in Robocath. During the year ended 31 December 2025, the Group made partial reversal of impairment provision of RMB3.9 million, due to the increase in the recoverable amount of our investments in Robocath in connection with its new financing.

Non-HKFRS Measures

To supplement our consolidated statement of profit or loss and other comprehensive income which is presented in accordance with HKFRS please note, we also use adjusted net loss as a non-HKFRS measure, which is not required by HKFRS, or presented in accordance with IFRS. We believe that the presentation of non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful data to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items that do not affect our ongoing operating performance. Such non-HKFRS measure allows investors to consider metrics used by our management in evaluating our performance. However, the use of the non-HKFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

For illustrative purpose only, the following table sets out the adjusted net loss and its reconciliation to loss for the periods indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(254,115)	(647,101)
Add:		
Share-based payment expenses ⁽¹⁾	42,197	48,165
Changes in the fair value of financial instruments ⁽²⁾	17,610	(138)
Reversal of/(provision for) impairment losses on an equity-accounted investee	(1,995)	116,467
Impairment losses on property, plant and equipment and goodwill	31,316	—
Adjusted net loss for the year	(164,987)	(482,607)

Notes:

- (1) Share-based payment expenses are regarded as non-cash items, arising from granting shares or share options to certain employees of the Group, the amount of which may not solely correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities.
- (2) The change in fair value of financial instruments represents the fair value changes of the shares of NDR and of Biobot held by the Group.

Management Discussion and Analysis (Continued)

Inventories

Inventories of the Group consist of raw materials, finished goods, work-in-process, semi-finished goods and low value consumables. The inventories of the Group amounted to RMB131.7 million as at 31 December 2025. We are of the view that our inventories are mostly moving items that are suitable for sale. We also regularly monitor inventory level for slow-moving and obsolete items, and as at 31 December 2025, the Group provided an inventory impairment of RMB20.1 million (2024: RMB15.4 million) due to product upgrades and optimisation.

Lease Liabilities

As at 31 December 2025, the Group's lease liabilities was RMB21.5 million, which were primarily related to the Group's leasing of properties for office premises, manufacturing and R&D. The decrease in lease liabilities is due to the fact that we terminated certain leases during the Reporting Period in connection with our optimisation of operational efficiency.

Capital Expenditure

Our capital expenditure amounted to RMB2.6 million during the Reporting Period, primarily for the procurement of equipment related to R&D and cost-reduction.

Contingent Liabilities

As at 31 December 2025, the Group did not have any contingent liabilities.

Employees and Remuneration Policies

As at 31 December 2025, the Group had 464 employees. During the Reporting Period, the staff cost recognised as expenses of the Group amounted to RMB253.1 million (2024: RMB317.7 million). The decrease in staff costs was mainly due to the decrease in the share-based payment expenses.

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held in independently administrated funds managed by the relevant governments.

The Board will review and determine the remuneration and compensation packages of the Directors and senior management and will receive recommendations from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

Management Discussion and Analysis (Continued)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL MANAGEMENT

Cash Position

The cash and cash equivalents of the Group increased from RMB612.2 million as at 31 December 2024 to RMB636.3 million as at 31 December 2025. The slight increase in cash balance was mainly due to the completion of the placement of H shares during the Reporting Period, with net inflows of the proceeds significantly exceeding net free cash outflows (the narrowing of net outflows was primarily due to revenue growth and reduced operating expenses). Meanwhile, the Company used certain funds to repay loans to optimise its debt structure, offsetting part of the cash increase.

Capital Management

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Exposure to Foreign Exchange Fluctuation

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. It is exposed to currency risk primarily from (i) purchases which give rise to payables that are denominated in a foreign currency; (ii) sales which give rise to receivables that are denominated in a foreign currency, and (iii) financing activities that are in Hong Kong dollars. Currently, it does not have a foreign currency hedging policy. However, the management would monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Borrowings and Gearing Ratio

As at 31 December 2025, the total interest-bearing borrowings of the Group amounted to RMB389.1 million, decreased by RMB245.5 million as compared to RMB634.5 million as at 31 December 2024. As at 31 December 2025, the Group's debt-to-asset ratio was 70.0%, as compared to 80.0% as at 31 December 2024.

Net Current Assets

The Group's net current assets as at 31 December 2025 were RMB585.4 million, as compared to RMB353.1 million as at 31 December 2024. Such increase was mainly attributable to the improvement in net current assets as a result of the completion of the H-share placings of the Group and repayment of part of the short-term bank borrowings.

Charge on Assets

As at 31 December 2025, the Group had pledged certain patents for the purpose of securing bank loans with a carrying value of RMB20.0 million. Details refer to note 20 to the financial statements.

Management Discussion and Analysis (Continued)

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND USE OF NET PROCEEDS

Placing of New H Shares under General Mandate

June 2024 Placing

On 26 June 2024, the Company and a placing agent entered into the placing agreement, in relation to the placing of 12,900,000 new H Shares at the placing price of HK\$9.10 per H Share to no less than six placees under general mandate of the Company (the “**June 2024 Placing**”), which represented a discount of approximately 19.47% to the closing price of HK\$11.30 per H Share as quoted on the Stock Exchange on the date of the placing agreement. The 12,900,000 new H Shares for the June 2024 Placing have an aggregate nominal value of RMB12,900,000 based on a nominal value of RMB1.00 per Share. The completion of the June 2024 Placing took place on 5 July 2024. A total of 12,900,000 H Shares have been successfully placed at the Placing Price of HK\$9.10 per H Share to no less than six placees. The gross proceeds is approximately HK\$117 million, and the net proceeds, after deducting such fees, costs and expenses, is approximately HK\$117 million, representing a net placing price of approximately HK\$8.84 per placing share.

The Directors consider that the June 2024 Placing can raise capital for continuous optimisation and iteration and future large-scale commercialisation in the global market of the products of the Group while broadening the Shareholders and capital base of the Company. The Directors are of the view that the June 2024 Placing would strengthen the financial position of the Group and provide more efficient funding support to the Group. The Company intends to apply the net proceeds from the June 2024 Placing in the following manner: (i) 40% for the development of core business and formulation of business ecosystem, including but not limited to overseas product registration and corresponding improvement works, overseas and local commercialisation of the Group’s products, academic promotion, medical trainings and after-sale services; (ii) 30% for the continuous improvement, optimisation and upgrade on products; and (iii) 30% for replenishing working capital and general corporate purposes.

As at 31 December 2025, the Company applied the proceeds from the June 2024 Placing as follows:

Specific use of net proceeds	Net proceeds raised (HK\$ million)	Unutilised net proceeds as at 1 January 2025 (HK\$ million)	Utilised net proceeds in 2025 (HK\$ million)	Unutilised net proceeds as at 31 December 2025 (HK\$ million)	Expected timetable for utilising the unutilised net proceeds
Development of core business and formulation of business ecosystem, including but not limited to overseas registration and corresponding improvement works, overseas and local commercialisation of the Group’s products, academic promotion, medical trainings and after-sale services	46	39	39	—	—
Continuous improvement, optimisation and upgrade on products	34	26	26	—	—
Replenishing working capital and general corporate purposes	34	33	33	—	—
Total	114	98	98	—	

Management Discussion and Analysis (Continued)

To the best of the Directors' knowledge and other than as stated above, there were no material changes to the intended use of the proceeds from the June 2024 Placing during the Reporting Period. The proceeds from the June 2024 Placing were fully utilised by the end of the Reporting Period.

December 2024 Placing

On 2 December 2024, the Company and a placing agent entered into the placing agreement, in relation to the placing of 34,700,000 new H Shares at the placing price of HK\$7.85 per H Share to no less than six placees under general mandate of the Company (the "December 2024 Placing"), which represented a discount of approximately 19.98% to the closing price of HK\$9.81 per H Share as quoted on the Stock Exchange on the date of the placing agreement. The 34,700,000 new H Shares for the December 2024 Placing have an aggregate nominal value of RMB34,700,000 based on a nominal value of RMB1.00 per Share. The completion of the December 2024 Placing took place on 10 December 2024. A total of 34,700,000 H Shares have been successfully placed at the Placing Price of HK\$7.85 per H Share to no less than six placees. The gross proceeds is approximately HK\$272 million, and the net proceeds, after deducting such fees, costs and expenses, is approximately HK\$266 million, representing a net placing price of approximately HK\$7.67 per placing share.

The Company originally intends to apply the net proceeds from the December 2024 Placing in the following manner: (i) 70% for the development of the Group's core business, including but not limited to research and development for product performance enhancement and optimisation upgrade, and overseas and local commercialisation of the Group's products; and (ii) 30% for replenishing working capital and general corporate purposes. As disclosed in the announcement of the Company dated 25 June 2025, after considering the current working capital needs and debt position of the Company, the Board resolved to reallocate the unutilised net proceeds for repayment of the bank loans of the Company.

As at 31 December 2025, the Company applied the proceeds from the December 2024 Placing as follows:

Specific use of net proceeds	Original allocation of net proceeds (HK\$ million)	Revised Allocation of the net proceeds following the change (HK\$ million)	Amount of unutilised net proceeds as at 1 January 2025 (HK\$ million)	Net proceeds utilised in 2025 (HK\$ million)	Unutilised net proceeds as at 31 December 2025 (HK\$ million)	Expected timeline of the intended use of the net proceeds
Development of core business, including but not limited to research and development for product performance enhancement and optimisation upgrade, and overseas and local commercialisation of the Group's products	186	—	—	—	—	—
Replenishing working capital and general corporate purposes	80	—	—	—	—	—
Repayment of the bank loan	—	266	266	266	—	—
Total	266	266	266	266	—	

To the best of the Directors' knowledge and other than as stated above, there were no material changes to the intended use of the proceeds from the December 2024 Placing during the Reporting Period. The proceeds from the December 2024 Placing were fully utilised by the end of the Reporting Period.

Management Discussion and Analysis (Continued)

May 2025 Placing

On 14 May 2025, the Company and a placing agent entered into the placing agreement, in relation to the placing of 25,136,500 new H Shares at the placing price of HK\$15.50 per H Share to no less than six placees under general mandate of the Company (the “**May 2025 Placing**”), which represented a discount of approximately 13.79% to the closing price of HK\$17.98 per H Share as quoted on the Stock Exchange on the trading day prior to the date of the placing agreement. The 25,136,500 new H Shares for the May 2025 Placing have an aggregate nominal value of RMB25,136,500 based on a nominal value of RMB1.00 per placing Share. The completion of the May 2025 Placing took place on 21 May 2025. A total of 25,136,500 placing H Shares have been successfully placed at the Placing Price of HK\$15.50 per H Share to no less than six placees. The gross proceeds are approximately HK\$390 million, and the net proceeds, after deducting such fees, costs and expenses, is approximately HK\$382 million, representing a net placing price of approximately HK\$15.21 per placing share.

The Directors consider that the Placing can raise capital for continuous optimisation and iteration and future large-scale commercialisation in the global market of the products of the Group while broadening its Shareholders and capital base. The Directors are of the view that the Placing would strengthen the financial position of the Group and provide more efficient funding support to the Group. The Company intends to apply the net proceeds from the Placing for the following purposes: (i) 70% for the development of the Group’s core business, including but not limited to overseas and local commercialisation of the Group’s products and research and development investments, to support product performance enhancement and optimisation upgrade; (ii) 30% for replenishing working capital and general corporate purposes. It is expected that the net proceeds allocated for the above purposes will be utilised by the end of 2027.

As at 31 December 2025, the Company applied the proceeds from the May 2025 Placing as follows:

Specific use of net proceeds	Net proceeds raised (HK\$ million)	Net proceeds utilised in 2025 (HK\$ million)	Unutilised net proceeds as at 31 December 2025 (HK\$ million)	Expected timetable for utilising the unutilised net proceeds ¹
Development of core business, including but not limited to overseas and local commercialisation of the Group’s products and research and development investment to support product performance enhancement and optimisation upgrade	267	199	68	By the end of 2027
Replenishing working capital and general corporate purposes	115	53	62	By the end of 2027
Total	382	252	130	

Note:

- The Company intends to apply the remaining net proceeds in accordance with (i) the timetable specified above; and (ii) the manner disclosed in the Company’s announcement dated 21 May 2025.

Directors, Supervisors and Senior Management

DIRECTORS

Executive Director

Dr. He Chao (何超), aged 41, was appointed as the Director on 18 October 2017 and re-designated as the executive Director on 10 June 2022. He is the president of the Company and is mainly responsible for overseeing the research and development and day-to-day management and strategic development of the Group. He is also a member of the Strategy and Development Committee.

Dr. He Chao has over 18 years of experience in the research and development of surgical robots. He joined the Group as the general manager of the Company in May 2015 and has been serving as the president since December 2020, primarily responsible for the business operations of the Company. Dr. He Chao also holds various directorships and management positions in the Group companies, including but not limited to the representative of the Beijing branch of the Company since November 2020 and the representative of the Shanghai branch of Suzhou MicroPort OrthoBot Co., Ltd. (蘇州微創暢行機器人有限公司) (“**OrthoBot Suzhou**”) since July 2022.

Prior to joining the Group, from June 2013 to April 2014, Dr. He Chao served as the system engineer of Chinese Academy of Space Technology (中國空間技術研究院), a spacecraft designer and manufacturer, where he was mainly responsible for system engineering and project management. From April 2014 to May 2015, Dr. He Chao served as the senior director of Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司) (“**Shanghai MicroPort**”), a medical device manufacturer and an indirect wholly owned subsidiary of MicroPort, where he was primarily responsible for R&D and project management of surgical robots.

Dr. He Chao serves as the Chinese representative in the technical committee for the preparation of international technical standards for surgical robots of International Electrotechnical Commission, a global organisation which builds international standards and conformity assessment systems to ensure the safety, efficiency, reliability and interoperability of electrical, electronic and information technologies. He is also a member of the first expert panel of China’s medical robot technical standardisation unit and the director of Shanghai Engineering Research Centre of Minimally Invasive Surgical Robots (上海微創手術機器人工程技術研究中心) sponsored by the Science and Technology Commission of Shanghai Municipality (上海市科學技術委員會).

Dr. He Chao graduated from Hefei University of Technology in the PRC with a bachelor’s degree in mechanical and electronics in July 2007 and graduated from Tianjin University in the PRC with a doctor’s degree in mechanical engineering in January 2014. During his Ph.D. study at Tianjin University, Dr. He Chao spent the 2011–12 academic year at Johns Hopkins University in the United States as a visiting scholar.

Directors, Supervisors and Senior Management (Continued)

Mr. Liu Yu (劉雨), aged 56, was appointed as an Executive Director on 25 June 2025. He is also a member of the Commercialisation Committee. Mr. Liu joined the Group on 1 December 2020 as the chief commercial officer and vice president. From March 2021 to May 2022, Mr. Liu served as the chief commercial officer and senior vice president of the Group, and since June 2022, he has been serving as the chief commercial officer and executive vice president of the Group. Mr. Liu is primarily responsible for the Group's sales and marketing, and clinical and medical affairs. Mr. Liu has also been serving as the executive director and manager of 1.1 Medical (Beijing) Health Technology Co., Ltd. (易達醫(北京)健康科技有限公司), since September 2020, where he is primarily responsible for its operations and management. Mr. Liu has over 30 years of experience in pharmaceuticals and medical devices. Prior to joining the Group, Mr. Liu joined Beijing office of American Medtronic China Co., Ltd. (美國美敦力中國有限責任公司北京辦事處), a medical technology company, in November 2001. In April 2003, Mr. Liu joined Chindex (Beijing) International Trade Co., Ltd. (美中互利北京國際貿易有限公司) ("**Chindex Beijing**"), a company principally engaged in provision of medical and health services and distribution of medical devices, as a north regional manager, where he was primarily responsible for product management. Mr. Liu then worked as the sales manager of Beijing office of Germany BrainLAB Co., Ltd. (德國博醫來公司北京代表處), a company principally engaged in surgical software and hardware development, until October 2006 where he was primarily responsible for its marketing and sales. He also served as the chief representative of the Beijing branch of Canadian IMRIS Co., Ltd. (加拿大醫美瑞有限公司北京代表處), a company principally engaged in medical device management, where he was primarily responsible for overseeing its daily operation. From July 2008 to 2017, Mr. Liu served as chief operating officer and senior vice president of Chindex Beijing and Chindex Medical Limited (美中互利醫療有限公司), a distribution partner for Intuitive Surgical's da Vinci Surgical Systems in China. From January 2017 to August 2019, Mr. Liu successively served as a senior vice president and chief operation officer of the medical device department of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司) (a company listed on the Stock Exchange, stock code: 02196), and a senior vice president and chief commercial officer of Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. (直觀復星醫療器械技術(上海)有限公司), a company principally engaged in medical device industry, where Mr. Liu was primarily responsible for managing the sales and marketing of its da Vinci surgical robot. From September 2019 to June 2020, Mr. Liu served as the chief executive officer of Shanghai Ruidao Medical Technology Co., Ltd. (上海睿刀醫療科技有限公司), a company principally engaged in production of medical devices, where he was primarily responsible for its overall operations and management.

Mr. Liu obtained a bachelor's degree in mechanical instruments engineering from Tianjin University of Technology and a master's degree in economic management from Tsinghua University.

Directors, Supervisors and Senior Management (Continued)

Non-executive Directors

Dr. Chang Zhaohua (常兆華), aged 62, was appointed as a non-executive Director and the Chairperson of the Board on 25 November 2025. Dr. Chang has over 35 years' experience in the medical device industry, and currently serves as the chairman of the board, executive director, Chairman, Global Operation Steering Committee, and Chief Scientific Officer of MicroPort Scientific Corporation ("**MPSC**") (a controlling shareholder of the Company and a company listed on the Stock Exchange, stock code: 00853), and professor at School of Medical Device, University of Shanghai for Science and Technology. From 3 November 2023 to 14 November 2025, Dr. Chang served as the chairman of the board and non-executive director of MicroPort NeuroScientific Corporation ("**MicroPort NeuroScientific**") (a company listed on the Stock Exchange, stock code: 02172). Before establishing Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司) in 1998, from 1996 to 1997, Dr. Chang served as vice president of R&D at Endocare Inc., a NASDAQ listed medical device company based in California, U.S. From 1990 to 1995, Dr. Chang served as senior engineer, chief scientist, director of R&D and vice president of engineering at Cryomedical Sciences Inc., a public medical device company in Maryland, U.S.

Dr. Chang received his bachelor's degree in refrigeration engineering in 1983 and master's degree in cryogenic engineering in 1985, both from University of Shanghai for Science and Technology and received his doctoral degree in biological science from State University of New York (Binghamton) in 1992. Dr. Chang has published extensively in biomedical fields and holds several dozens of patents in the United States and in China.

Mr. Shirafuji Hiroshi (白藤泰司), aged 81, was appointed as a non-executive director on 25 November 2025. He is also the chairman of the Commercialisation Committee and a member of the Strategic and Development Committee. Mr. Shirafuji served as a non-executive director of MPSC from November 2006 to June 2020 and from June 2023 to September 2025, and currently serves as the advisor of MPSC. Mr. Shirafuji was an executive director of Otsuka Medical Devices Co., Ltd. ("**OMD**") from January 2017 to March 2017. From February 2011 to January 2017, he served as the president and representative director of OMD. Prior to joining OMD in February 2011, he was an executive director responsible for pharmaceuticals marketing at Otsuka Pharmaceutical Co., Ltd. ("**Otsuka Pharmaceutical**") from 1997 to 1998. Mr. Shirafuji joined Otsuka Pharmaceutical in 1967. Mr. Shirafuji received his bachelor's degree in economics from Doshisha University in Kyoto in 1967.

Mr. Ashida Norihiro (蘆田典裕), aged 71, was appointed as a non-executive Director on 25 November 2025. He is also a member of the Audit Committee and the Remuneration and Appraisal Committee. Mr. Ashida served as a non-executive director of MPSC from November 2006 to September 2025, and currently serves as the advisor of MPSC. Mr. Ashida was appointed as audit and supervisory board member of Cuorips Inc. (a company listed on the Tokyo Stock Exchange, stock code: 4894) with effect from 1 July 2024. Mr. Ashida has served as a director of J-Pharma Co., Ltd. since June 2021. From February 2011 to June 2022, Mr. Ashida successively served as a director and advisor of Otsuka Medical Devices, a subsidiary of Otsuka Holdings Co., Ltd. ("**Otsuka Holdings**"). Mr. Ashida was an executive operating officer of Otsuka Holdings and the director of its business development and planning department until 2015. Before joining Otsuka Pharmaceutical in April 2003, he was a general manager of Mizuho Corporate Bank Ltd. from 2002 to 2003. From 1999 to 2002, Mr. Ashida was a general manager of the Industrial Bank of Japan ("**IBJ**"), where he headed the credit department for western Japan. From 1995 to 1999, Mr. Ashida served as vice president responsible for business development at 3iBJ Ltd., a venture capital firm formed by 3i Group plc and IBJ. From 1989 to 1995, Mr. Ashida was a senior vice president of IBJ (Canada). He joined IBJ in 1977 in its Tokyo branch. Mr. Ashida received his bachelor's degree in economics from the University of Tokyo in 1977.

Directors, Supervisors and Senior Management (Continued)

Mr. Chen Chen (陳琛), aged 42, was appointed as the Director on 17 September 2020 and was re-designated as the non-executive Director on 10 June 2021. He is also a member of the Commercialisation Committee.

Mr. Chen Chen has 13 years of experience in the business consulting and investment management industry. From July 2015 to December 2018, Mr. Chen Chen worked at Shanghai Panxin Equity Investment Management Limited (上海盤信股權投資管理有限公司) where he held various positions, including investment manager, senior investment manager and vice president. From January 2019 to September 2020, he served as a principal at Tianjin Panmao Enterprise Management Limited Liability Partnership (天津盤茂企業管理合夥企業(有限合夥)). Since September 2020, he has successively served as a principal and executive general manager at Beijing Panmao Investment Management Co., Ltd. (北京盤茂投資管理有限公司) (the “CPE”). Prior to joining the investment management industry, Mr. Chen Chen was a consultant at the Shanghai branch of Bain & Company from October 2009 to August 2013.

Mr. Chen Chen is currently serving as a non-executive director of Shanghai Hanyu Medical Technology Co., Ltd. (上海捍宇醫療科技股份有限公司). He served as a non-executive director of Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) from December 2020 to February 2023 and a director of Spectrum Dynamics Medical Group Limited from March 2018 to January 2025.

Mr. Chen Chen graduated from Shanghai Jiao Tong University in the PRC with a bachelor’s degree in electronic engineering in July 2005. He received his first master’s degree in industry economics from Shanghai Jiao Tong University in the PRC in March 2009, and his second master’s degree in business administration from the University of Chicago in the United States in June 2015.

Ms. Liang Min (梁敏), aged 40, was appointed as a non-executive director on 25 November 2025. She is a member of both the Nomination Committee and the Commercialisation Committee. Ms. Liang joined MicroPort Sinica Co., Ltd. in April 2021 and is currently the business director of its overseas business department. Prior to that, Ms. Liang was a marketing manager of Abbott Laboratories Trading (Shanghai) Co., Ltd. (雅培醫療器械貿易(上海)有限公司) from April 2011 to April 2021, and a senior sales representative of Johnson & Johnson Medical (China) Ltd. (強生(中國)醫療器材有限公司) from July 2008 to March 2011. From November 2023 to November 2025, Ms. Liang served as the chairman of the supervisory board of Shanghai MicroPort Endovascular MedTech (Group) Co., Ltd. (上海微創心脈醫療科技(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688016).

Ms. Liang holds a bachelor’s degree from Department of Chemistry, Fudan University and a master’s degree in global executive master of business administration (Global EMBA) from China Europe International Business School.

Directors, Supervisors and Senior Management (Continued)

Independent Non-executive Directors

Dr. Liu Guoen (劉國恩), aged 68, was appointed as an independent non-executive director on 25 November 2025. He is also the chairman of both the Remuneration and Appraisal Committee and the Strategic and Development Committee. Dr. Liu was appointed as an independent non-executive director of MicroPort Scientific Corporation on 3 September 2010. Dr. Liu is a noted scholar in the fields of health and development economics, health reform and pharmaceutical economics. Dr. Liu currently serves as Dean of Peking University Institute for Global Health and Development, MOE Yangtze River Scholar distinguished professor of economics at the Peking University National School of Development and Member of the Academician Council of the Chinese Academy of Medical Sciences. From 2000 to 2006, Dr. Liu served as a tenured associate professor of University of North Carolina at Chapel Hill. From 1994 to 2000, Dr. Liu was assistant professor of University of Southern California. Dr. Liu also serves as editor or associate editor in various domestic and international academic journals in the field of health economics and pharmaceutical economics. From February 2021 to July 2024, Dr. Liu was an independent director of SciClone Pharmaceuticals (Holdings) Limited (賽生藥業控股有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 06600, and the listing of its shares was withdrawn with effect from 5 July 2024). Dr. Liu is currently an independent director of Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000538).

Dr. Liu received his bachelor's degree in mathematics from Southwest Minzu University in 1981, his master's degree in statistics from Southwestern University of Finance and Economics in 1984, his Ph.D. in economics from the City University of New York Graduate Center in 1991, and completed postdoctoral studies in health economics from Harvard University in 1994.

Mr. Chou Jonathan H. (周嘉鴻), aged 61, was appointed as an independent non-executive Director on 25 November 2025. He is also the chairperson of the Audit Committee and a member of the Remuneration and Appraisal Committee. Mr. Chou was appointed as an independent non-executive director of MPSC on 3 September 2010. He is a seasoned finance executive and board advisor with over 30 years of international experience across the semiconductor, electronics and industrial sectors. Mr. Chou was most recently the chief financial officer of UTAC Holdings Ltd., a global semiconductor assembly and test services provider, where he also oversaw the group's information technology and human resources functions.

Prior to that, he served as chief financial officer of Kulicke & Soffa Industries (Nasdaq: KLIC), a leading provider of semiconductor packaging and electronic assembly solutions, and concurrently as interim chief executive officer from 2015 to 2016, leading the company through a period of transition and market volatility. During his tenure, he also had responsibility for global IT and facilities operations. Earlier in his career, he held senior finance leadership roles with multinational corporations across industrial and technology sectors.

Mr. Chou currently serves as an independent non-executive director of MicroPort CardioFlow Medtech Corporation (a company listed on the Stock Exchange, stock code: 02160). He currently also serves as the chairman of the Emerging Markets Investors Alliance, a not-for-profit organisation promoting sustainable governance among institutional investors, and serves as an adviser to private-equity-backed companies including AddVita Pte. Ltd., an Asian healthcare distribution platform backed by SeaTown (a Temasek-linked fund).

Mr. Chou obtained his bachelor's degree in economics from the University at Buffalo, State University of New York in February 1988, and a master's degree in business administration from Duke University's Fuqua School of Business in December 1999. He has served on the East Asia Regional Advisory Board of Duke University's Fuqua School of Business since 2013.

Directors, Supervisors and Senior Management (Continued)

Mr. Yao Haisong (姚海嵩), aged 52, was appointed as the independent Director on 30 December 2020, and was re-designated as an independent non-executive Director on 10 June 2021. He is also the chairperson of the Nomination Committee.

From March 2002 to June 2004, Mr. Yao Haisong served as an assistant researcher, legal manager and secretary to the chairman of the board of directors of Shanghai Biochip Co., Ltd. (上海生物芯片有限公司), a biotech company, where he was primarily responsible for research and legal matters.

Mr. Yao Haisong has over 18 years of working experience in law firms. Since July 2004, Mr. Yao has been serving as a practicing lawyer, and he later served as a partner of Shanghai Huzhong Law Firm (上海市滬中律師事務所), where he was primarily responsible for providing legal advice. From July 2011 to February 2015, he served as a practising lawyer and patent attorney of the Beijing Yingke (Shanghai) Law Firm (北京盈科(上海)律師事務所). From February 2015 to February 2025, he has been serving as a practising lawyer and partner of Shanghai Tianhua Law Firm (上海市天華律師事務所). Since February 2025, Mr. Yao Haisong has been serving as a partner of Guangdong Zhi Heng (Shanghai) Law Firm (廣東知恒(上海)律師事務所), where he was primarily responsible for providing business related legal advice. Mr. Yao Haisong graduated from Shanghai Second Medical University in the PRC with a bachelor's degree in clinical medicine in July 2000. He received a second bachelor's degree in jurisprudence from Shanghai University in the PRC in July 2002, and his master's degree in international business law from the National University of Singapore in Singapore in June 2008. Mr. Yao Haisong is currently serving as a part-time researcher of Intelligent Medicine Institute of Fudan University (復旦大學智能醫學研究院), China Research Hospital Association Clinical Data and Bio-bank a standing committee member (中國研究型醫院學會臨床數據與樣本資源庫專業委員會常務會員), a committee member of National Technical Committee on Bio-specimen of Standardisation Administration of China (全國生物樣本標準化技術委員會) (SAC/TC559) and the deputy leader of the conversion working group of the China Medicinal Biotech Association (中國生物醫藥技術協會生物樣本庫分會轉化工作組副組長).

Mr. Chung Wai Man (鍾偉文), aged 62, was appointed as an independent non-executive Director on 18 July 2024. He is also a member of the Audit Committee and the Nomination Committee.

Mr. Chung Wai Man has over 36 years of experience in accounting, taxation and corporate finance. Mr. Chung has served as an independent director of Smart Logistics Global Limited (a company listed on NASDAQ, stock code: SLGB) since December 2024. Mr. Chung served as an independent non-executive director of Shandong Fengxiang Co., Ltd (a company listed on the Stock Exchange, previous stock code: 09977, and delisted on 31 July 2025) from August 2019 to August 2025. Mr. Chung has served as an independent non-executive director of Net Pacific Holdings Limited (formerly known as Net Pacific Financial Holdings Limited) (a company listed on Singapore Exchange Limited (stock code: 5QY) since June 2018, E Lighting Group Holdings Limited (a company listed on the Stock Exchange, stock code: 08222) since September 2014, and Zhongmiao Holdings (Qingdao) Co., Ltd. (a company listed on the Stock Exchange, stock code: 01471) since August 2024.

Mr. Chung Wai Man obtained a bachelor's degree in social sciences from The University of Hong Kong in December 1989 and a master's degree in international business management from City University of Hong Kong in November 1998. Mr. Chung has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1995 and a fellow of The Association of Chartered Certified Accountants in the United Kingdom since November 1999.

Directors, Supervisors and Senior Management (Continued)

SUPERVISORS

The Company has a supervisory committee, responsible for supervising the board of directors and senior management on fulfilling their respective duties, financial performance, internal control management and risk management of the corporation. The Supervisory Committee consists of three Supervisors comprising one employees representative Supervisor, and two Shareholders representative Supervisors.

Dr. Zhang Jie (張劼), aged 47, was appointed as the Shareholders representative Supervisor on 30 December 2020 and is serving as the chairman of the Supervisory Committee. He is primarily responsible for supervising and providing independent advice to the Board.

Dr. Zhang Jie joined MicroPort Group in January 2007 and is currently a chief technology officer of MicroPort. As an outstanding technology leader in Shanghai, he also serves as an in-house mentor for master's students at Zhejiang University, East China University of Science and Technology and University of Shanghai for Science and Technology. As a core Firehawk® stent R&D personnel and key technology inventor, Dr. Zhang Jie has effectively overcome complex technical challenges and obtained multiple domestic and foreign invention patents. Dr. Zhang Jie has played a crucial role in the development of new technologies and products since he joined MicroPort. He leads the research and development work of numerous businesses of MicroPort, while incubating emerging products in the fields of ophthalmology, otolaryngology, dentistry and cosmetic surgery. Dr. Zhang Jie has accumulated numerous innovative achievements in the past 17 years, and has won the first prize of Shanghai Science and Technology Progress Award and the silver prize of China Patent Award. Currently, he has 53 domestic and foreign authorised patents. Dr. Zhang Jie currently also serves as a non-executive director and chairman of MicroPort NeuroScientific Corporation.

Dr. Zhang Jie graduated from Zhejiang University of Technology in the PRC with a bachelor's degree in communication principles in 2002. He received his master's degree in measuring and testing technologies and instruments from University of Shanghai for Science and Technology in the PRC in March 2007, and received his doctoral degree in biomedical engineering from University of Shanghai for Science and Technology in the PRC in August 2021.

Ms. Zhang Lihong (張麗紅), aged 49, was appointed as the Shareholders representative Supervisor on 30 December 2020. She is primarily responsible for supervising and providing independent advice to the Board.

Ms. Zhang Lihong joined MicroPort Group in June 2013 and has since successively served in various positions in MicroPort Group, including as intellectual property manager, intellectual property director, senior intellectual property director, vice president of intellectual property and legal affairs and senior vice president of legal affairs and intellectual property, where she has been primarily responsible for the management of Group's legal affairs, compliance intellectual property affairs. Ms. Zhang Lihong also holds directorships and management positions in MicroPort Sinica Co., Ltd. and a number of its other subsidiaries.

Prior to joining MicroPort Group, from 2003 to 2006, she worked at Shanghai Microelectronics Equipment Co., Ltd. (上海微電子裝備有限公司), a company principally engaged in semiconductor equipment, where she was primarily responsible for intellectual property and standardisation management. From 2006 to 2009, Ms. Zhang Lihong served as manager of Central Research Institute of Shanghai Radio and Television (Group) Co., Ltd. (上海廣電(集團)有限公司中央研究院), a company principally engaged in electronic device industry in the field of broadcast and television, where she was primarily responsible for intellectual property management. Ms. Zhang Lihong also served as a senior intellectual property manager of Shanghai Shipeng Laboratory Technology Development Co., Ltd. (上海世鵬實驗室科技發展有限公司), a company principally engaged in providing research and sales of medical devices, from 2009 to 2011, and manager of the intellectual department and legal department of Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司), a company principally engaged in R&D and production of medical devices, from 2011 to 2013, where she was primarily responsible for intellectual property and legal affairs.

Directors, Supervisors and Senior Management (Continued)

Ms. Zhang Lihong has also been serving as a specially-invited expert of the national technology transfer personnel training base (國家技術轉移人才培養基地), a member of the Shanghai Scientific and Technological Achievements Transformation and Standardisation Committee (上海市科技成果轉化標委會), a director of the Shanghai Intellectual Property Research Association (上海市知識產權研究會), the first batch of overseas intellectual property dispute response guidance experts, an expert of the Think-tank of the Shanghai Technology Exchange (上海市技術交易所專家智庫), the vice president of Pudong New Area Intellectual Property Association (浦東新區知識產權協會) and the vice president of Intellectual Property Association of China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區知識產權協會).

Ms. Zhang Lihong graduated from Xi'an Technological University in the PRC with a bachelor's degree in detection technology and equipment in July 2000. She received her master's degree in measurement and control technology and equipment from Xi'an University of Technology in the PRC in 2004.

Mr. Chen Gong (陳功), aged 34, was appointed as the employees representative Supervisor on 29 December 2023 and is primarily responsible for supervising and providing independent advice to the Board. Mr. Chen Gong has served as the senior R&D manager of the Company since January 2020 and is primarily responsible for the research and management of surgical robots of the Group. He served as the Company's mechanical R&D engineer from February 2016 to January 2020 and is primarily responsible for the structural development of surgical robots.

Mr. Chen Gong graduated from Henan University of Engineering in the PRC with a bachelor's degree in mechanical design manufacture and automation in 2013, and from Jiangsu University in the PRC with a master's degree in mechanical engineering in 2016.

SENIOR MANAGEMENT

Dr. He Chao (何超), executive Director and president of the Company. For details of his biography, please refer to the above.

Mr. Liu Yu (劉雨), executive Director of the Company. For details of his biography, please refer to the above.

Ms. Fang Cong (房聰), aged 36, was appointed as the Board secretary on 28 September 2021, and was redesignated as Executive Director during the period from 18 July 2024 to 25 November 2025. She is primarily responsible for the Board matters of the Group.

Prior to joining the Group, from September 2013 to July 2017, Ms. Fang Cong served as an assistant manager at KPMG, where she was primarily responsible for providing tax advisory service. From July 2017 to March 2021, Ms. Fang Cong served as a research analyst at Citigroup Global Markets Asia Limited., a diversified financial services company, where she was primarily responsible for providing equity research service.

Ms. Fang Cong graduated from Renmin University of China with a bachelor's degree of economics in June 2012. Ms. Fang Cong received her master's degree of finance from the University of Hong Kong in November 2013.

Directors, Supervisors and Senior Management (Continued)

Mr. Li Shuxiang (李叔祥), aged 44, joined the Group on 21 October 2019 as a quality director of the Company. Since March 2021, Mr. Li Shuxiang has been serving as a vice president of the Company, primarily responsible for planning, development and execution of the Group's industrial operation.

Prior to joining the Group, from August 2004 to July 2006, Mr. Li Shuxiang served as a R&D engineer of Nanjing Research Institute Simulation Technique (南京模擬技術研究所), an institution principally engaged in R&D and production training equipment for military and public security system, where he was primarily responsible for the technical mechanical design & product development. From 2006 to 2019, Mr. Li Shuxiang worked as a PE/PQ manager of GE Medical Systems (China) Company Limited (通用電氣醫療系統(中國)有限公司), a company principally engaged in research, development and production of medical devices, where he was primarily responsible for supervising the quality control and manufacturing process design and improvement.

Mr. Li Shuxiang graduated from Anhui Institution of Engineering and Technology (now known as Anhui Polytechnic University) in the PRC with a bachelor's degree in mechanical manufacturing process and equipment in June 2002. He received his master's degree in mechanical manufacturing and automation from Nanjing University of Science and Technology in the PRC in July 2004.

Ms. Cui Xiaoyu (崔曉煜), aged 46, joined the Group in April 2020 and was appointed as the financial controller on 1 June 2022.

Ms. Cui Xiaoyu has over 20 years of relevant experience in finance. Prior to joining the Group, from August 2002 to April 2008, Ms. Cui Xiaoyu served as an assistant manager of KPMG Huazhen Certified Public Accountants. From April 2008 to December 2008, she worked as the senior internal auditor of Tyco Electronics (泰科電子). From March 2009 to October 2013, she also worked as the financial manager of SCA (China) Holding Co., Ltd. (愛生雅(中國)投資有限公司). From October 2013 to April 2019, she was the senior financial manager of Shanghai Roche Pharmaceutical Co., Ltd. (上海羅氏製藥有限公司).

Ms. Cui Xiaoyu received her bachelor's degree in economics from Shanghai University of Finance & Economics in 2002.

COMPANY SECRETARY

Ms. Yeung Siu Lam (楊兆琳) was appointed as the company secretary of the Company on 14 August 2024.

Ms. Yeung Siu Lam is a senior manager of company secretarial services of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services. She has over 9 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Yeung Siu Lam is currently the company secretary or joint company secretary of a few Hong Kong listed companies.

Ms. Yeung Siu Lam is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Yeung Siu Lam had obtained a Bachelor of Arts degree from The University of Hong Kong and a Master of Corporate Governance degree from The Hong Kong Metropolitan University.

Report of the Board

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai MicroPort MedBot (Group) Co., Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) presents this report to the shareholders of the Company (the “**Shareholders**”) together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the research and development, manufacturing and sale of surgical robots, and the activities of its subsidiaries are set out in note 13 to the consolidated financial statements. There’s no significant changes in the nature of Group’s activities during the Reporting Period.

The product portfolio of the Group as at the date of this report is set out in the section headed “Management Discussion and Analysis” on pages 14 to 21 of this report.

FINANCIAL STATEMENTS

The financial performance of the Group for the financial year ended 31 December 2025 and the state of the Group’s affairs as at that date are set out in the consolidated financial statements on pages 167 to 248 of this annual report.

BUSINESS REVIEW

Overview

A review of the business of the Group during the year ended 31 December 2025, which includes an analysis of the Group’s performance, is set out in the section headed “Management Discussion and Analysis” on pages 9 to 34 of this report. An analysis of the Group’s performance indicators, is set out in the section headed “Financial Highlights” on page 4 of this report. The compliance with relevant laws and regulations which have significant impact on the Group is set out in this Report of the Board. The reviews form part of this statement.

Environmental Policies and Performance

Realising the responsibility of protecting the environment, the Company is committed to achieving its success in business without the expense of environment, and is dedicated to maintaining an environmentally friendly and sustainable operation.

The Company integrates environmental considerations into its operational strategy, ensuring that required resources are allocated to support effective implementation of the environmental management system. The functional departments of the Company regularly review the relevant laws and regulations, making sure the environmental management systems are up-to-date and in compliance with the latest standards and requirements.

A comprehensive review of the Company’s environmental policies and performance during the year of 2025 is provided in the “Environment, Social and Governance Report” from pages 87 to 166 of this report.

Report of the Board (Continued)

Compliance with Laws and Regulations

The Company recognises the importance of compliance with legal and regulatory requirements, as well as the risk of non-compliance. The Company has allocated system and staff resources to ensure ongoing compliance with applicable laws, rules and regulations including but not limited to, those laws, rules and regulations promulgated by the NMPA, the Ministry of Commerce, State Administration for Market Regulation, the government of the Hong Kong Special Administrative Region, and such regulators' global counterparts in countries/regions where the Group conducts business. The Group maintains cordial working relationships with regulators through effective communications. Throughout the year ended 31 December 2025, the Group have strived to conduct business in accordance with all applicable laws, rules and regulations in all material respects and there is no investigation, disciplinary proceeding or inquiry by, or order, decree, decision or judgment of any authority outstanding, or, to the best of the Company's knowledge, threatened or expected to be issued against any member of the Company or its respective assets or any person for whose acts or defaults it may be vicariously liable, and which is of a material nature.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks Relating to the Development and Commercialisation of Pipeline Products

The Group was a pre-revenue innovative medical device company before its products enter the commercialisation stage. The Group's ability to generate revenue and become profitable in the future substantially depends on the successful development of, the ability to obtain the necessary regulatory approvals for, and the successful commercialisation of its pipeline products. Clinical trial involves lengthy and expensive process with uncertain outcomes. A failure of one or more of the Group's clinical trials can occur at any stage of testing and clinical trials may experience significant setbacks even after earlier trials have shown promising results. In addition, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations and the rate of dropout among clinical trial participants. The Group also has limited experience in commercialising its products. The Group's ability to successfully commercialise its pipeline products may involve more inherent risks, take longer, and cost more than it would if the Group was a company with more experience in launching and marketing products.

Risks Relating to Financial Position and Need for Additional Capital

As the Group was a pre-revenue innovative medical device company before its products enter the commercialisation stage, investments in the development of innovative medical devices such as the Group's surgical robots are highly speculative. It entails substantial upfront capital expenditure and as the Group is still at the initial stage of commercialisation, it will continue to incur relevant research and development expenses, commercialisation expenses and other expenses related to the Group's ongoing operations

Report of the Board (Continued)

Risks Relating to Intellectual Property Rights

The Group seeks to protect the proprietary technologies that it considers commercially important by filing patent applications in the PRC and other jurisdictions. This process is expensive and time-consuming. For example, the Group may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. The Group cannot be certain that patents will be issued or granted with respect to its patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect its products, or otherwise provide the Group with any competitive advantage. As a result, the Group may not be able to prevent competitors from developing and commercialising competitive products in all such fields and territories. Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. The Group may also fail to identify patentable aspects of its R&D output in time to obtain patent protection. Moreover, the patent position of surgical robots companies is generally uncertain because it involves complex legal and factual considerations. Patent applications the Group had applied may not be granted in the end. As such, the Group does not know the degree of future protection that it will have on its proprietary technologies, if any, and a failure to obtain adequate intellectual property protection with respect to the Group's products could have a material adverse impact on its business.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers and shareholders.

Employees

The Company builds its success on employees' dedication and commitment. The Company is committed to providing as much opportunities as possible for employees' skills enhancement and career development. The Company aims at cultivating talents in a long run, encouraging employees to realise their full potential and to keep pace with growth of the Company.

As at 31 December 2025, the Group had 464 employees (31 December 2024: 443 employees).

Customers

The Group's principal customers are distributors and hospitals throughout the world. The Group has gradually established its sales and marketing team. It is expected that the Group's marketing and promotion activities will primarily include hosting training sessions for surgeons, participating in medical conferences and assisting in hospital seminars.

The Group is gradually establishing relationships with many key opinion leaders in medical community, including physicians, researchers and hospital administrators. Through regular visits with specialists, attendance of conferences, holding physician education programmes and other activities, the Group's brand recognition will be continuously enhanced.

Report of the Board (Continued)

Shareholders

The Company considers that effective communication with Shareholders is essential for enhancing investor relations (“IR”) and investor understanding of the Company’s business performance and strategies. Apart from transparent and timely disclosure of corporate information in accordance with the Listing Rules, the Company has kept effective communication with Shareholders through the Company’s website, WeChat platform, Shareholder’s hotline, and IR mailbox. Senior management are also pleased to receive Shareholders’ on-site visit and have one-on-one meetings with them to share the information which they are concerned and enable them to make rational investment decisions.

FUTURE BUSINESS DEVELOPMENTS

The future business developments of the Company are set out in the section headed “Management Discussion and Analysis” on page 26 of this report.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31 December 2025, purchases from the Group’s largest supplier and the five largest suppliers in aggregate accounted for 9.7% and 25.7% respectively of the Group’s total purchase for the year. Sales to the Group’s largest customer and the five largest customers in aggregate accounted for 71.1% and 80.8% respectively of the Group’s total revenue for the year.

Except subsidiaries of MicroPort, which are included in the five largest customers and suppliers, none of the Directors and Supervisors or any of their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any material beneficial interest in the Group’s other five largest customers and suppliers.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 28 to the consolidated financial statements.

DISTRIBUTABILITY OF RESERVES

As at 31 December 2025, the Company did not have distributable reserves (2024: nil).

GROUP FINANCIAL SUMMARY

A summary of the Group’s results and assets and liabilities for the past five financial years is set out in the section “Financial Highlights” of this report.

Report of the Board (Continued)

DIRECTORS AND SUPERVISORS

Directors and Supervisors during the year ended 31 December 2025 and up to the date of this Report of the Board were:

Executive Directors

Dr. He Chao

Mr. Liu Yu (Appointed on 25 June 2025)

Ms. Fang Cong (Resigned on 25 November 2025)

Non-Executive Directors

Dr. Chang Zhaohua (Appointed on 25 November 2025)

Mr. Shirafuji Hiroshi (Appointed on 25 November 2025)

Mr. Ashida Norihiro (Appointed on 25 November 2025)

Mr. Sun Hongbin (Resigned on 25 November 2025)

Mr. Chen Chen

Mr. Chen Xinxing (Resigned on 30 April 2025)

Ms. Liang Min (Appointed on 25 November 2025)

Independent Non-Executive Directors

Dr. Li Minghua (Resigned on 25 November 2025)

Dr. Liu Guoen (Appointed on 25 November 2025)

Mr. Chou Jonathan H. (Appointed on 25 November 2025)

Mr. Yao Haisong

Mr. Chung Wai Man

As the term of office of the first session of the Board expired in December 2023, at the extraordinary general meeting of the Company held on 29 December 2023, the Shareholders re-elected Dr. He Chao as executive director of the second session of the Board, re-elected Mr. Sun Hongbin and Mr. Chen Chen as non-executive directors of the second session of the Board, and elected Mr. Chen Xinxing as non-executive director of the second session of the Board, and re-elected Dr. Li Minghua and Mr. Yao Haisong as independent non-executive directors of the second session of the Board. On 29 December 2023, Mr. Sun Hongbin was reappointed as the chairman of the second session of the Board. On 18 July 2024, Ms. Fang Cong was appointed as executive director of the second session of the Board, and Mr. Chung Wai Man was appointed as independent non-executive director of the second session of the Board. On 25 June 2025, Mr. Liu Yu was appointed as an executive director of the second session of the Board. On 25 November 2025, Dr. Chang Zhaohua, Mr. Shirafuji Hiroshi, Mr. Ashida Norihiro and Ms. Liang Min were appointed as the non-executive directors of the second session of the Board, and Dr. Liu Guoen and Mr. Chou Jonathan H. were appointed as the independent non-executive directors of the second session of the Board.

The Commercialisation Committee has been established by resolution of the Board on 25 June 2025. Since 25 November 2025, the Commercialisation Committee was adjusted to consist of Mr. Liu Yu, being an executive Director, and Mr. Shirafuji Hiroshi, Mr. Chen Chen and Ms. Liang Min being non-executive Directors, and Mr. Shirafuji Hiroshi will act as the chairperson.

Report of the Board (Continued)

Supervisors

Dr. Zhang Jie
Ms. Zhang Lihong
Mr. Chen Gong

As the term of office of the first session of the Supervisory Committee expired in December 2023, at the extraordinary general meeting of the Company held on 29 December 2023, the Shareholders re-elected Dr. Zhang Jie and Ms. Zhang Lihong as shareholder representative supervisors of the second session of the Supervisory Committee. Mr. Chen Gong was elected as the employee representative supervisor of the second session of the Supervisory Committee at the Employees' Congress of the Company held on 29 December 2023. On 29 December 2023, Dr. Zhang Jie was reappointed as chairman of the second session of the Supervisory Committee.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and senior management of the Company are set out on pages 35 to 43 of this report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACT

None of the Directors or Supervisors has a service contract which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

COMPETING BUSINESS INTERESTS OF DIRECTORS AND SUPERVISORS

During the year ended 31 December 2025, none of the Directors or Supervisors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries pursuant to Rule 8.10 of the Listing Rules.

EMOLUMENT POLICY

The remuneration and appraisal committee of the Company is responsible for reviewing the Group's emolument policy and structure for all remuneration of the Directors, Supervisors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted a share award scheme and a share option scheme as an incentive for Directors, Supervisors and eligible employees. Details of the schemes are set out in the sections headed "Share Award Scheme" and "Share Option Scheme" below.

Report of the Board (Continued)

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to the Code Provision E.1.5 of Part 2 of the CG Code, the remuneration of the members of the senior management (other than the Directors and Supervisors) whose particulars are contained in the section headed "Directors, Supervisors and Senior Management" in this report for the year ended 31 December 2025 by band is set out below:

Remuneration Band (RMB)	Number of individuals
1,000,001 to 2,000,000	2

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, Supervisors and the five individuals with the highest emoluments are set out in Notes 7 and 8 to the consolidated financial statements.

PENSION SCHEME

According to relevant laws and regulations, as well as local policies, the Group's subsidiaries participate in retirement savings plans. Under these plans, the Group is required to pay the defined contribution to the plans by certain rules and up to certain maximums. The only obligation of the Group with respect to the retirement savings plans is to make required contributions under the plans. Contributions made under the retirement savings plans are charged in the statement of profit or loss as incurred.

The Company may not utilise any forfeited contributions in order to make fewer contributions than the current amounts.

Report of the Board (Continued)

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At 31 December 2025, interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors, Supervisors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

Name	Class of Shares	No. of Shares	Notes	Capacity	Nature of interest	Approximate percentage of interest in the relevant class of Shares
Dr. He Chao	H Shares	586,860,412	1, 2, 3	Interest in a controlled corporation	Long position	57.27%
Ms. Zhang Lihong	H Shares	9,400	4	Beneficial owner	Long position	0.00%

- (1) Dr. He Chao was the general partner of Shanghai Qingmin. Shanghai Qingmin held 96,013,252 Shares as at 31 December 2025. By virtue of the SFO, Dr. He Chao was deemed to be interested in the Shares held by Shanghai Qingmin.
- (2) Dr. He Chao held approximately 43.12% interest in Shanghai Qinghe as its limited partner. Shanghai Qinghe held 20,279,653 Shares as at 31 December 2025. By virtue of the SFO, Dr. He Chao was deemed to be interested in the Shares held by Shanghai Qinghe.
- (3) Dr. He Chao held approximately 54.05% interest in Shanghai Qingzhen as its limited partner. In accordance with the SFO, Shanghai Latent and Shanghai Qingzhen are parties acting-in-concert. As at 31 December 2025, Shanghai Qingzhen held 16,963,831 Shares and Shanghai Latent held 453,603,676 Shares. By virtue of the SFO, Dr. He Chao was deemed to be interested in the Shares held by Shanghai Qingzhen.
- (4) Ms. Zhang Lihong was interested the underlying Shares of the Company by virtue of the options granted to her under a share scheme of MicroPort.

Report of the Board (Continued)

Interests and Short Positions in Shares, Underlying Shares and Debentures of the Associated Corporations

Name	Name of associated corporation	No. of shares	Notes	Capacity	Nature of interest	Approximate percentage of interest in the associated corporation
Dr. He Chao	MicroPort	160,757	1	Beneficial owner	Long position	0.01%
Mr. Liu Yu	MicroPort	5,000	2	Interest of spouse	Long position	0.00%
Dr. Chang Zhaohua	MicroPort	49,047,671	3	Beneficial owner	Long position	2.56%
	MicroPort CardioFlow	6,000,000	4	Beneficial owner	Long position	0.09%
Dr. Liu Guoen	MicroPort	161,290	5	Beneficial owner	Long position	0.01%
Mr. Chou Jonathan H.	MicroPort	167,590	6	Beneficial owner	Long position	0.01%
	MicroPort CardioFlow	449,683	7	Beneficial owner	Long position	0.01%
Dr. Zhang Jie	MicroPort	601,513	8	Beneficial owner	Long position	0.03%
	MicroPort CardioFlow	200,000	9	Beneficial owner	Long position	0.00%
	MicroPort Vision Power	14,000,000	10	Interest in a controlled corporation	Long position	13.08%
Ms. Zhang Lihong	MicroPort	847,592	11	Beneficial owner	Long position	0.04%
	MicroPort CardioFlow	262,262	12	Beneficial owner	Long position	0.00%

Notes:

- (1) Dr. He Chao was interested in 160,757 underlying shares of MicroPort by virtue of the options granted to him under a share option scheme of MicroPort.
- (2) Mr. Liu Yu was deemed to be interested in 5,000 shares of MicroPort held by his spouse by virtue of the SFO.
- (3) Dr. Chang Zhaohua was interested in 49,047,671 underlying shares of MicroPort.
- (4) Dr. Chang Zhaohua was interested in 6,000,000 underlying shares of MicroPort CardioFlow.
- (5) Dr. Liu Guoen was interested in 161,290 underlying shares of MicroPort.
- (6) Mr. Chou Jonathan H. was interested in (i) 6,300 shares; and (ii) 161,290 underlying shares of MicroPort.
- (7) Mr. Chou Jonathan H. was interested in 449,683 underlying shares of MicroPort CardioFlow.
- (8) Dr. Zhang Jie was interested in (i) 222,856 shares; and (ii) 378,657 underlying shares of MicroPort.
- (9) Dr. Zhang Jie was interested in 200,000 underlying shares of MicroPort CardioFlow.
- (10) Dr. Zhang Jie was the general partner of Shanghai Maitian and Shanghai Lantian. Shanghai Maitian and Shanghai Lantian held in aggregate 13.08% interest in MicroPort Vision Power, an indirect non-wholly owned subsidiary of MicroPort and therefore an associated corporation of our Company under the SFO. By virtue of the SFO, Dr. Zhang Jie was deemed to be interested in the interest in which Shanghai Maitian and Shanghai Lantian are interested.
- (11) Ms. Zhang Lihong was interested in (i) 18,764 shares; and (ii) 666,828 underlying shares of MicroPort.
- (12) Ms. Zhang Lihong was interested in (i) 62,262 shares; and (ii) 200,000 underlying shares of MicroPort CardioFlow.

Report of the Board (Continued)

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at 31 December 2025, so far as is known to the Directors, the following persons (not being a Director, Supervisors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would need to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests and Short Position in the Shares

Names of Shareholder	Class of Shares	No. of Shares	Note	Capacity	Nature of interest	Approximate percentage of interest in the relevant class of Shares	Approximate percentage of interest in the total issued Shares
Shanghai Latent	H Shares	470,567,507	1, 2	Beneficial owner/interest held jointly with another person	Long position	45.92%	45.63%
MicroPort Sinica	H Shares	470,567,507	1	Interest in a controlled corporation	Long position	45.92%	45.63%
MicroPort	H Shares	470,567,507	1	Interest in a controlled corporation	Long position	45.92%	45.63%
Shanghai Qingzhen	H Shares	470,567,507	2	Beneficial owner/interest held jointly with another person	Long position	45.92%	45.63%
Shanghai Qingmin	H Shares	96,013,252		Beneficial owner	Long position	9.37%	9.31%
Ms. Ji Shufang	H Shares	586,860,412	3	Interest of spouse	Long position	57.27%	56.90%
Zhuhai Gao Ling Chongheng Equity Investment LLP (珠海高瓴崇恒股權投資合夥企業(有限合夥)) (“Gao Ling Chongheng”)	H Shares	71,972,764	4	Beneficial owner	Long position	7.02%	6.98%
Shenzhen Gao Ling Muqi Equity Investment Fund LLP (深圳高瓴慕祺股權投資基金合夥企業(有限合夥)) (“Gao Ling Muqi”)	H Shares	71,972,764	4	Interest in a controlled corporation	Long position	7.02%	6.98%
Xiamen Gao Ling Ruiqi Equity Investment Fund LLP (廈門高瓴瑞祺股權投資基金合夥企業(有限合夥)) (“Gao Ling Ruiqi”)	H Shares	71,972,764	4	Interest in a controlled corporation	Long position	7.02%	6.98%
Shenzhen Gao Ling Tiancheng Phase III Investment Co., Ltd. (深圳高瓴天成三期投資有限公司) (“Shenzhen Gao Ling”)	H Shares	73,772,755	4, 5	Interest in a controlled corporation	Long position	7.20%	7.15%

Report of the Board (Continued)

Notes:

- (1) Shanghai Latent is wholly owned by MicroPort Sinica, which in turn is wholly owned by MicroPort. By virtue of the SFO, MicroPort and MicroPort Sinica are deemed to be interested in the Shares held by Shanghai Latent.
- (2) In accordance with the SFO, Shanghai Latent and Shanghai Qingzhen are parties acting-in-concert. Shanghai Qingzhen holds 16,963,831 Shares and Shanghai Latent holds 453,603,676 Shares as at 31 December 2025.
- (3) Ms. Ji Shufang is the spouse of Dr. He Chao. By virtue of the SFO, Ms. Ji Shufang is deemed to be interested in the Shares held by Dr. He Chao.
- (4) By virtue of the SFO, Shenzhen Gao Ling (as general partner) and Gao Ling Muqi and Gao Ling Ruiqi (as relevant limited partners) are deemed to be interested in the Shares held by Gao Ling Chongheng. As such, by virtue of the SFO, each of Shenzhen Gao Ling, Gao Ling Muqi and Gao Ling Ruiqi is deemed to be interested in the Shares held by Gao Ling Chongheng.
- (5) Shenzhen Gao Ling is also the general partner of Zhuhai Gao Ling Jiangheng Equity Investment LLP (珠海高瓴緯恒股權投資合夥企業(有限合夥)) (“**Gao Ling Jiangheng**”). Gao Ling Jiangheng held 1,799,991 Shares as at 31 December 2025. By virtue of the SFO, Shenzhen Gao Ling is deemed to be interested in the Shares held by Gao Ling Jiangheng.

Save as disclosed above, as at 31 December 2025, the Directors of the Company were not aware of any persons (who were not Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would need to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

As at the date of this report, none of the above-mentioned substantial Shareholders of the Company had pledged any Shares.

MANAGEMENT CONTRACT

During the year ended 31 December 2025, no contract concerning the management and administration of all or any substantial part of the business of the Company was entered into or existed.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “Continuing Connected Transactions”, there were no other transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Director or Supervisor or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the financial year 2025 or at any time during the year ended 31 December 2025.

SIGNIFICANT CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the section headed “Continuing Connected Transactions” and the material related party transactions as disclosed in note 31 to the consolidated financial statement, no contract of significance was entered into between any member of the Group and a controlling shareholder of the Company or any of its subsidiaries or contract of significance for the provision of services to any member of the Group by a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 December 2025.

Report of the Board (Continued)

PERMITTED INDEMNITY PROVISION

The Company has maintained directors' liability insurance which provides appropriate cover for the Directors during the year ended 31 December 2025. At no time during the Reporting Period was there any permitted indemnity provision previously existing or being in force for the benefit of any of the Directors or Supervisors (whether made by the Company or otherwise) or any associated companies (if made by the Company).

ARRANGEMENTS TO ENABLE DIRECTORS OR SUPERVISORS TO ACQUIRE SHARES AND DEBENTURES

Apart from the details as disclosed under the heading "Interests and short positions of the Directors, Supervisors and Chief Executive in Shares, underlying Shares and debentures of the Company and its associated corporations" above, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors, Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

CONNECTED TRANSACTION

On 25 June 2024, OrthoBot Suzhou (a subsidiary of the Company) as the lessee entered into a Transfer Contract and Finance Lease Agreement with Shanghai MicroPort Tianniuyan Financial Leasing Co., Ltd. (上海微創天牛眼融資租賃有限公司) ("**Tianniuyan**", a related party of the Group) as the lessor. Pursuant to which, OrthoBot Suzhou agreed to sell the Prototypes, which are primarily used by OrthoBot Suzhou for the R&D iteration and clinical trials of the orthopaedic surgery navigation positioning system and other selected hard tissue surgery navigation positioning system, to Tianniuyan for a total consideration of RMB60,000,000, and Tianniuyan agreed to lease back the Prototypes to OrthoBot Suzhou at a lease consideration of RMB66,000,000, which includes a principal lease amount of RMB60,000,000 and lease interest of RMB6,000,000 for a term of three years. The entering into of the Transfer Contract and Finance Lease Agreement is to meet the daily operational needs of the Group, revitalise the Group's assets, improve asset utilisation efficiency, and enhance the overall efficiency of the Group.

MicroPort is one of the controlling shareholders of the Company, and Tianniuyan is a wholly-owned subsidiary indirectly held by MicroPort. Therefore, it is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Transfer Contract and the Finance Lease Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transfer Contract exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from circular (including independent financial advice) and independent Shareholders' approval requirements.

Report of the Board (Continued)

CONTINUING CONNECTED TRANSACTION

On 24 January 2022, the Company and MicroPort Sinica, together with its subsidiaries, associates and joint ventures entered into the Catering Services Framework Agreement and the Property Management Services Framework Agreement, and set annual caps for the relevant continuing connected transactions from 2022 to 2024. The original framework agreements expired on 31 December 2024 and their corresponding annual caps also matured on 31 December 2024. The Company intended to proceed with the transactions under the Catering Services Framework Agreement and the Property Management Services Framework Agreement as described above, which were subject to the reporting, annual review and announcement requirements but were exempt from the circular (including the independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. On 17 January 2025, the Company entered into the new catering services framework agreement (the "**New Catering Services Framework Agreement**") and the new property management services framework agreement (the "**New Property Management Services Framework Agreement**") with MicroPort, respectively, for the renewal of the relevant continuing connected transactions.

(I) New Catering Services Framework Agreement

On 17 January 2025, the Company entered into the New Catering Services Framework Agreement with MicroPort, which sets out the principal terms for the provision of catering services and beverages by the MicroPort Group and/or any third party engaged by the MicroPort Group at its staff canteens and other internal dining areas to the employees of the Group. The New Catering Services Framework Agreement has a term commencing from 1 January 2025 until 31 December 2027. MicroPort is one of the controlling shareholders of the Company. Therefore, MicroPort is a connected person of the Company under the Listing Rules, and the transactions under the New Catering Services Framework Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual caps under the Catering Services Framework Agreement exceed 0.1% but is less than 5%, the transactions contemplated under the Catering Services Framework Agreement are subject to the reporting, annual review, announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated 17 January 2025.

For each of the three years ended 31 December 2027, the maximum annual transaction amount under the New Catering Services Framework Agreement shall not exceed RMB5.2 million. For the year ended 31 December 2025, the actual transaction amount under the New Catering Services Framework agreement was approximately RMB3.6 million.

(II) New Property Management Services Framework Agreement

On 17 January 2025, the Company entered into the New Property Management Services Framework Agreement with MicroPort, pursuant to which the MicroPort shall provide property management services for the offices and production premises of the Group. The New Property Management Services Framework Agreement has a term commencing from 1 January 2025 until 31 December 2027. MicroPort is one of the controlling shareholders of the Company. Therefore, MicroPort is a connected person of the Company under the Listing Rules, and the transactions under the New Property Management Services Framework Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual caps under the Property Management Services Framework Agreement exceed 0.1% but is less than 5%, the transactions contemplated under the Property Management Services Framework Agreement are subject to the reporting, annual review, announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated 17 January 2025.

Report of the Board (Continued)

For each of the three years ended 31 December 2027, the maximum annual transaction amounts under the New Property Management Services Framework Agreement shall not exceed RMB3.5 million, RMB4.0 million and RMB4.5 million, respectively. For the year ended 31 December 2025, the actual transaction amount under the New Property Management Services Framework Agreement was approximately RMB2.1 million.

(III) 2024 Sales Framework Agreement

On 6 December 2022, the Company and MicroPort entered into a sales framework agreement (the “**Sales Framework Agreement**”), pursuant to which the Group agreed to sell and the MicroPort Group agreed to purchase certain products for the purpose of commercialising and distributing such products in the relevant target markets. Considering the expanding overseas layout of the Group and that it is in the interest of the Company to expand the scope of the sales cooperation between the Group and the MicroPort Group, the Company entered into the 2024 Sales Framework Agreement with MicroPort on 6 December 2023 to expand the scope of the Sales Framework Agreement to cover other products and to revise/renew the annual caps contemplated thereunder. The Sales Framework Agreement was terminated on 31 December 2023. Pursuant to the 2024 Sales Framework Agreement, the Group agreed to sell and the MicroPort Group agreed to (i) purchase the products (the “**Products**”) of the Group for commercialisation and distribution worldwide and application including (a) all the surgical robot and medical equipment (including Toumai, SkyWalker, DFVision and other equipment to be launched by the Group from time to time); (b) all the equipment supporting accessories and consumables; and (c) other products developed and/or produced and processed by the Group; and (ii) procure the maintenance services provided by the Group for the Products. The 2024 Sales Framework Agreement has a term commencing from 1 January 2024 to 31 December 2026.

The maximum transaction amounts for the 2024 Sales Framework Agreement for each of the three years ending 31 December 2026 will not exceed RMB230.0 million, RMB500.0 million and RMB900.0 million, respectively. For the year ended 31 December 2025, the actual transaction amount under the 2025 Sales Framework Agreement was approximately RMB391.6 million.

MicroPort is one of the controlling shareholders of the Company. Therefore, MicroPort is a connected person of the Company under the Listing Rules, and the transactions under the 2024 Sales Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual caps under the 2024 Sales Framework Agreement exceed 5%, the transactions thereunder are subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated 6 December 2023 and the circular of the Company dated 12 December 2023.

(IV) 2024 Master Products Procurement Agreement

On 6 December 2023, the Company entered into the 2024 Master Products Procurement Agreement with MicroPort, pursuant to which the Group agreed to procure from or procure through the MicroPort Group and its joint ventures and associates certain materials and products mainly for use in our R&D, production and operation. The 2024 Master Products Procurement Agreement has a term commencing from 1 January 2024 to 31 December 2026.

The maximum transaction amounts for the procurement of the Products for each of the three years ending 31 December 2026 will not exceed RMB9.5 million, RMB16.0 million and RMB18.0 million, respectively. For the year ended 31 December 2025, the actual transaction amount under the 2025 Master Products Procurement Agreement was approximately RMB1.0 million.

Report of the Board (Continued)

MicroPort is one of the controlling shareholders of the Company. Therefore, MicroPort is a connected person of the Company under the Listing Rules, and the transactions under the 2024 Master Products Procurement Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual caps under the 2024 Master Products Procurement Agreement exceed 5%, the transactions contemplated under the 2024 Master Products Procurement Agreement are subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated 6 December 2023 and the circular of the Company dated 12 December 2023.

(V) 2024 Master Services Procurement Agreement

On 6 December 2023, the Company entered into the 2024 Master Services Procurement Agreement with MicroPort, pursuant to which MicroPort Group and its joint ventures and associates shall provide the Group certain services, including but not limited to cleaning and packaging services, sterilisation services, product testing services, animal test services, administrative support services and marketing activity support and commercial promotion services. The 2024 Master Services Procurement Agreement has a term commencing from 1 January 2024 to 31 December 2026.

The maximum transaction amounts in relation to the procurement of the Services for each of the three years ending 31 December 2026 will not exceed RMB40.0 million, RMB51.0 million and RMB47.0 million, respectively. For the year ended 31 December 2025, the actual transaction amount under the 2025 Master Services Procurement Agreement was approximately RMB22.3 million.

MicroPort is one of the controlling shareholders of the Company. Therefore, MicroPort is a connected person of the Company under the Listing Rules, and the transactions under the 2024 Master Services Procurement Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual caps under the 2024 Master Services Procurement Agreement exceed 5%, the transactions contemplated under the 2024 Master Services Procurement Agreement are subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For further details, please refer to the announcement of the Company dated 6 December 2023 and the circular of the Company dated 12 December 2023.

The independent non-executive Directors have reviewed the continuing connected transactions mentioned above and confirmed that such transactions have been entered into:

- in the ordinary and usual course of business of the Group;
- on normal commercial terms; and
- according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions conducted for the year ended 31 December 2025 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Report of the Board (Continued)

The Directors confirmed that the auditor has provided a letter containing their findings and conclusions in respect of the continuing connected transactions of the Group in accordance with Rule 14A.56 of the Listing Rules. The Company's auditor has confirmed that regarding the continuing connected transactions of the Group, nothing has come to their attention that causes them to believe that:

- the disclosed continuing connected transactions have not been approved by the Board;
- for transactions involving the provision of goods or services by the Group, such transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- the transaction amounts of the disclosed continuing connected transactions as mentioned above have exceeded the annual cap set by the Company.

Save as the aforesaid, there were no discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules for the year ended 31 December 2025.

Save as aforesaid, none of the "Material Related Party Transactions" as disclosed in Note 31 to the consolidated financial statements for the year ended 31 December 2025 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent of the above "Material Related Party Transactions" constituted connected transactions or continuing connected transactions as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules for the year ended 31 December 2025.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the guidelines for the Directors' and Supervisors' dealings in the securities of the Company. Following specific enquiries to each of the Directors and Supervisors, all the Directors and Supervisors have confirmed their compliance with the required standards set out in the Model Code for the year ended 31 December 2025.

Report of the Board (Continued)

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

SHARE AWARD SCHEME

The Company has adopted an H share award scheme on its extraordinary general meeting held on 10 February 2022 (the “**Share Award Scheme**”) as a means of recognising the contributions of certain eligible participants. A summary of the Share Award Scheme was set out in the circular of the Company dated 19 January 2022.

Purpose and Objectives of the Share Award Scheme

The Share Award Scheme is a share award and trust scheme established by the Company to award certain selected participants and the objectives of the Share Award Scheme are: (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Participants of the Share Award Scheme

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the Share Award Scheme as a selected participant and determine the H Shares to be awarded for them (the “**Awarded Shares**”). Participation in the Share Award Scheme is limited to selected participants only. The Board is entitled to impose any conditions (including a period of continued service within the Group), as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participant to the H Shares to be awarded.

An “eligible participant” means any individual, being an employee, a director, a consultant or an adviser of any member of the Group who the Board considers, in its sole discretion, to have contributed to the Group.

Duration

Subject to any early termination or extension as may be determined by the Board according to the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on its adoption date.

Scheme Limits

The Board shall not make any further award of H Shares which will result in the number of H Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued H Shares from time to time, being 102,473,078 H Shares, represented approximately 9.94% of the issued share capital of the Company as at the date of this report.

The maximum number of H Shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued H Shares from time to time, save and except approved by the Shareholders in a general meeting.

Report of the Board (Continued)

Operation

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the Share Award Scheme as a selected participant and determine the H Shares to be awarded to them. The Board is entitled to impose any conditions (including a period of continued service within the Group) and vesting period, as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participant(s) to the Awarded Shares. The Board shall determine the number of H Shares to be purchased as Shares for the awards, and pay the relevant amount from the Company's resources to the trustee to be held on trust for the purchase of the H Shares. When the selected participant(s) have satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the H Shares forming the subject of the award, the trustee shall transfer the relevant Awarded Shares to the selected participant(s) or his nominee(s) or as requested by the selected participant(s) or his nominee(s) to sell the relevant Awarded Shares on the market and transfer the proceeds to him in lieu of transfer of the Awarded Shares to, and registration of, the relevant selected participant(s) or his nominee as the holder thereof.

No Award Shares have been granted since the date of adoption of the Share Award Scheme to the year ended 31 December 2025. As at 1 January 2025 and 31 December 2025, the number of awards available for grant under the Share Award Scheme is 102,473,078 H Shares. As at the date of this report, the remaining life of the Share Award Scheme is approximately five years and 10 months.

SHARE OPTION SCHEMES

In order to provide incentives or reward to certain eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time, the Company had adopted a share option scheme (the "**Share Option Scheme**") in accordance with Chapter 17 of the Listing Rules. For details, please refer to the announcement of the Company dated 10 February 2022 and circular of the Company dated 28 February 2022.

Eligible persons include (a) any employee (whether full-time or part-time) of the Group; (b) any director (including executive, non-executive and independent non-executive directors) of the Group; (c) any director (including executive, non-executive and independent non-executive directors) or employee (whether full-time or part-time) of the MicroPort Group and associated companies of the Company who, in the sole and absolute direction of the Board, has contributed or will contribute to the development of the Group; and (d) any advisers, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners, joint venture business partners, service providers on a continuing and recurring basis in its ordinary and usual course of business of the Group who, in the sole and absolute direction of the Board, has contributed or will contribute to the development of the Group. The basis of eligibility of any of the above classes of eligible persons to the grant of any options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Pursuant to the Share Option Scheme, the aggregate number of H Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options schemes of the Company (the "**Other Schemes**") must not in aggregate exceed 10% of the total number of H Shares in issue as at the date of adoption of the Share Option Scheme (being 95,199,428 H Shares, represents 9.29% of total number of H Shares and 9.23% of the issued share capital of the Company as at the date of this report) or the Other Schemes (as the case may be).

Report of the Board (Continued)

No options shall be granted to any eligible person (the “**Relevant Eligible Person**”) if, at the relevant time of grant, the H Shares subscribed and to be subscribed upon exercise of all options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period up to and including the date of such grant would exceed 1% of the total number of H Shares in issue at such time unless: (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolutions of the shareholders of MicroPort and by special resolutions of the Shareholders (if applicable) in their respective general meeting, at which the Relevant Eligible Person and his close associates (or his associates if the Relevant Eligible Person is a connected person (as defined under the Listing Rules) of MicroPort) abstained from voting; (b) a circular regarding the grant has been despatched to the shareholders of the MicroPort and the Shareholders (if applicable) in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options previously granted to such participant) and other information required to comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time; and (c) the number and terms (including the exercise price) of such options are fixed before the general meeting of MicroPort and the Company (if applicable) at which the same are approved.

The exercise period of the options granted under the Share Option Scheme will be determined and notified by the Board, but shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option. The Share Option Scheme does not specify any vesting period of the Option but the Board has the authority to determine such vesting period before it was granted. The Board shall specify in an offer letter a date by which the grantee must accept such offer, being a date no later than 28 days after the date on which the option is offered or the date on which the conditions for the offer are satisfied, whichever is earlier.

Subject to any adjustments made pursuant to the terms of the Share Option Scheme, the exercise price shall be a price determined by the Board in its sole and absolute discretion and notified to an eligible person, but in any event must be at least the highest of: (a) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the relevant offer date; (b) the average of the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the relevant offer date; and (c) the nominal value of an H Share.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its adoption, being 18 March 2022. The Share Option Scheme may be terminated at any time by way of an ordinary resolution of the Shareholders pursuant to the Articles of Association or a resolution by the Board. After expiry or termination of the Share Option Scheme, no further options will be offered, but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the Share Option Scheme. As at the date of this report, the remaining life of the Share Option Scheme is approximately five years and 11 months.

During the period from the date of adoption of the Share Option Scheme to 31 December 2025, no option had been granted or agreed to be granted under the Share Option Scheme. As at 1 January 2025 and 31 December 2025, the number of options available for grant under the Share Option Scheme is 95,199,428 H Shares.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025.

Report of the Board (Continued)

PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times during the Reporting Period as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

LOAN TO AN ENTITY

During the year ended 31 December 2025, the Company did not have any loan to an entity which was subject to the disclosure requirements under the Listing Rules.

DONATION

During the year ended 31 December 2025, the Group made no donations.

ANNUAL GENERAL MEETING

The Company will further determine the date, time and place of the 2025 AGM. The details of the 2025 AGM, the period of closure of the register of members during the 2025 AGM and the notice of convening the 2025 AGM will be published and dispatched in the manner prescribed by the Listing Rules and the Articles of Association as soon as possible.

FINAL DIVIDEND

The Directors do not recommend a final dividend for the year ended 31 December 2025 (2024: nil).

TAX RELIEF AND EXEMPTION (H SHAREHOLDERS)

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual who has no domicile in the PRC and is not resident in the territory of the PRC or who has no domicile in the PRC and has been resident in the territory of the PRC for less than 183 days cumulatively within a tax year, his/her receipt of dividends from a PRC company is normally subject to a PRC withholding tax of 20% unless specifically exempted or reduced by an applicable tax treaty and other tax laws and regulations.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Nonresident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函 [2008]897 號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

The Company did not have any distributable profit in 2025. The Company did not pay any dividend. Accordingly, the shareholders of the Company (including the holders of H Shares) are not subject to income tax.

Report of the Board (Continued)

CORPORATE GOVERNANCE

The Company's principal corporate governance practices are set out in the Corporate Governance Report of this report.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

After having made specific enquiry by the Company and as confirmed by the Directors and Supervisors, saved as disclosed below, during the Reporting Period, there were no changes in the information of the Directors and Supervisors that would be required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules. The change in the information of the Directors and Supervisors required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules is set out below:

Name of the Directors and Supervisors	Details of the change
Mr. Chen Chen	Resigned as a director of Spectrum Dynamics Medical Group Limited in January 2025
Mr. Chung Wai Man	Resigned as an independent non-executive director of Shandong Fengxiang Co., Ltd (a company listed on the Stock Exchange, stock code: 09977, and delisted on 31 July 2025) with effect from 22 August 2025 Mr. Chung served as an independent director of Smart Logistics Global Limited (a company listed on NASDAQ, stock code: SLGB) on 15 October 2025

SUBSEQUENT SIGNIFICANT EVENTS

The Group was not aware of any significant events which need to be disclosed after 31 December 2025 and up to the date of this report.

ARRANGEMENT FOR ISSUING CORPORATE COMMUNICATIONS ELECTRONICALLY

The Company has adopted an arrangement for the electronic dissemination of corporate communications (“**Corporate Communications**”), which refer to any documents issued or to be issued by the Company for the purpose of providing information to its Shareholders or prompting them to take action, including but not limited to (a) copies of directors' reports, annual accounts and auditors' reports and, where applicable, summary financial reports; (b) interim reports and interim report summaries (where applicable); (c) notices of meeting; (d) listing documents; (e) circulars; and (f) proxy forms. Please note that all Corporate Communications in English and Chinese are only available on the Company's website (www.medbotsurgical.com) and the Hong Kong Stock Exchange website (www.hkexnews.hk), with no printed versions provided. Shareholders should proactively check the Company's and the Hong Kong Stock Exchange websites to stay informed about the release of Corporate Communications. To ensure timely receipt of Actionable Corporate Communications (as defined in the Listing Rules), the Company recommends that Shareholders provide their email addresses to the Company. The method for providing email addresses is detailed in the Shareholder notification letter and reply form published on the Company's website. If the Company has not received a valid email address from a shareholder, the Company shall send Actionable Corporate Communications in printed form until the H Share Registrar (Computershare Hong Kong Investor Services Limited) receives a valid email address from such Shareholder. If Shareholders wish to receive the printed version of Corporate Communications, please complete and return the reply form in accordance with the instructions contained in the Shareholder notification letter and reply form.

Report of the Board (Continued)

AUDIT COMMITTEE

As at the date of this report, the Audit Committee consists of two independent non-executive Directors, namely Mr. Chou Jonathan H. (chairman) and Mr. Chung Wai Man, and one non-executive Director, namely, Mr. Ashida Norihiro. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

The Audit Committee has reviewed together with the management of the Company the accounting principles and policies adopted by the Company and the annual results and the audited consolidated financial statements for the year ended 31 December 2025.

AUDITOR

KPMG has acted as auditor of the Company for the financial year ended 31 December 2025. There has been no change in auditor since the Listing Date. KPMG shall retire at the forthcoming 2025 AGM and, being eligible, will offer themselves for re-appointment. A resolution may be proposed at the forthcoming 2025 AGM to re-appoint KPMG as auditor of the Company.

By Order of the Board

Shanghai MicroPort MedBot (Group) Co., Ltd.

Dr. Chang Zhaohua

Chairman

Shanghai, the PRC

26 March 2026

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices, and the Board adheres to the corporate governance principles which emphasise transparency, accountability and independence that are intended to ensure sound management and the satisfactory and sustainable returns to Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and to enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company throughout the period ended 31 December 2025.

Throughout the period ended 31 December 2025, so far as the Directors are aware, the Company has complied with all the code provisions as set out in Part 2 of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

THE DIRECTORS/THE BOARD

Roles and Responsibilities

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company.

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to entering into any significant transactions by the above mentioned officers.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all time.

Corporate Governance Report (Continued)

The Company has arranged for appropriate insurance cover for Directors', Supervisors' and senior management's liabilities in respect of legal actions against its Directors, Supervisors and senior management arising out of corporate activities.

Board Composition

The Board structure is governed by the Articles of Association. The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group.

As at 31 December 2025, the Board comprises eleven members, consisting of two executive Directors, five non-executive Directors and four independent non-executive Directors.

The list of all Directors, which also specifies the posts, e.g. chairman of the Board, and chairman and members of committees, held by each Director is set out under "Corporate Information" on page 2 of this report. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

On 25 June 2025, Mr. Liu Yu was appointed as an executive director, they confirmed they had obtained the legal advice referred to in Rule 3.09D of the Listing Rules from the Company's legal advisor on 23 June 2025 and understood their obligations as Directors. Dr. Chang Zhaohua, Mr. Shirafuji Hiroshi, Mr. Ashida Norihiro and Ms. Liang Min were appointed as the non-executive directors, and Dr. Liu Guoen and Mr. Chou Jonathan H. were appointed as the independent non-executive directors on 25 November 2025. They confirmed they had obtained the legal advice referred to in Rule 3.09D of the Listing Rules from the Company's legal advisor on 25 November 2025 and understood their obligations as Directors.

The Board comprises the following Directors as of 31 December 2025:

Executive Directors

Dr. He Chao (*President*)

Mr. Liu Yu (Appointed on 23 June 2025)

Non-executive Directors

Dr. Chang Zhaohua (*Chairman*) (Appointed on 25 November 2025)

Mr. Shirafuji Hiroshi (Appointed on 25 November 2025)

Mr. Ashida Norihiro (Appointed on 25 November 2025)

Mr. Chen Chen

Ms. Liang Min (Appointed on 25 November 2025)

Independent Non-executive Directors

Dr. Liu Guoen (Appointed on 25 November 2025)

Mr. Chou Jonathan H. (Appointed on 25 November 2025)

Mr. Yao Haisong

Mr. Chung Wai Man

Save as disclosed in this report, there is no other relationship (including, financial, business, family or other material/relevant relationships) between the board members.

Corporate Governance Report (Continued)

Throughout the period ended 31 December 2025, the Board at all time met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise, and the Board at all times met the requirement of the Listing Rules in regard of independent non-executive directors to constitute one-third of an issuer's board.

Chairman and Chief Executive Officer

The role of chairman has been performed by Mr. Sun Hongbin until 25 November 2025, and has been performed by Dr. Chang Zhaohua since 25 November 2025. The role chief executive officer has been performed by Dr. He Chao.

Independence of Non-Executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Mechanisms to Ensure Independent Views and Input Are Available to the Board

During the Reporting Period, the Company has established mechanisms to ensure independent views and input are available to the Board, which set out the processes and procedures to ensure a strong independent element on the Board, these mechanisms allow the Board effectively exercises independent judgment to better safeguard Shareholders' interests. All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

Pursuant to these mechanisms, the Board will conduct annual review on its independence, and the Board will collectively discuss the results and the action plan for improvement, if appropriate. The Board will also review the implementation and effectiveness of such mechanisms on an annual basis.

During the year ended 31 December 2025, the Board has reviewed the implementation and effectiveness of the mechanisms to ensure independence views and input are available to the Board and the results were satisfactory.

Corporate Governance Report (Continued)

Appointment and Re-Election of Directors

In accordance with the Articles of Association, all Directors shall be elected at the general meetings for a term of three years, and are eligible to offer himself or herself for re-election and re-appointment upon the expiration of his or her term of office. The Company has entered into a service contract with each of the executive Directors and entered into a letter of appointment with each of the non-executive Directors and independent non-executive Directors for three years for each term of office. The three-year term of office of the second session of the Board commenced on 29 December 2023.

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment/re-election and succession planning of Directors.

Induction and Continuing Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director receives formal, comprehensive and tailored induction training on the first occasion of his/her appointment. Such training sessions cover a wide range of relevant topics including directors' duties and responsibilities/corporate governance etc. To ensure that they have an appropriate understanding of the business and operations of the Company and are full awareness of responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are encouraged to engage in continuous professional development to deepen and refresh their knowledge and skills. Development of Directors is an ongoing process, which enables them to perform their duties appropriately. Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary.

BOARD MEETINGS

Functions

The Board requires Directors to devote sufficient time and attention to their duties and responsibilities. The Board normally has scheduled meetings at quarterly interval each year and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company.

Board Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Corporate Governance Report (Continued)

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The Board secretary and the company secretary are responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Directors' Attendance Records

During the financial year ended 31 December 2025, seven Board meetings were held and two general meetings were held (including an annual general meeting and an extraordinary general meeting). The attendance records of each Director at the Board meetings, the annual general meeting and the extraordinary general meeting during the term of office as a Director during the year ended 31 December 2025 are set out below:

Name of Directors	Attendance/ Number of Board meetings held during the term of office of the Director concerned	Attendance/ Number of annual general meeting held during the term of office of the Director concerned	Attendance/ Number of extraordinary general meetings/ class meetings held during the term of office of the Director concerned
Executive Director			
Dr. He Chao (<i>President</i>)	7/7	1/1	1/1
Ms. Fang Cong (Resigned on 25 November 2025)	6/6	1/1	1/1
Mr. Liu Yu (Appointed on 25 June 2025)	4/4	—*	1/1
Non-executive Directors			
Mr. Chen Xinxing (Resigned on 30 April 2025)	3/3	—*	—*
Mr. Sun Hongbin (Resigned on 25 November 2025)	6/6	1/1	1/1
Dr. Chang Zhaohua (Appointed on 25 November 2025)	1/1	—*	—*
Mr. Shirafuji Hiroshi (Appointed on 25 November 2025)	1/1	—*	—*
Mr. Ashida Norihiro (Appointed on 25 November 2025)	1/1	—*	—*
Ms. Liang Min (Appointed on 25 November 2025)	1/1	—*	—*
Mr. Chen Chen	7/7	1/1	1/1
Independent non-executive Directors			
Dr. Li Minghua (Resigned on 25 November 2025)	6/6	1/1	1/1
Dr. Liu Guoen (Appointed on 25 November 2025)	1/1	—*	—*
Mr. Chou Jonathan H. (Appointed on 25 November 2025)	1/1	—*	—*
Mr. Yao Haisong	7/7	1/1	1/1
Mr. Chung Wai Man	7/7	1/1	1/1

* No meetings were held during the term of office.

Corporate Governance Report (Continued)

Directors reviewed the documents of Board meetings provided by the Company in advance. For the year ended 31 December 2025, the chairman of the Board held one meeting with independent non-executive Directors without the presence of other Directors.

Compliance With the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' and Supervisors' securities transactions throughout the period ended 31 December 2025.

Specific enquiry has been made with all the Directors and Supervisors, who have confirmed that they have complied with the Model Code for transactions in the Company's securities throughout the period ended 31 December 2025.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

During the Reporting Period, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

DELEGATION BY THE BOARD

Board Committees

The Board reserves for its decision all major matters of the Company, in terms of approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information and the advices/services of the company secretary, with a view to ensure that Board procedures and all applicable laws and regulations are properly followed. Each Director can seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The Board has delegated a schedule of responsibilities to the chief executive officer and senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control systems.

The Board has established five committees, namely, the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, Strategic and Development Committee and Commercialisation Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are available to Shareholders upon request. The independent non-executive Directors are invited to serve on the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategic and Development Committee.

Corporate Governance Report (Continued)

Corporate Governance Functions

The Board is responsible for performing the functions set out in Code Provision A.2.1 of Part 2 of the CG Code. Throughout the period ended 31 December 2025, the Board has considered the corporate governance policies and practice and its relevant disclosures; the compliance of the Model Code and the Employees Written Guidelines; and policies and practices on compliance with legal and regulatory requirements as required under the applicable requirements of the Listing Rules.

Audit Committee

The Company has established the Audit Committee prior to the Listing and revised its written terms of reference in compliance with the CG Code in November 2021. As at 31 December 2025, the Audit Committee comprises three members:

Mr. Chou Jonathan H. (*Chairperson*)

Mr. Ashida Norihiro

Mr. Chung Wai Man

Two of the members are independent non-executive Directors (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise) and one of the members is a non-executive Director. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit;
- provide advice and comments to the Board in respect of financial, risk management and internal control matters;
- perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee oversees the internal control system and risk management system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

During the year ended 31 December 2025, the Audit Committee reviewed, inter alia, the financial reporting and compliance procedures, the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors.

Corporate Governance Report (Continued)

On 26 March 2026, the Audit Committee held a meeting to review (i) the Group's annual results, annual consolidated financial statements and annual reports for the year ended 31 December 2025, (ii) the Company's relationship with the external auditor, discussed with the Company's external auditor on the tasks performed by them including the nature and scope of their audit and reporting obligations, and reviewed the terms of engagement and their remuneration; (iii) the appropriateness and effectiveness of the risk management and internal control systems of the Group and make relevant recommendations to the Board; (iv) the effectiveness of the internal audit function of the Group.

The Audit Committee held four meetings during the year ended 31 December 2025. The attendance records of each member at the Audit Committee meetings during the year ended 31 December 2025 are set out below:

Name of Members concerned	Number of meeting(s) attended/held
Mr. Chou Jonathan H. (Appointed on 25 November 2025)	—*
Mr. Ashida Norihiro (Appointed on 25 November 2025)	—*
Dr. Li Minghua (Resigned on 25 November 2025)	4/4
Mr. Chen Xinxing (Resigned on 30 April 2025)	2/2
Mr. Yao Haisong (Ceased to be a member with effect from 25 November 2025)	2/2
Mr. Chung Wai Man	4/4

* No meetings were held during the term of office.

During the Reporting Period, the Audit Committee and the external auditor held a total of 3 meetings.

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee prior to Listing and revised its written terms of reference in compliance with the CG Code in November 2021 and November 2022 respectively.

As at 31 December 2025, the Remuneration and Appraisal Committee comprises three members:

Dr. Liu Guoen (*Chairperson*)
Mr. Ashida Norihiro
Mr. Chou Jonathan H.

Two of the members are independent non-executive Directors and one of the members is a non-executive Director.

The primary objectives of the Remuneration and Appraisal Committee include reviewing and making recommendations to the board on the remuneration of non-executive directors, making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and determining the remuneration packages of all executive Directors and senior management. The Remuneration and Appraisal Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

Corporate Governance Report (Continued)

The Company has adopted a share award scheme and a share option scheme as an incentive to Directors, Supervisors and eligible employees. Details of the scheme are set out in the section headed "Share Award Scheme" and "Share Option Scheme", respectively, in the Report of the Board.

During the year ended 31 December 2025, the Remuneration and Appraisal Committee reviewed and made recommendations to the Board on, among other things, the year end bonus of senior management and the related remuneration policy.

On 26 March 2026, the Remuneration and Appraisal Committee held one meeting to review and make recommendations to the Board regarding the year-end bonuses of senior management and the Company's share scheme.

The Remuneration and Appraisal Committee held two meetings during the year ended 31 December 2025. The attendance records of each member at the Remuneration and Appraisal Committee meetings during the year ended 31 December 2025 are set out below:

Name of Members concerned	Number of meeting(s) attended/held
Dr. Li Minghua (Resigned on 25 November 2025)	2/2
Mr. Yao Haisong (Ceased to be a member with effect from 25 November 2025)	2/2
Mr. Sun Hongbin (Resigned on 25 November 2025)	2/2
Dr. Liu Guoen (Appointed on 25 November 2025)	—*
Mr. Ashida Norihiro (Appointed on 25 November 2025)	—*
Mr. Chou Jonathan H. (Appointed on 25 November 2025)	—*

* No meetings were held during the term of office.

Nomination Committee

The Company has established the Nomination Committee prior to the Listing and revised its written terms of reference in compliance with the CG Code in November 2021. As at 31 December 2025, the Nomination Committee comprises three members:

Mr. Yao Haisong (*Chairperson*)
Ms. Liang Min
Mr. Chung Wai Man

Two of the members are independent non-executive Directors and one of the members is a non-executive Director.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

Corporate Governance Report (Continued)

The Company has adopted a director nomination policy. The director nomination policy contains the criteria for nomination and appointment of directors, as well as nomination process. In evaluating and selecting any candidate for directorship, the following criteria should be considered: character and integrity; qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy of the Company that are relevant to the Company's business and corporate strategy; any measurable objectives adopted for achieving diversity on the Board; requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules; any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity; willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company's such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

For the appointment of new Director, the Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee should then recommend to the Board for the appropriate candidate for directorship, as applicable. For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

For re-election of Director at a general meeting of the Company, the Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board. The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

During the year ended 31 December 2025, the Nomination Committee reviewed the current composition of the Board and discussed the Board structure to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

On 26 March 2026, the Nomination Committee held a meeting to (i) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board; and (ii) assess the independence of independent non-executive Directors.

Corporate Governance Report (Continued)

The Nomination Committee held two meetings during the year ended 31 December 2025. The attendance records of each member at the Nomination Committee meetings during the year ended 31 December 2025 are set out below:

Name of Members concerned	Number of meeting(s) attended/held
Mr. Yao Haisong	2/2
Ms. Liang Min (Appointed on 25 November 2025)	—*
Mr. Chung Wai Man	2/2
Dr. He Chao (Ceased to be a member with effect from 25 November 2025)	2/2

* No meetings were held during the term of office.

Strategy and Development Committee

The Company established the Strategic and Development Committee in November 2021 with written terms of reference.

The Strategic and Development Committee comprises three members as at 31 December 2025:

Dr. Liu Guoen (*Chairperson*)
Mr. Shirafuji Hiroshi
Dr. He Chao

One of the members is a non-executive Director, one of the members is an independent non-executive Director and another one of the members is an executive Director.

The primary objectives of the Strategic and Development Committee include researching and making recommendations to the Board on long-term development strategies and rolling strategies, business, operational and financial/capital plans; reviewing and evaluating financial, marketing, operational and business performance of the Company; researching and discussing on trends in markets where the Group operates as well as reviewing and discussing on the implementation of the Group's strategies.

Corporate Governance Report (Continued)

The Strategy and Development Committee did not hold any meetings during the year ended 31 December 2025.

Commercialisation Committee

The Company has established the Commercialisation Committee in June 2025 and formulated its written terms of reference.

As at 31 December 2025, the Commercialisation Committee comprises four members:

Mr. Shirafuji Hiroshi (*Chairperson*)

Mr. Liu Yu

Mr. Chen Chen

Ms. Liang Min

One of the members is an executive Director and three of the members are non-executive Directors.

The establishment of the Commercialisation Committee aims to further optimise the planning and implementation of the Company's commercialisation system, and to fully leverage on the guidance of the Commercialisation Committee, so as to enhance the competitiveness edges of the Company's products in the market during commercialisation.

During the year ended 31 December 2025, the Commercialisation Committee has reviewed the Company's commercialisation strategies and decisions.

On 26 March 2026, the Commercialisation Committee held a meeting to review the commercialisation strategies of the Company and discuss the commercialisation performance of the Company.

The Commercialisation Committee held a meeting during the year ended 31 December 2025. The attendance records of each member at the Commercialisation Committee meetings during the year ended 31 December 2025 are set out below:

Name of Members concerned	Number of meeting(s) attended/held
Dr. He Chao (Ceased to be a member with effect from 25 November 2025)	1/1
Mr. Sun Hongbin (Resigned on 25 November 2025)	1/1
Mr. Shirafuji Hiroshi (Appointed on 25 November 2025)	—*
Mr. Chen Chen	1/1
Mr. Liu Yu	1/1
Ms. Liang Min (Appointed on 25 November 2025)	—*

* No meetings were held during the term of office.

Corporate Governance Report (Continued)

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. The Company will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into consideration the own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Board has a balanced mix of knowledge, skills and experience, including but without limitation to research and development of surgical robots, medical equipment, medical device, investment management, medicine, semiconductor, electronics and industrial, and legal industry. Members of the Board have obtained degrees in various majors including mechanical engineering, economics, mechanical and electronics, science, electronic engineering, business administration, accountancy, medicine, jurisprudence and international business law. The Company has four independent non-executive Directors from different industry backgrounds, including pharmaceutical economics, semiconductor, electronics and industrial, accounting and legal industry. Furthermore, The Directors are of a wide range of age, from 40 years old to 81 years old.

The Board has taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels. The board diversity policy provides that the Board should aim to increase the proportion of female members over time after Listing where possible when selecting and making recommendations on suitable candidates for Board appointments. With regard to gender diversity on the Board, the Company recognises the particular importance of gender diversity. Currently, the Board has eleven members, including one female Director (i.e. Ms. Liang Min, a non-executive Director), accounting for 9.09% of the Board members. The Company believes that gender diversity has been achieved in the Board. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level so that it will have a pipeline of female senior management and potential successors to the Board going forward. It is the objective to maintain an appropriate balance of gender diversity with reference to the expectations of stakeholders and international and local recommended best practices. As of 31 December 2025, the full-time employees of the Group (including senior management) comprise about 66% male and 34% female.

Corporate Governance Report (Continued)

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in Respect of Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the financial year ended 31 December 2025.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements. The Board is of the view that they give a true and fair view of the financial position, performance and cash flow of the Company for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

Audit Committee

In addition to the duties and responsibilities set out under its terms of reference, the Audit Committee assists the Board in providing an objective non-executive review of the effectiveness and efficiency of the internal control, risk management and governance processes of the Group on an annual basis.

The management of the Company's internal audit department attended the Audit Committee's meetings at the invitation of the committee.

The activities carried out by the Audit Committee during the year ended 31 December 2025 are set out in this Corporate Governance Report on pages 72 to 73 of this report.

Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems, reviewing their effectiveness at least once a year through Audit Committee, and the review results are subsequently reported to the Board by the Audit Committee. The Board considers multiple aspects when conducting the review, including but not limited to: (i) changes in the nature and extent of significant risks since the most recent annual review and the Group's ability to respond to changes in business and external circumstances; (ii) the scope and quality of management's ongoing monitoring of risks and internal control system. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the year of 2025, the Audit Committee has reviewed the Group's internal control and risk management systems and processes which covered the whole financial year.

Corporate Governance Report (Continued)

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, establishing and maintaining appropriate effective risk management and internal control systems. The Board has obtained management's confirmation on the effectiveness of the Company's risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation, monitoring the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including sales, purchasing, financial reporting, expense, fixed assets, contract management, human resources, information technology and so on. The Company has established legal department and internal review department with policies in relation contract management and compliance management. The legal department is primarily responsible for the comprehensive and centralised management of contracts with the power to guide and supervise the drafting, execution, consummation and management of contracts.

Through interviews and questionnaires, the internal audit department of the Company conducted independent risk assessment regularly to identify risks that potentially impact the business of the Group and various aspects including strategic risks, financial risks, market risks, operation risks, legal risks and so on.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, the impact, the vulnerability and the velocity. Also they provided treatment plans, and monitored the risk management progress.

The internal audit department of the Company is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department of the Company examined key issues in relation to the accounting practices and all material controls, provided its findings and recommendations for improvement auditees and report the remediation periodically to the Audit Committee.

The Board, as supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational and compliance controls periodically and considered such systems are effective and adequate. The Board also considers that the relevant resources, employees' qualifications and related employees' experience are sufficient, and necessary training projects and budgets have been provided.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential and inside information, coordinate information disclosure and responding to enquiries. Monitoring procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

Corporate Governance Report (Continued)

The Company has in place the whistleblowing policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the anti-corruption policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organises anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" on pages 167 to 172 in this annual report.

For the financial year ended 31 December 2025, the fees for audit services and other assurance services rendered by the external auditor of the Company, KPMG were as follows:

	Year ended 31 December 2025 RMB'000
Audit services	1,850
Other assurance services	800
Total:	2,650

COMPANY SECRETARY

Ms. Yeung Siu Lam was appointed as the company secretary of the Company since 14 August 2024. Ms. Yeung Siu Lam was nominated by Tricor Services Limited, an external service provider, and engaged by the Company as its company secretary in compliance with the Listing Rules.

Ms. Yeung Siu Lam had complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training during the year ended 31 December 2025. During the year ended 31 December 2025, the primary contact person at the Company with Ms. Yeung Siu Lam is Ms. Fang Cong, the Board secretary of the Company. The biography of Ms. Yeung Siu Lam is set out in the "Biographies of Directors, Supervisors and Senior Management" section on page 43 of this report.

Corporate Governance Report (Continued)

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at www.medbotsurgical.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write to the Company at its principal place of business in Hong Kong or China or via the Company's website for any enquiries. During the periods of annual results release, dual-languages conference calls and non-deal roadshows are held for ensuring effective and timely communication to Shareholders and investors. Normally, the Company also accommodated shareholders' and investors' site visits by arranging meetings with the senior management.

The general meetings of the Company provide a forum and an important channel for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Nomination Committee, Remuneration and Appraisal Committee, Audit Committee and Strategic and Development Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available normally at the annual general meeting and other relevant shareholder meetings to answer questions.

The Board has reviewed the shareholders' communication policy of the Company. After considering the implementation of the above mechanisms, the Board is of the view that the shareholders' communication policy is effective for the year ended 31 December 2025.

SHAREHOLDER RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue to be considered at general meetings, including the election of individual Directors. All resolutions put forward at Shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening an Extraordinary General Meeting

Shareholders holding 10% or more of the Shares (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting. The aforesaid shareholder(s) may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. Shares held by the above shareholders shall be calculated as of the date on which the written request is made by shareholder(s).

Corporate Governance Report (Continued)

Putting Forward Proposals at Extraordinary General Meetings

When a general meeting is held by the Company, the Board, the Supervisory Committee or Shareholder(s) who individually or jointly holding at least 1% of the Shares shall have the right to submit new proposals to the Company.

Shareholder(s) who individually or together holding at least 1% of the Shares may propose an extempore proposal 10 days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within 2 days (or such other period as may be required by the regulatory rules of the place where the shares are listed) after receiving the proposed motion specifying the content of the extempore motion.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company.

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Tel: (86)(21) 3895 4600

Fax: (86)(21) 5080 1305

Address: 1601 Zhangdong Road China (Shanghai) Pilot Free Trade Zone Shanghai PRC

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address.

DIVIDEND POLICY

No dividend was paid or declared by our Company during the year ended 31 December 2025. There is no assurance that the Company will be able to declare or distribute any dividend. The Company has adopted a dividend policy on payment of dividends. When proposing dividend payment, various elements would be taken into consideration including but not limited to the Company's strategic development objectives, operation plan, profitability, cash flow and financing. The policy sets out the factors in consideration, procedures, methods and intervals of the payment of dividends with an objective to provide the Shareholders with continuing, stable and reasonable returns on investment while maintaining the Company's business operation and achieving its long-term development goal.

Corporate Governance Report (Continued)

CONSTITUTIONAL DOCUMENTS

The Articles of Association was amended in accordance with the special resolutions passed by the general meetings of the Company and took effect on the Listing Date, being the date of commencement of dealings in the H Shares on the Stock Exchange. The Articles of Association was approved for amendment by the Shareholders at the extraordinary general meetings of the Company held on 10 February 2022, 17 March 2022, 21 June 2022, 25 June 2024, 18 July 2024 and 25 November 2025. The changes were pursuant to the law and regulations of the PRC, the Listing Rules and the actual situation of the Company.

Amendments to Articles of Association

In view of changes in Directors, the Board proposed that the number of Board seats specified in the Articles of Association be increased from 8 to 11, and making other consequential, tidy-up and housekeeping amendments to optimise the composition of the Board.

The resolution on amendments to the Articles of Association has been approved by the Shareholders at the EGM of the Company on 25 November 2025 and has become effective on 25 November 2025.

Save as disclosed above, during the Reporting Period and up to the date of this report, there had been no material change to the Articles of Association.

An up-to-date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

By order of the Board
Shanghai MicroPort MedBot (Group) Co., Ltd.
Dr. Chang Zhaohua
Chairman

Shanghai, PRC
26 March 2026

Report of the Supervisory Committee

During the Reporting Period, the Supervisory Committee has performed its duty earnestly and strictly in accordance with the Company Law of the People's Republic of China (the "**Company Law**") and other laws and regulations as well as the relevant provisions of the Articles of Association and the Rules of Procedure of the Supervisory Committee of Shanghai MicroPort MedBot (Group) Co., Ltd., understood and grasped the Company's operating decisions, investment plans, financial position and production operation, supervised the performance of duties by the Directors and senior management of the Company, safeguarded the legitimate rights and interests of the Company and all Shareholders, and played a positive role in regulating the operation of the Company.

MEETINGS OF SUPERVISORY COMMITTEE IN 2025

During the Reporting Period, the Company held 3 meetings of the Supervisory Committee to consider regular reports, connected transactions and other major matters of the Company.

OPINION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2025

Operation Compliance of the Company

The Company has performed necessary review procedures in accordance with laws and regulations when making decisions on significant matters. The Directors and senior management of the Company performed their duties diligently, they have implemented all resolutions passed at the general meetings and the Board meetings in a timely manner, and actively performed their duties in respect of our operation and management. The Directors and senior management of the Company were not aware of any breach of laws, regulations and the Articles of Association or any act that has impaired the interests of the Company during the performance of their duties.

Financial Position

The Company has a sound financial management system and standardised financial operation, and has not violated the laws, regulations and systems of China. During the Reporting Period, the financial report of the Company was prepared and reviewed procedures in compliance with the Company Law, the Articles of Association and other relevant provisions. The financial report truly reflected the operation and financial position of the Company in all material aspects, and there were no material omissions or false records. The Supervisory Committee agreed with the audit opinion issued by KPMG on the Group's financial report for 2025.

Connected Transactions

The connected transactions of the Company are in line with the actual needs of the Company's production and operation. The framework agreements executed in respect of our connected transactions have been considered and reviewed in accordance with the law. The transaction price was fair and in compliance with the requirements of laws and regulations. There is no circumstance where the interests of the shareholders of the Company are damaged due to connected transactions.

Report of the Supervisory Committee (Continued)

Implementation of Internal Control

The Company has established a relatively comprehensive corporate governance structure and formulated a relatively complete corporate governance and internal control system in accordance with the relevant requirements of the Company Law and other laws and regulations, which can be further improved according to the actual situation of the Company and regulatory requirements, and will be strictly implemented by us. During the Reporting Period, the internal control system of the Company has been implementing soundly, and is complied with the requirements of relevant laws, regulations and securities regulatory authorities on the management of the internal control system of listed companies. Our internal control system is effective in risk prevention and control in all aspects of the Company's daily operation and management.

The Supervisory Committee of

Shanghai MicroPort MedBot (Group) Co., Ltd.

Shanghai, the PRC

26 March 2026

Environmental, Social and Governance Report

ABOUT THIS REPORT

Basis of Preparation

This Report is the fifth Environmental, Social and Governance (ESG) Report (the ESG Report) issued by Shanghai MicroPort MedBot (Group) Co., Ltd. (MedBot, we or the Group). This Report, which will be published annually, focuses on the disclosure of the relevant information relating to the ESG performance of the Company and its subsidiaries (together, the Group), and covers the financial year from 1 January 2025 to 31 December 2025 (the Reporting Period). Some information cases may be beyond the Reporting Period.

Reporting Period

Unless specially stated, the information contained in this Report covers the period from 1 January 2025 to 31 December 2025 (the Year or Reporting Period).

Reporting Scope

The policies and information disclosed in this ESG Report cover the Company and its subsidiaries and the reporting scope is consistent with the Annual Report. The data and cases cited in this ESG report are primarily sourced from the Group's statistical reports and related documents. The historical data quoted is final statistics and unless specially stated, the financial data in this Report is denominated in Renminbi.

Reporting Principles

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the *ESG Guide*) set out in Appendix C2 to the *Rules Governing the Listing of Securities* (the *Listing Rules*) on The Stock Exchange of Hong Kong Limited (the Stock Exchange).

This Report is prepared in accordance with the reporting principles in the *ESG Guide*, including:

Materiality: The Group identifies ESG issues that have significant impacts on stakeholders through communication with stakeholders and materiality assessment and discloses them in this ESG Report.

Quantitative: Key performance indicators at the environmental and social aspects are disclosed in a quantitative way, accompanying with a narrative which explains their purposes and impacts, with comparative data provided as well.

Balance: This Report follows the principle of balance and objectively presents the Group's ESG management.

Consistency: This Report adopts methodologies for information disclosure and data statistics that are consistent with those used in previous ESG reports to ensure comparability.

Data Source and Reliability Assurance

Unless specially stated, the data in this Report is derived from internal information, survey interview records and related documents of the Group and its subsidiaries. The historical data quoted is final statistics and unless specially stated, the financial data in this Report is denominated in Renminbi. The Board of the Group undertakes that there are no false information or misleading statements in this Report and is responsible for the truthfulness, accuracy and completeness of its contents.

Environmental, Social and Governance Report (Continued)

Confirmation and Approval

This Report was approved by the Board in March 2026 upon confirmation by the management.

Access and Feedback to this Report

This report is prepared in Traditional Chinese and English for readers reference. An electronic version of the Report is available on our official website (<https://www.medbotsurgical.com/>) or the website of the Stock Exchange (<https://www.hkexnews.hk/index.htm>). In case of any discrepancy between the Chinese and English versions of this Report, the English version shall prevail.

2025 Honors and Milestones

Achieved Breakthrough Growth in Global Commercialization Progress in 2025

To date, the Group's major products across the laparoscopic, orthopedic and vascular interventional segments have recorded a cumulative order volume of nearly 300 units, with cumulative commercial installations of nearly 200 units across its global product portfolio. Among them, the Toumai Laparoscopic Surgical Robot has achieved cumulative orders exceeding 220 units, covering more than 50 countries and regions worldwide. The Group has progressively expanded its overseas footprint across multiple countries spanning five continents, with international markets becoming a key driver of business growth.

Toumai Single-Port Laparoscopic Surgical Robot Received NMPA Approval for Commercial Launch

In February 2025, the Toumai Single-Port Laparoscopic Surgical Robot received marketing approval from the National Medical Products Administration (NMPA). It is currently the only mechanical fixed point single-port surgical robot approved in China and the second of its kind globally. Together with the Toumai Surgical Robot, the DFVision 3D Electronic Laparoscope and the remote surgery system, it forms an integrated intelligent laparoscopic surgery solution, driving the advancement of clinical standards for robotic-assisted laparoscopic surgery in China.



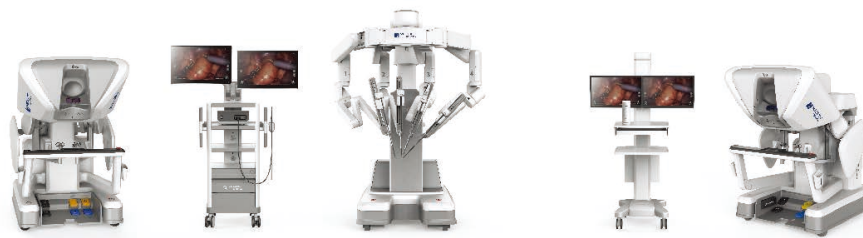
Toumai Single-Port Laparoscopic Surgical Robot

Environmental, Social and Governance Report (Continued)

Toumai Remote Surgery System Received NMPA Approval for Commercial Launch

In April 2025, the Toumai Remote Surgery System received marketing approval from the National Medical Products Administration (NMPA), becoming the world's first approved remote surgery system for commercial launch and marking the official entry of surgery into the era of remote operations.

As a pioneering frontier in technological innovation within the field of medical equipment, remote surgical robotics represents a major breakthrough for the domestic surgical robotics industry, which has taken the lead globally in achieving this technological advancement. This milestone signifies an important transition in China's high-end medical equipment industry from "technology follower" to "innovation leader", further enhancing the international innovation standing and brand influence of China's medical device industry.



Toumai Remote Surgery System

Environmental, Social and Governance Report (Continued)

Toumai Surgical Robot Successfully Performed the World's First Remote Surgery via Low Earth Orbit Satellite

In July 2025, the Toumai Surgical Robot successfully performed the world's first robotic-assisted remote surgery enabled by a low Earth orbit (LEO) satellite in Xiong'an New Area, Xiong'an. This milestone established the Toumai Surgical Robot as the world's first and only surgical robotic system capable of supporting complex remote surgeries across multiple clinical disciplines through various communication technologies, including dedicated communication lines, 5G networks, conventional networks, geostationary satellites and low Earth orbit satellites, while also having obtained regulatory approval for the commercial clinical application of remote surgery.



Professor Liu Rong Successfully Performed the Procedure

Environmental, Social and Governance Report (Continued)

UniPath Electronic Bronchoscopic Surgical Robot Received NMPA Approval for Commercial Launch

In December 2025, the UniPath Electronic Bronchoscopic Surgical Robot officially received marketing approval from the National Medical Products Administration (NMPA). With this approval, the Group became the world's first — and currently the only — company to achieve commercialization and regulatory approval across the full spectrum of surgical robotic product categories.


This milestone breakthrough not only signifies that domestically developed surgical robots in China have achieved comprehensive coverage across key technological pathways for minimally invasive and ultra-minimally invasive diagnosis and treatment, but also indicates that China has eliminated critical technological gaps in this field.



UniPath Electronic Bronchoscopic Surgical Robotic

Environmental, Social and Governance Report (Continued)

COMPANY'S HONORS

Time	Award	Certificate of Honor
Toumai 2025.7	"Groundbreaking Technology" Award at the 2025 Surgical Robotics Industry Awards	
2025.11.3	Gold Medal of iENA	
2025.11	Thailand Award for the Best International Invention & Innovation	
Medbot 2025.10	The Second Prize of Patent Award in the Fifth Shanghai Intellectual Property Innovation Awards	
2025	2025 Outstanding Cases of Enterprises Enhancing International Competitiveness of Shanghai Key Industries	

Environmental, Social and Governance Report (Continued)

1. STANDARDISING AND FORGING A SOLID FOUNDATION OF COMPLIANCE

Sound corporate governance serves as the cornerstone for MedBot to achieve long-term and stable development. We adhere to the parallel emphasis on compliant operations and standardized governance, systematically integrating requirements for business ethics, risk management, information and data security into the corporate development strategy. By continuously enhancing the completeness and execution of the governance system, the Group continuously strengthens the foundation of ESG governance, striving to create reasonable returns for shareholders while balancing employee development and social responsibility.

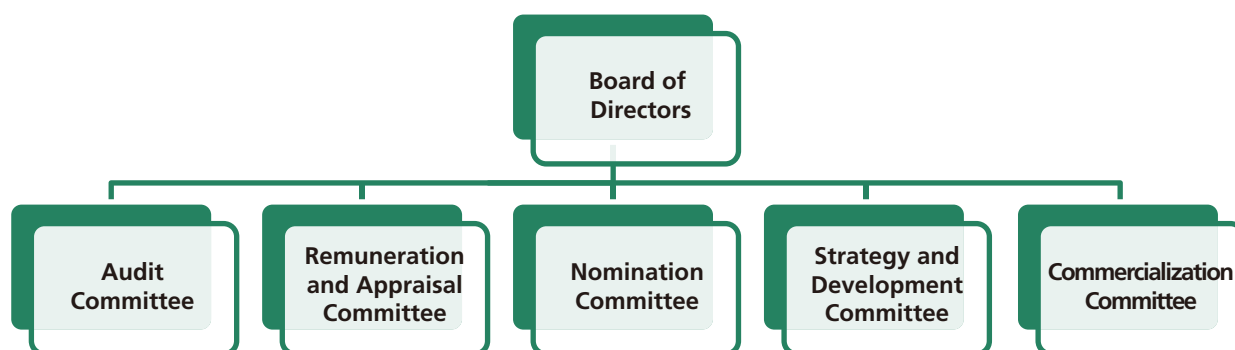
1.1 Corporate Governance

MedBot continues to improve its governance, focusing on building a management mechanism with clear responsibilities, standardized operations, and transparent information to ensure the effectiveness and stability of the Group's governance. Based on the requirements of risk prevention and compliant operations, we are gradually building a risk management system with comprehensive coverage and strict control, adhering to business ethics, and promote the sustainable development of the enterprise.

1.1.1 Governance structure

The Group strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Listing Rules* and other laws, regulations and rules. In line with the Group's governance and risk control requirements, we continuously revise and improve internal regulatory documents including the *Articles of Association* and the *Working Rules of the Audit Committee of the Board of Directors*. These efforts institutionalize management constraints and risk defenses, providing stable institutional safeguards for corporate governance.

To ensure the effective operation of the Group's governance structure, the Board of Directors has established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy and Development Committee and the Commercialization Committee. This forms a professional governance framework with clear division of responsibilities. Each specialized committee operates within the scope of authority delegated by the Board of Directors, deliberating and supervising relevant matters, and providing decision-making support to the Board, thereby strongly supporting the Group's standardized operations, scientific decision-making, and risk management.

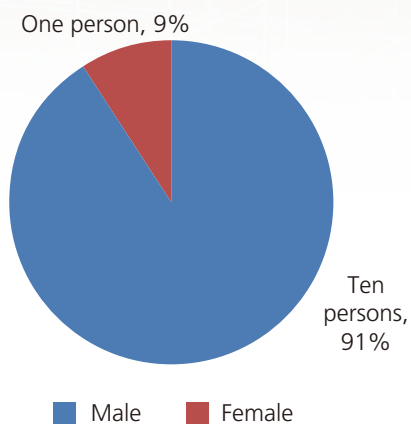


Governance Structure of the MedBot Board of Directors

Environmental, Social and Governance Report (Continued)

The professional backgrounds and diverse composition of the Board members directly impact on the quality of their decision-making and supervisory duties. We have formulated and implemented a board diversity policy. During the directors nomination and evaluation processes, considering the Group's business model and development stage, we comprehensively evaluate candidates based on factors including industry experience, professional competence, knowledge structure, independence, as well as diversity factors such as gender, age, cultural and educational background. We aim to achieve a reasonable configuration among different experiences and perspectives, providing more comprehensive references for governance decisions.

During the Reporting Period, the MedBot Board of Directors consisted of 11 directors, including 2 executive directors, 4 independent non-executive directors, and 5 non-executive directors.



Number of Board Members by Gender

1.1.2 Risk management

A robust risk management system is a crucial foundation for ensuring the stable operation and sustainable development of an enterprise. MedBot continuously advances the construction of its risk management system. By improving institutional arrangements and management mechanisms, we persistently enhance the capabilities for risk identification, assessment, and response, providing solid safeguards for business operations.

To ensure the standardized operation of risk management, the Group has formulated and continuously improved regulatory documents such as the *Risk Assessment Management Process Regulations* and the *Internal Control Manual*. These documents clarify risk management processes and division of responsibilities, gradually building a risk management framework covering major business activities and promoting the comprehensive implementation of risk control requirements at the organizational level.

Environmental, Social and Governance Report (Continued)



Risk Management Framework of MedBot

Risk Review

The Group integrates the concept of risk management into the entire daily operations. In accordance with the *Risk Assessment Management Process Regulations*, we conduct annual work, establishing a complete management process covering risk identification and feedback, risk prioritization and rating, formulation of response measures, and implementation of rectifications. Simultaneously, we systematically review strategic, financial, market, operational, and legal risks involved in the operations. Based on the assessment results, corresponding response measures are formulated to effectively identify and prevent potential operational risks.

During the Reporting Period, the Group carried out annual dynamic risk assessment and internal control review based on external development requirements and internal management practices, identified 6 high-risk items, 7 medium-risk items, and 10 low-risk items, and formed the *Risk Assessment Medbot Internal Audit Report*.



Risk Management Process of MedBot

Risk Audit

To further strengthen the foundation of risk management, MedBot has continued to strengthen risk management and internal compliance management, constantly improving the risk management system, and enhancing risk prevention and response capabilities. We follow internal system regulations such as the *Internal Control Manual*, the *Internal Audit System*, the *Work Rules for the Internal Audit*, the *Internal Control Review Project Process Regulations*, and the *Special Audit Process Regulations*, clarify the compliance management responsibilities of various functional departments, and regularly monitor and evaluate the Group's risk management system and internal control construction.

During the Reporting Period, we conducted an audit on the Group's full-process internal control design and operation in accordance with the annual audit plan. Regarding issues identified during the audit process, the Group has urged relevant responsible departments to implement corrective actions, all of which have been completed.

Environmental, Social and Governance Report (Continued)

Risk Culture

We place emphasis on fostering a risk culture. Through internal advocacy and related training, we enhance employees' awareness and attention to risk management, promoting a risk management mechanism characterized by full participation and collaborative prevention and control.

1.1.3 Business ethics

MedBot strictly complies with applicable laws and regulations, including the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Overseas Anti-Corruption Law*. We implement continuous monitoring and strict constraints on behaviors that may involve corruption, fraud, and unfair competition.

Concurrently, we strengthen the management of business ethics risks by constantly improving the compliance management system and internal regulations. During the Reporting Period, the Group did not experience any violation cases involving corruption, money laundering, or fraud, nor were there any concluded corruption lawsuits filed against the Group or its employees.

Compliance operation

To promote the implementation of business ethics and compliance requirements in actual operations, we have formulated and implemented *the Compliance Management System*, which clarifies the Group's business ethics requirements and behavioral guidelines. This policy applies to all employees (including part-time staff), members of the Board of Directors, as well as suppliers, contractors, and partners. Building on this, we have further developed supporting systems such as the *Employee Integrity Management System* and the *Labor Fee Standards for Services Provided by Health Care Professionals (HCP)*, providing norms for employee conduct in high-risk business areas.

Regarding the compliance governance structure, the Group has established a compliance management system involving the Board of Directors, the management team, the compliance management department, and all employees. This system clarifies the division of responsibilities at each level in business ethics management, promotes the effective implementation of compliance management requirements within the organization, and continuously enhances the overall level of compliance management.

Furthermore, we clearly define and strictly restrict corruption, bribery, fraud, unfair transactions and other behaviors that may be involved in business activities. We extend these requirements to supply chain management, advocating for professional ethics of integrity, diligence, and responsibility, thereby fostering a standardized and orderly business environment.

Environmental, Social and Governance Report (Continued)



Business Compliance Measures of MedBot

To strengthen the execution foundation of compliance management, MedBot continuously conducts compliance training covering employees, management members, and external partners. Through diverse training formats, we advocate and explain business ethics and compliance requirements, promoting adherence to relevant standards in actual business activities.



Compliance Training Types of MedBot

Environmental, Social and Governance Report (Continued)

We have established a compliance reporting mechanism, encouraging employees and partners to report violations of business ethics or laws and regulations that have occurred or may occur. We receive related reports via email and telephone, strictly implement whistleblower protection requirements, maintain confidentiality regarding the whistleblower's identity and report content, and deal seriously with any form of retaliation in accordance with regulations. This ensures effective reporting channels and protects the rights and interests of whistleblowers.

Reporting channels

- Integrity information: No. 1601, Zhangdong Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai
- Integrity e-mailbox: MedBotcompliance@MedBot.com
- Compliance hotline: 02138954600 ext. 52245

Reporting mechanism

- We promise to initiate the investigation within 24 hours of receiving a report
- We set up an independent investigation team comprising the Internal Audit Department, the Legal Department and the Compliance Department to push forward integrity audit under the authority of management of the Group
- We put forward impartial and objective opinions on the results and report to management for approval before implementation

Whistle-blower protection mechanism

During the investigation, we will eliminate any factors that may compromise impartiality to ensure that the investigation is conducted independently and objectively. The Group strictly prohibits any form of retaliation against whistleblowers and will deal severely with any confirmed instances of retaliation in accordance with regulations

During the Reporting Period, MedBot and its employees were not involved in any corruption-related legal cases.

Environmental, Social and Governance Report (Continued)

1.2 ESG Governance

MedBot integrates ESG risk management into all aspects of corporate strategy, operational management, and the value chain, serving as an important guiding force for driving long-term and stable development. We continuously improve the ESG management system, actively respond to the reasonable expectations of internal and external stakeholders, and steadily advance the orderly implementation of various sustainability-related initiatives.

1.2.1 ESG governance

We have established an ESG management system comprising the Board of Directors, the management team, and an ESG working group. This forms a clear, tiered-governance structure with distinct responsibilities, promoting the orderly implementation of ESG-related work across departments. Centered on this governance system, we have institutionalized the division of labor and responsibility arrangements for ESG governance. Relevant content is disclosed externally as part of the Board's statement, reinforcing the standardization of governance operations and enhancing the transparency of information disclosure.

Responsibilities of the Board of Directors

The Board of Directors serves as the ultimate governing body responsible for the management and public disclosure of the Group's ESG matters. It oversees and directs the overall ESG strategic direction and governance arrangements and supervises related risks. The Board of Directors regularly reviews the progress in implementing ESG goals, makes decisions on material ESG issues, and reviews and approves the systems and processes related to ESG management and information disclosure, ensuring the reasonableness and accuracy of relevant data. Simultaneously, the Board monitors the effectiveness of ESG work and receives regular progress reports on ESG initiatives.

ESG work execution

MedBot has established an ESG Working Group, responsible for organizing, coordinating, and advancing ESG-related work at the Group level, and promoting the implementation of the ESG strategy and related policies across various departments. The ESG Working Group conducts ESG communication and coordination in conjunction with daily business management, integrates ESG management requirements into business processes and daily operations, and fosters the establishment of a fully participatory ESG management mechanism.

ESG issues assessment

We continuously monitor ESG development trends and industry practices. By integrating the Group's strategic objectives and stakeholder concerns, we maintain ongoing communication with various stakeholders through multiple channels. In this process, we gather key information related to ESG topics, assess the importance and applicability of ESG policies and management measures. Following deliberation by the relevant committees, we prioritize these topics and determine response directions.

ESG risk management

We integrate ESG risk management into the overall risk management framework, continuously strengthening the identification, assessment, and control of related risks. At the governance level, the Board of Directors assumes overall responsibility for ESG risks, evaluating and defining key risk matters related to ESG. The Audit Committee focuses on overseeing the operation of the Group's overall risk management and the effectiveness of internal risk control processes. Additionally, the Board of Directors reviews ESG risk information intended for public disclosure and concurrently reviews corresponding response arrangements. This enhances the proactivity of risk management and mitigates the potential adverse impacts of ESG risks.

Environmental, Social and Governance Report (Continued)

1.2.2 Stakeholder engagement

We value the expectations and concerns of stakeholders and have established regular communication mechanisms. The Group's main stakeholders include governments and regulatory authorities, shareholders and investors, customers, employees, suppliers, communities and media. The Group regularly communicates with all parties regarding ESG performance and related impacts and incorporates relevant feedback as reference for ESG management work.

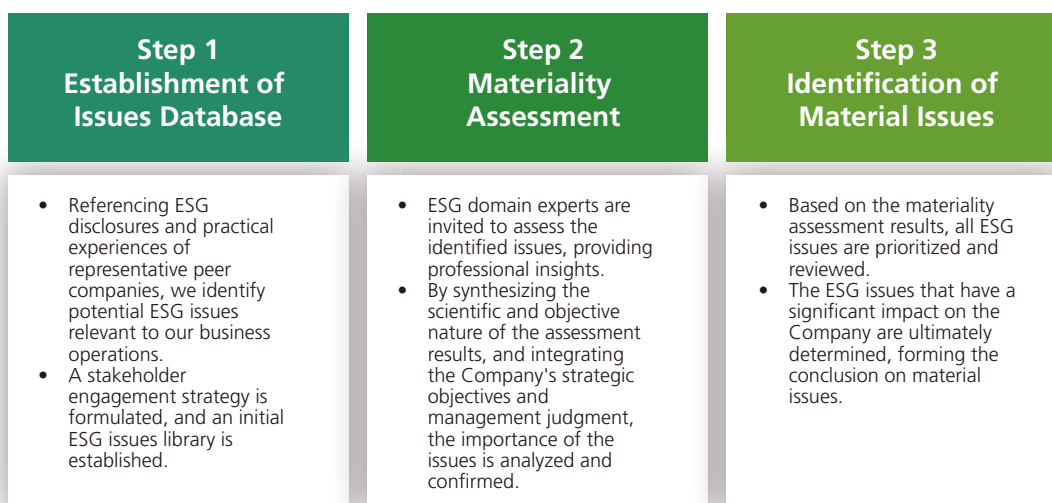
Category of Stakeholders	Stakeholders	Issues of Concern	Communication Channels
Governments and Regulatory Authorities	National and local governments, market, taxation, environmental protection, and industry regulators, etc.	Compliant operation	Institutional visits
		Risk management	Official correspondence
		Environmental management system	Policy implementation
		Anti-corruption	Information disclosure
Shareholders and Investors	Investor of equity investment in the Group	Product safety and quality	Investor relations website
			General meetings of shareholders
		Technology innovation	Online exchange meetings
		Intellectual property	Strategy meetings
		Product safety and quality	Correspondence
			Conference calls
			Company research
Customers	Global distributors, hospitals, physicians and surgeons		Roadshows
		Information security	Distributor meetings
		Product safety and quality	Customer surveys and technical discussion meetings
		Customer service	Customer service hotline
		Responsible marketing	Customer satisfaction surveys

Environmental, Social and Governance Report (Continued)

Category of Stakeholders	Stakeholders	Issues of Concern	Communication Channels
Employees	Group's employees	Talent development	Staff Management Committee
		Employee compensation and benefits	Employee activities
		Diversity and equality	Employee surveys
		Occupational health and safety	Staff training Internal publications
Supplier	Raw material suppliers	Product safety and quality	Supplier assessment
		Responsible supply chain	Supplier communication and training
Communities and Media	Local communities, public, media, etc.	Community contribution	Volunteering Community activities
		Product safety and quality	Media communication and interviews

1.2.3 Analysis of materiality

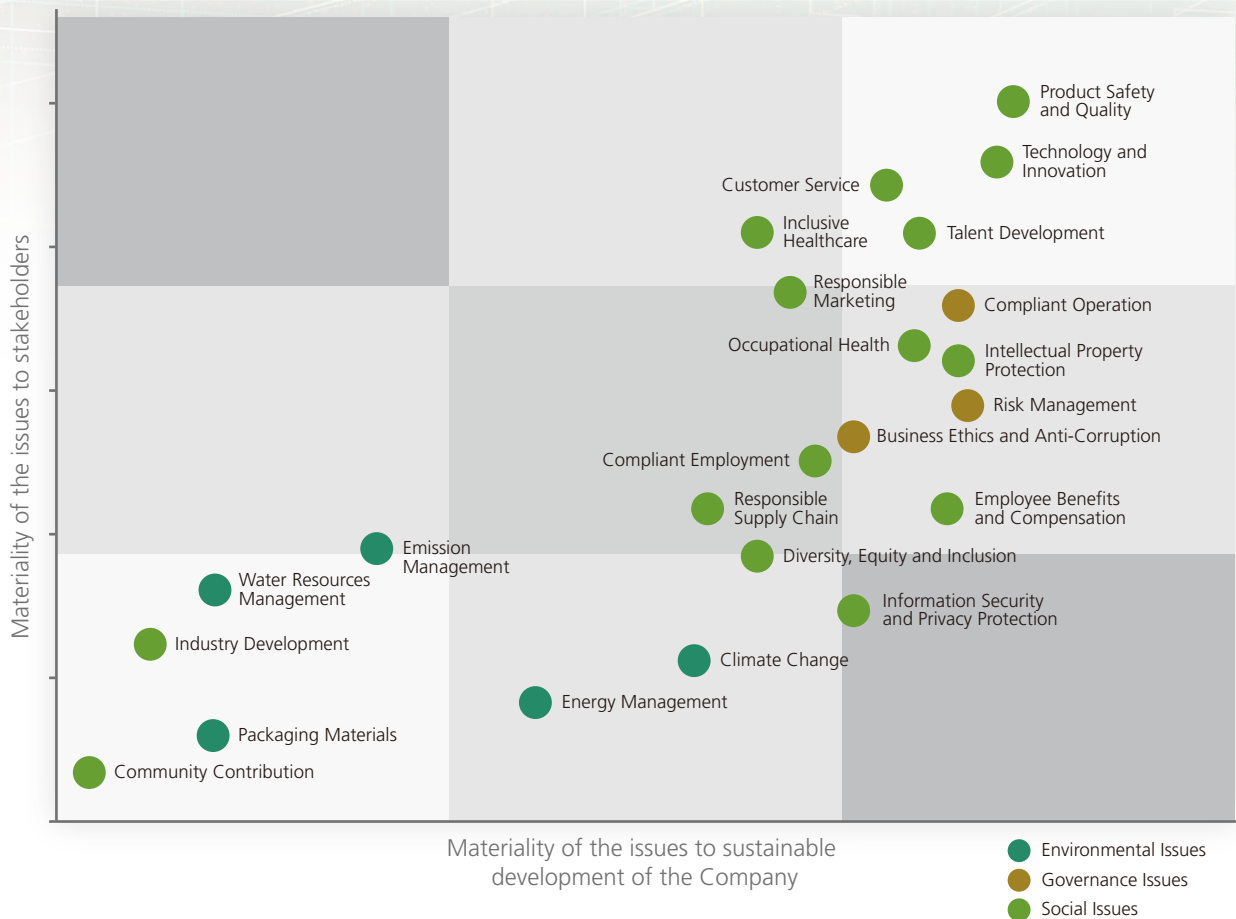
We conduct regular ESG materiality issue management and review. By integrating the results of internal and external stakeholder assessments and communications, we analyze and prioritize the importance of related issues. Based on this, we formulate an ESG materiality matrix to support the formulation of the Group's medium-to long-term ESG strategic direction.



Materiality Assessment Process of MedBot

Environmental, Social and Governance Report (Continued)

During the Reporting Period, we reviewed the existing ESG issues and materiality assessment results. Considering the Group's development stage and stakeholder focus, we made corresponding adjustments to the wording of some issues to enhance the accuracy and relevance of issue definition. The identified and assessed issues cover key areas such as product quality and safety, technology and innovation, talent development, customer service, inclusive healthcare, and climate change mitigation and adaptation.



ESG Materiality Matrix of MedBot

1.3 Responsible Marketing

The Group formulates and implements internal management systems such as the *Management Process for External Information Release*, the *Responsibility and Reporting Process for External Publicity and Promotion*, and the *Procedures for the Management of the Media in Various Functional Blocks*, in accordance with applicable laws, regulations, and industry standards in its operating locations, including the *Advertising Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*. These systems are used to standardize the management of marketing and external communication activities.

Environmental, Social and Governance Report (Continued)

Building on this, we provide clear compliance guidelines to personnel involved in marketing and external communications, standardizing their behavior in interactions with stakeholders such as customers and healthcare professionals. This ensures that information dissemination is truthful, accurate, and responsible. All advertising and promotional content is reviewed and controlled according to established processes to guarantee compliance and accuracy of external information, preventing misconduct such as false advertising or inappropriate exaggeration of product efficacy.

Furthermore, the Group continuously conducts communication and training related to responsible marketing. This guides relevant employees to understand and adhere to responsible marketing requirements, strengthens their awareness of compliant publicity principles, and promotes the implementation of responsible marketing concepts in actual business activities.

1.4 Information and Data Security

The Group strictly adheres to national laws, regulations, and regulatory requirements such as the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. In line with business needs, we have formulated and implemented a series of data and information security management systems, including the *Information Security Policy*, the *Data Security Management Process*, and the *Robot Information Security Institutional System*. These systems establish clear requirements for network and data security from both management and technical perspectives, providing an institutional guarantee for the standardized execution of information and data security work.

Furthermore, we have established a three-tier information security management organizational structure comprising the decision-making, management, and execution levels. This structure implements top-down integrated management of information and data security risks, promoting the effective implementation of information security management requirements across all levels.

Decision-Making Level Information Security and Privacy Committee	<ul style="list-style-type: none">• Oversee and approve the direction for information security development, and review and approve related policies and significant matters.• Coordinate and promote the execution of information security work, ensuring the provision of necessary resources for related activities.
Management Level Information Security and Privacy Work Team	<ul style="list-style-type: none">• Responsible for the daily management and coordination of information security work.• Supervise the formulation, implementation, and execution of information security policies.
Executive Level All Employees	<ul style="list-style-type: none">• Execute specific tasks in accordance with information security management requirements.• Cooperate in carrying out information security supervision, inspection, and related review work.

Data Security Governance Structure of MedBot

Environmental, Social and Governance Report (Continued)

By continuously advancing relevant management and technical measures, we enhance our emergency response capabilities for cybersecurity incidents and our defense level against external security risks. During the Reporting Period, the Group did not experience any information security risk-related incidents.

Data Classification

- Continuously advance the classified and tiered management of data security. Based on data attributes and sensitivity levels, company-involved data is categorized into three major types: business data, industrial data, and personal information. These are further classified into levels: top secret, confidential, secret, internal use, and public.
- Implement differentiated management and protection measures for data at different levels to ensure the security and compliant use of company data.

Internal Risk Analysis

- Conduct periodic internal assessments of data and document management risks, with a particular focus on potential risks such as the leakage of file materials.
- Carry out internal verifications for unnecessary or high-risk scenarios, reducing the risk of data and file leakage at the source and enhancing internal risk prevention and control capabilities.

Permission Management

- Continuously review and standardize employee system access and printing permissions, implementing tiered authorization management according to job responsibilities to reduce the risk of internal information misuse and leakage.
- Apply technical control measures, such as automatic encryption, to important documents, strengthening security management during information usage and circulation.
- Enhance employees' awareness of information security and compliant use, elevating information compliance consciousness, in conjunction with policy enforcement and daily management requirements.

Information Security Complaints and Handling Mechanism

- Establish internal complaint and feedback channels related to information compliance, collecting relevant information through methods such as email, internal collaboration platforms, and QR code questionnaires.
- If abnormalities are detected, the Information Management Department initiates an investigation. Verification and issue identification are conducted through interviews with relevant department heads and employees, facilitating the timely handling of information compliance issues.

Information Security Drills

- Periodically organize information security-related simulation activities, such as phishing simulation tests.
- Improve employees' ability to identify information security and data privacy risks, helping them acquire necessary security awareness and basic response skills in their daily work.

Safety Management Measures of MedBot

Environmental, Social and Governance Report (Continued)

2. COMMITMENT TO RESEARCH AND INNOVATION TO DRIVE QUALITY

MedBot focuses on genuine clinical needs, treating technological R&D and product quality as the foundation for corporate development. We continuously advance the research, development, and application of robots and related medical products. Under the requirements of compliance, ethics, and safety, we constantly optimize product design, manufacturing, and service processes to enhance product reliability, safety, and user experience.

The Group strengthens supply chain management and responsible procurement practices by improving R&D management, quality assurance, and intellectual property protection mechanisms, promoting the stable operation of the industrial chain. Simultaneously, we focus on the accessibility of advanced medical technologies, actively participate in multi-party collaborations, and contribute to making medical resources more widely available to different regions and populations. We persistently respond to clinical needs and support the development of the healthcare industry through technological innovation.

2.1 Innovation-driven Approach

We regard technological innovation as a key driver for the continuous advancement of our products, constantly refining R&D management and technological accumulation around clinical application scenarios. The Group strengthens its innovation talent pool by improving the R&D management system and strictly adheres to ethical and compliance requirements during the R&D process. Concurrently, we value intellectual property protection, continuously consolidating the long-term value of technological innovation.

2.1.1 R&D Management System

Centered on the key technologies of medical robots and clinical application needs, MedBot continuously advances a technology innovation path with independent R&D at its core, gradually forming an R&D system covering multiple technical directions and clinical scenarios. The Group insists on mastering underlying core technologies, continuously improving its product portfolio in fields such as general surgery, orthopedics, and neurosurgery. Relying on a continuously optimized R&D management mechanism, it provides stable support for technological innovation and product development.

We continuously review and improve R&D systems and processes, adhering to internal R&D regulations such as the *Product Cybersecurity Risk Analysis and Management System*, the *Hazard Analysis and Management System*, and the *Demand Management Guidelines*. During the Reporting Period, we added the *Guidelines for the Selection of Purchased Medical Devices* to ensure product compliance, reliability, and R&D efficiency.

Building on the improvement of the R&D management system, we further clarified the direction of R&D investment around core products and key technology areas, continuously promoting the implementation of the R&D strategy.

Environmental, Social and Governance Report (Continued)

New Product Development

Focusing on complex clinical scenarios and high-demand minimally invasive needs, we continuously advanced the iteration of multi-port and single-port surgical instrument products. During the Reporting Period, we progressed in the R&D of advanced multi-port instruments, including key instruments such as large-vessel closure devices and staplers, gradually improving the instrument configuration capability of domestic surgical robots in complex minimally invasive surgeries.

Centered on the Toumai single-port product system, we initiated the project to expand the single-port system across departments. This involved the introduction of a new generation of highly dexterous surgical instruments, a new high-definition wide-field endoscope, and ultra-lightweight master control arms, expanding coverage to more clinical application scenarios.

New Product Registration

During the Reporting Period, MedBot achieved multiple milestones in product registration. The approval of the Toumai long-life instruments ushers in a new stage of greater accessibility and affordability. The Toumai laparoscopic single-port robot obtained the National Medical Products Administration (NMPA) registration certificate in February 2025 completing the product portfolio in the single-port laparoscopic robot segment.

The Toumai Remote Surgery System received approval for market launch from the National Medical Products Administration in April 2025, becoming the world's first remote surgery system approved for the market. This marks the entry of related technological applications into a standardized clinical phase.

The Doudao bronchoscope surgical robot was approved for market release by the NMPA in December 2025. With this approval, the company's total number of surgical robots approved for market release has increased to seven, making it the first and currently the only company in the world to achieve the commercialization and market release of surgical robots across all product categories.

New Technology Pre-research

We will continue to meet the cutting-edge development needs of minimally invasive surgery by harnessing advanced research and industrial integration in robotics, intelligent control, continuously optimise and iterate existing products through both independent development and external collaboration, actively drive the development of innovative products, and further expand the application of surgical robots in more clinical fields.

Key R&D Areas of MedBot

Environmental, Social and Governance Report (Continued)

2.1.1.1 Innovative R&D Results

MedBot continuously drives full-process product R&D management with digital systems. By improving the R&D testing and reliability experimental system represented by vibration, multi-functional, electromechanical, and vivo tissue laboratories, we persistently advance the refined control, cost reduction, and efficiency improvement of the R&D process. We are currently the world's only surgical robotics company whose business covers all five "golden tracks": laparoscopy, orthopedics, vascular intervention, natural orifice, and percutaneous puncture. We allocate more R&D resources to the development, optimization, and upgrading of products in the early commercialization phase, including core products like Toumai and flagship products like Honghu.

The table below provides an overview of the Group's product portfolio as of the date of this report.

	Surgical Specialty	Product	Indicated Application	Medical Device Product Classification	Development stage			
					Design Development	Design Validation	Clinical Trial/ Clinical Evaluation	Registration Application
Self Development	Laparoscopic Surgery	Toumai Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery, thoracic surgery, general surgery▲●	III	full-department remote surgery application			
				II(b)	obtained EU CE, ANVISA and other certifications from approximately 60 countries/regions ¹ full-department remote surgery application have obtained certifications from nearly 10 countries/regions, including India and Brazil			
		Toumai Single-port Laparoscopic Surgical Robot	Urologic surgery, gynecologic surgery and arthroplasty general surgery▲●	III				
				II(b)	obtained United Arab Emirates' s MOHAP certification			
		DFVision 3D Electronic Laparoscope	Laparoscopic surgeries for abdominal, thoracic and pelvic organs▲●	II	with real-time fluorescence imaging function			
				II(a)	obtained CE Mark			
	Orthopedic Surgery	SkyWalker Orthopedic Surgical Robot	Total knee arthroplasty▲●	III				
				II(b)	obtained FDA, EU CE and other certifications from 20 countries/regions ²			
			Total knee arthroplast and Total hip arthroplasty▲●	III				
				II(b)	obtained EU CE Mark			
Unicompartmental knee arthroplasty	III							
	III							
Natural Orifice Surgery	Trans-bronchial Surgical Robot	Trans-bronchial diagnosis & treatment▲	III					
International Collaboration	Panvascular Surgery	R-ONE Vascular Interventional Robot	Coronary angioplasty▲	III				
	Percutaneous Surgery	iSR'obot Mona Lisa Robotic Transperineal Prostate Biopsy System	Transperineal prostate biopsy▲	III				

 Products entered into Green Path
 ▲ Products approved by the NMPA
 ● Products with approval for launch overseas

1. Including but not limited to: European Union, India, Brazil, Malaysia, Thailand, Philippines, Morocco, South Africa, Turkey, Australia, Serbia, Greece, Russia, United Arab Emirates, Argentina, etc.
 2. Including: United States, European Union, Brazil, Australia, India, Japan, United Kingdom, Canada, Thailand, etc.

MedBot Product Portfolio

Environmental, Social and Governance Report (Continued)

With independent R&D at core, MedBot continues to build intelligent minimally invasive solutions for multiple departments around the Toumai laparoscopic surgical robot: Toumai supports complex minimally invasive surgical operations and effectively filters hand tremors through its flexible and precise robotic arms and immersive 3D HD imaging, enhancing surgical safety and surgeon experience. During the Reporting Period, Toumai maintained its leading position among domestic brands in China, achieving new commercial installations and driving continuous growth in the installed base. In clinical applications, Toumai's applicable procedures now cover over 300 types, with its large-scale surgical capability continuously validating its stability, effectiveness, and safety. Meanwhile, the Group continues to explore the field of remote surgery. Leveraging experience from 5G remote surgery practices, we have completed remote clinical application explorations across multiple regions and departments, achieving milestone breakthroughs and further expanding the application boundaries of surgical robots. For more product introductions, please refer to the "R&D and Product Pipeline" section of the Annual Report.

Regarding technology layout and innovation, we further deepened the R&D and application of key technologies such as multi-sensor fusion positioning, augmented reality, and intelligent robotics. We focus on enhancing the precision and intelligence level of surgical operations, continuously advancing the capability building related to intelligent surgical overall solutions, and supporting healthcare service demands through technological innovation.

Augmented Reality Technology

- Continuous Research and Development in Augmented Reality Technology enabled the real-time display of lesions on fluoroscopic imaging, assisting doctors in improving the accuracy of one-time punctures. Through endoscopic image fusion technology, key anatomical structures were precisely located, aiding in the completion of accurate surgical procedures.
- Related technologies have achieved the integration of artificial intelligence algorithms such as unsupervised depth estimation, image segmentation, and point cloud registration for endoscopes, supporting the automatic fusion of kidney models.

Automated Surgical Technology

- Development of autonomous surgical technologies, successfully completing animal experiments of automated insertion using a robotic bronchoscope.
- Completed the automatic fusion of preoperative and intraoperative imaging for liver and kidney surgeries, enabling augmented reality-assisted surgical navigation during procedures. Successfully completed the first in vivo animal study of autonomous cholecystectomy performed by a large model-enabled laparoscopic surgical robotic system.

AI Technology

- The Company has completed the deployment of a cloud-based AI server architecture, enabling cloud connectivity and interoperability of robotic systems, and laying the foundation for the subsequent cloud-based distribution of AI models.

Environmental, Social and Governance Report (Continued)

Force Sensing Technology

- Completed the research and development of the second-generation force-sensing trocar. Its sensing accuracy improved by 50% compared to the previous generation, and its service life extended by 100%, providing more sensitive and reliable force feedback support for surgical operations.

Image Reconstruction Technology

- In 2025, we completed the research and development of high-precision 3D intracavity image reconstruction technology. This technology integrates various AI algorithms including point cloud generation, 3D modeling, and image segmentation, further enhancing the accuracy of intraoperative navigation and planning.

R&D Technology Achievements of MedBot

MedBot consistently adheres to the core philosophy of innovation-driven and commercially sustainable development, committed to meeting diversified clinical needs by improving the product matrix and building competitive clinical solutions. In 2025, the Group continued to deepen its layout in core tracks, further consolidating its technological leadership advantage through the approval of key products, and driving the evolution of commercialization capabilities towards a more systematic and complete direction, creating long-term value for patients, medical institutions, and society.

2.1.1.2 Cultivation of Innovative Talents

Talent serves as a fundamental pillar for technological innovation. The Group consistently places the recruitment, cultivation, and retention of high-caliber professionals at a strategic level. We continuously improve the development of innovative talent teams, providing solid support for the efficient transformation of product development and technological achievements.

As of the end of the Reporting Period, we had 145 R&D personnel, accounting for 31% of the total workforce, of which 53.1% held master's degrees or higher. We continuously optimized the performance-oriented assessment and incentive mechanisms for innovative talent. Through performance appraisals covering 100% of all R&D staff and the implementation of special rewards for intellectual property, we fully stimulated team enthusiasm and creativity.

Environmental, Social and Governance Report (Continued)

Innovative Talent Assessment

- Continuous Improvement of the *Performance Appraisal System of MedBot*. This ensures a reasonable and comprehensive assessment of the performance of all employees in the R&D department. Performance incentives are awarded to outstanding employees based on the appraisal results.

Innovative Talents Incentives

- Continuous optimization of the *Incentive Management System of MedBot*. Incentives are provided to employees who make positive contributions in areas such as efficiency improvement and cost optimization.
- Based on the *Intellectual Property Reward Management Standards of MedBot*. This provides recognition for substantive innovative outcomes generated by R&D personnel in their development activities.
- Continuous advancement of the long-term equity incentive plan and implement incentive measures for eligible employees who have contributed to the Group's sustainable development.

Talent Assessment and Incentive Measures of MedBot

Concurrently, we focus on building the "Geek Academy" talent cultivation base, establishing a training system integrating work practice, project research, and professional education. We offer cutting-edge technology courses and cross-departmental seminars aimed at cultivating versatile high-tech talents who understand the ecosystem, possess strong technical capabilities, and value innovation, thereby building a high-level innovative talent team. Furthermore, we provide a comprehensive, customized training system for the entire R&D team, continuously enhancing their professional technical and management capabilities.

2.1.1.3 R&D Ethics

MedBot upholds the core concept of "Technology for Good", ensuring technological innovation advances with respect for life and ethical norms. We firmly believe that responsible R&D is the cornerstone for the sustainable development of medical technology.

In R&D phases involving animal experiments, we strictly comply with the regulatory requirements of the operating locations and adhere to the "3R" principle (namely replacement, reduction and refinement). We continuously improve and comply with internal regulations such as the *Access Management of Animal Operating Rooms*. Simultaneously, we actively collaborate with qualified professional institutions to ensure all experimental procedures conform to the partners' stringent animal welfare policies, effectively safeguarding animal welfare.

Environmental, Social and Governance Report (Continued)

All our in-progress and registered clinical trial projects have passed rigorous medical ethics reviews, ensuring the research process complies with relevant scientific and ethical requirements. During the Reporting Period, no major incidents violating scientific ethics or animal welfare regulations occurred.

2.1.2 Intellectual Property Protection

Intellectual property is the cornerstone of the core competitiveness for medical technology enterprises and a concentrated reflection of innovation value. MedBot consistently places intellectual property protection at a strategic level, committed to building a systematic and rigorous intellectual property management system to safeguard innovation achievements and drive sustainable development.

We strictly comply with laws and regulations in our operating locations, such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. In accordance with internal systems including the *Intellectual Property Rights Manual* and the *Regulations on the Management of Intellectual Property Rewards*, we implement standardized intellectual property management. The Group continuously improves a system covering the entire process of intellectual property creation, utilization, protection, and management. We maintain a “zero-tolerance” stance towards infringement, resolutely protecting our own intellectual property while fully respecting the legitimate rights of others.

We continuously optimized our intellectual property management system and obtained the *Intellectual Property Compliance Management System Certification* during the Reporting Period.



Intellectual Property Management System Certification

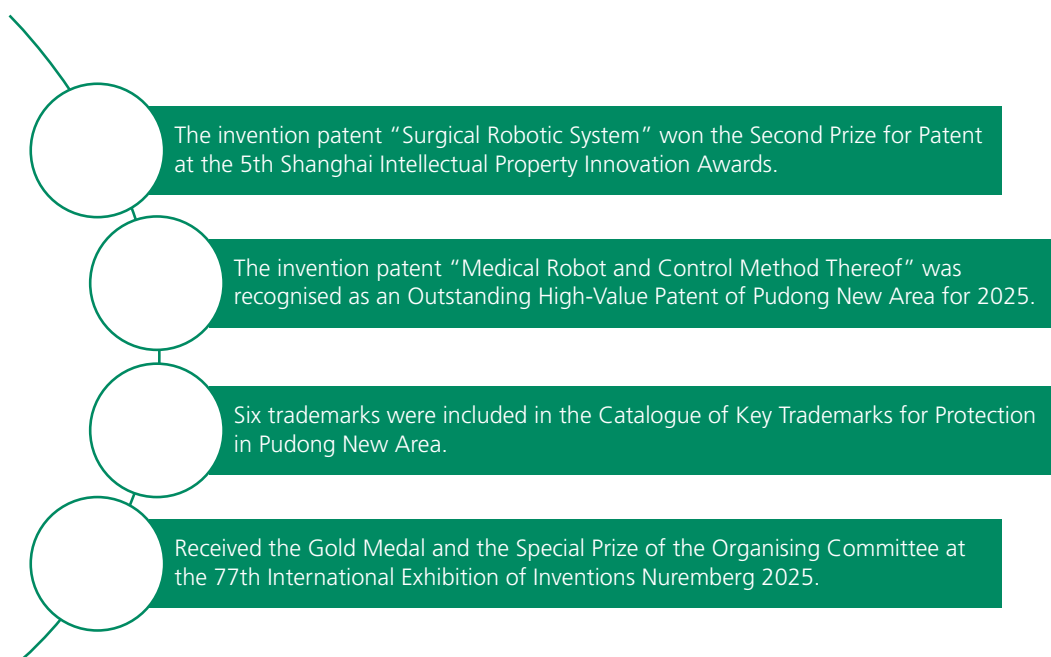
Environmental, Social and Governance Report (Continued)

The Group implements internal tiered management, utilizing an intellectual property management system to achieve full-process management from patent proposal, review, and application to maintenance. In 2025, we further formulated the Group's long-and short-term overseas intellectual property strategy, taking comprehensive charge of the overall layout, maintenance, operation, and rights protection system construction for intellectual property. We also provided systematic early-warning strategies for R&D projects, including macro analysis, competitive landscape analysis, infringement risk assessment, and design-around analysis.

We systematically manage intellectual property risks through measures such as feasibility analysis before R&D project initiation, patent infringement analysis after design finalization, and pre-patent application assessment. During the Reporting Period, the Group did not experience any incidents of patent, trademark, or trade secret infringement.

We require all employees to sign the *Confidentiality and Intellectual Property Ownership Agreement* to clarify their confidentiality obligations. Meanwhile, we actively foster a corporate culture that respects and protects intellectual property through internal and external training and exchange activities. In March 2025, we organized and participated in the special training "*Patent Conversion and Application to Assist High-Quality Economic Development*" hosted by the Shanghai Intellectual Property Administration, continuously enhancing employees' intellectual property literacy.

In 2025, MedBot achieved fruitful results in intellectual property and received repeated recognition, reflecting the full affirmation of our intellectual property work effectiveness by external authoritative bodies. By the end of the Reporting Period, we had cumulatively filed 1,378 patent applications worldwide and obtained 667 authorized patents (including 480 in China and 187 overseas). In addition, we had registered a total of 331 trademarks, establishing a comprehensive trademark portfolio covering our marketed products and corporate brand.



MedBot 2025 Intellectual Property Highlights

Environmental, Social and Governance Report (Continued)

2.2 Craftsmanship and Quality

MedBot regards quality as the essence of its existence, upholding profound reverence and responsibility for life and health. We are committed to establishing and continuously improving a comprehensive quality management system covering the entire product lifecycle, integrating the spirit of meticulous craftsmanship into every aspect of R&D, production, clinical application, and service. Through stringent standards, systematic audits, and in-depth cultural cultivation, we strive to deliver reliable products that exceed expectations, providing solid assurance for medical professionals and patients globally.

2.2.1 Full-process quality management

MedBot is committed to building and continuously improving a quality management system covering the entire product lifecycle, including R&D, procurement, production, and post-market surveillance. We strictly adhere to laws, regulations, and standards in our operating locations and target markets, such as the *Quality Law of the People's Republic of China*, the *Regulation on the Supervision and Administration of Medical Devices*, the ISO 13485 Medical Device Quality Management System standard, the EU Medical Device Regulation (MDR, EU 2017/745), and the Medical Device Single Audit Program (MDSAP), ensuring the compliance and consistency of our global business operations.

During the Reporting Period, we improved over 80 internal core policy documents, including the *Quality Manual* and the *Product Life Cycle Control Procedure*, and added new internal systems such as the *Management System for Special Requirements of the Quality Management System for AI Medical Devices*, incorporating quality management requirements for cutting-edge technology fields into the quality management system.

2.2.1.1 Quality Management System

We continuously develop and improve an integrated quality management system. By actively obtaining and maintaining authoritative international and domestic certifications, we ensure the system meets high-standard global regulatory requirements. As of the end of the Reporting Period, MedBot has obtained ISO 13485 Medical Device Quality Management System certification, CE certification under the EU Medical Device Regulation (MDR, EU 2017/745), and MDSAP certification covering Brazil, Japan, and Australia. We have also legally obtained medical device production licenses, distribution licenses, and relevant filing qualifications, providing systematic assurance for the safe, effective, and high-quality delivery of products.

The Group leverages digital systems to conduct quality management work more efficiently. We continuously iterate digital systems such as the Product Lifecycle Management (PLM) system, Manufacturing Execution System (MES), Applications, and Products in Data Processing system (SAP).

Environmental, Social and Governance Report (Continued)

PLM system

- It is used to manage the entire life cycle of products from conceptual design to retirement. By integrating product-related data, processes and resources, it enables efficient cross-departmental and cross-regional collaboration and ensures the accuracy and consistency of information.

MES system

- By collecting, processing and feeding back data in the production process in real time, the manufacturing process of the entire workshop is optimized, thereby improving production efficiency, reducing costs and improving product quality.

SAP system

- The core lies in the modular design of the system, which can be customized to meet specific needs, including but not limited to financial accounting, material management, sales and distribution, production planning, factory maintenance, etc.

Blue Sea Spirit Dolphin system

- It covers quality control functions in all links from procurement, receipt, acceptance to sales, delivery, review, return, etc., and has multiple functions such as authority management, data sharing, supplier review, qualification validity warning, inventory management, invoice management, etc.

MedBot Digitalized Quality Management System

2.2.1.2 Quality Audits

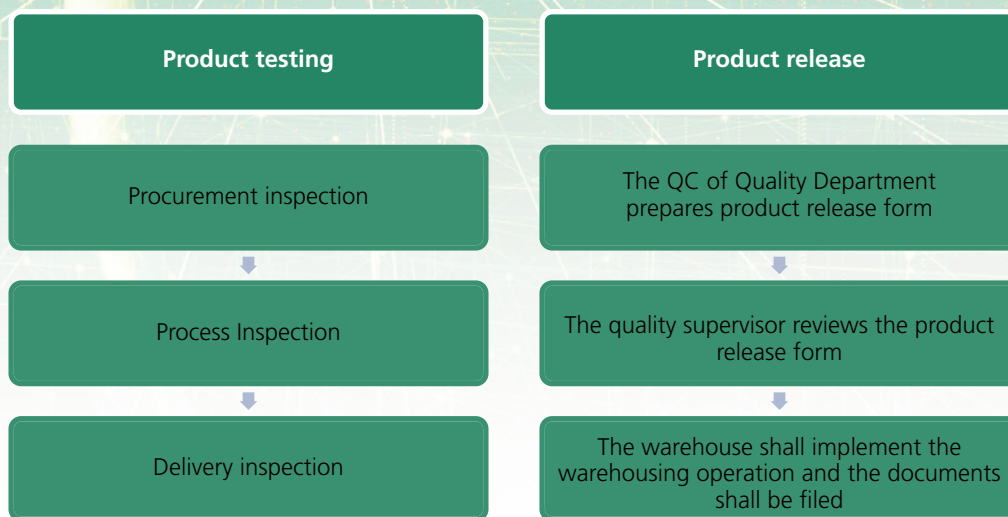
MedBot systematically verifies the operational effectiveness of its quality management system through a combination of internal and external audits.

Regarding internal audits, during the Reporting Period, we conducted comprehensive internal quality audits covering all functions and all marketed and in-development products across dimensions such as R&D, production, quality, and sales. These audits were based on various national regulations and standards, including ISO 13485 Medical Device Quality Management System certification, MDR, MDSAP, and *Code of Practice for Quality Management in the Manufacturing of Medical Devices*. This audit identified 3 minor non-conformities, all of which have been rectified.

Regarding external audits, we proactively accept supervisory audits from domestic and international regulatory authorities and certification bodies. During the Reporting Period, MedBot underwent 17 external audits conducted by bodies including the National Medical Products Administration, BSI, and TV. The audit dimensions covered production licenses, product registration, system surveillance, and international certifications. As of the end of the Reporting Period, most external audit corrective actions have been completed, with a few improvement items progressing steadily according to plan.

Furthermore, MedBot has established standardized product testing and release procedures to conduct final confirmation of the quality of all products, ensuring they meet relevant regulations and quality requirements before entering the market or being delivered for use.

Environmental, Social and Governance Report (Continued)



Product Testing and Release Process

2.2.1.3 Quality Culture Construction

MedBot focuses on integrating quality concepts into daily operations and employee training systems, strengthening employees' understanding and implementation of quality management requirements through diverse training formats.

During the Reporting Period, we conducted 8 thematic training sessions focusing on the application of quality management tools, updates to relevant regulations and standards, and enhancement of professional capabilities, along with 32 online training courses, covering 2,718 employee person-times. Additionally, we offered specialized training courses for key positions such as R&D and Quality, including "Design Control," "Design Verification," and "Key Points of Technical Review," promoting the transition of quality management expertise from theory to practice.

2.2.1.4 Quality Management Objectives

MedBot has set clear medium-to-long-term quality management objectives based on the business development stage and the actual conduct of quality management work and has broken these into trackable annual quality goals.

Medium-to-Long Term Quality Management Objectives
<ul style="list-style-type: none"> • Pass on-site inspections in target markets • Zero major recall or return events due to product quality issues • Annually improve the comprehensive product qualification rate • Annually reduce the product quality complaint rate for each product

Environmental, Social and Governance Report (Continued)

During the Reporting Period, all our annual quality objectives were fully achieved, indicating the stable operation of our quality management system.

Objective Dimension	Objective Content	2025 Achievement Status
Product Quality	First-pass yield rate 97%	Achieved
Project Quality	Zero major non-conformities in project milestone reviews	Achieved
IPD Management	100% execution of all IPD elements	Achieved
Client-side Quality Improvement	No severe adverse events in the aftermarket	Achieved
Quality System Compliance Improvement	No major non-conformities in external audits	Achieved

2025 Quality Objectives and Achievement Status

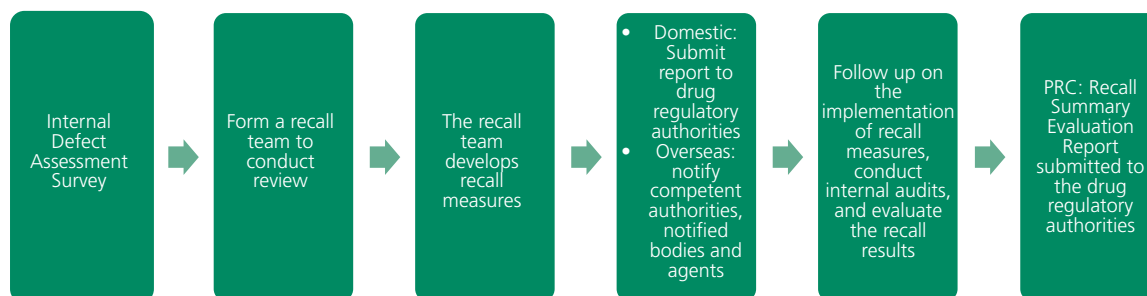
2.2.2 Customer service

MedBot is committed to building a customer-centric service system, continuously improving customer communication, feedback, and support mechanisms. Through standardized service processes and response mechanisms, we enhance customer satisfaction.

2.2.2.1 Implementing Product Recall Management

MedBot strictly complies with the Measures for the Administration of Medical Device Adverse Event Monitoring and Re-evaluation and relevant regulations in target markets such as the EU, US, Japan, Brazil, and Australia. We continuously improve internal systems like the Product Recall Management System, clarifying the initiation conditions, division of responsibilities, and handling procedures for product recalls in domestic and international markets.

We have established a standardized global product recall process to ensure a rapid response when necessary, minimizing potential risks and safeguarding user safety.



MedBot Product Recall Process

During the Reporting Period, MedBot did not experience any active or passive recall events due to product quality or safety issues.

Environmental, Social and Governance Report (Continued)

2.2.2.2 Customer Service quality Improvement

MedBot continuously optimizes its customer service system. Through sound systems and smooth communication channels, we provide customers with high-quality professional service experience. We formulate and implement internal systems such as the *After-sales Service Hotline Management System*, the *Feedback Control Procedures*, and the *Complaint Control Procedures*, providing clear guidance for the standardized execution of customer service work.

We have established a standardized, traceable customer complaint handling process to ensure customer feedback receives timely responses and closed-loop resolution.

Problem Occurrence and Reporting
<ul style="list-style-type: none">The complainant submits a complaint via the online complaint platform/channel within 6 hours of the problem occurring.
Problem Receipt and Assignment
<ul style="list-style-type: none">The Aftermarket Quality team registers the complaint information in the system and assigns a responsible investigator.
Preliminary Investigation and Risk Assessment
<ul style="list-style-type: none">The Aftermarket Quality team conducts a preliminary investigation, analyzes the cause of the complaint, assesses the risk level and scope of impact, and formulates response measures.A preliminary investigation report is generated and provided to the customer within 24 hours of receiving the complaint.
Customer Feedback and Confirmation
<ul style="list-style-type: none">Within 18 hours of receiving the preliminary investigation report, the complainant communicates the investigation results and handling measures to the customer. After communication, the signed and confirmed report is returned to the system, completing the closed-loop management.

MedBot Customer Complaint Handling Mechanism

Environmental, Social and Governance Report (Continued)

During the Reporting Period, MedBot's customer complaint resolution rate was 100%. For each complaint, the Group conducted root cause analysis and formulated and implemented both short-term and long-term improvement measures based on the problem's origin to reduce the risk of similar issues recurring.

Customer Satisfaction Surveys

To continuously enhance service quality, we conduct regular customer satisfaction surveys. In 2025, MedBot's customer satisfaction survey sampling covered medical staff and equipment users at installed domestic sales customers, training centers, and clinical registration prototype customers, involving heads of operating rooms, clinical departments, or equipment departments from 30 end customers. Survey content included service engineer response timeliness, service attitude and responsibility, professional competence, equipment repair effectiveness, and compliance with operating room management norms. The comprehensive satisfaction score was 9.97 out of 10. Improvement suggestions collected during the survey have been incorporated in reference to subsequent product optimization and service improvement.

Simultaneously, we highly value the capability building of our service team. During the Reporting Period, MedBot conducted multiple product technical service and maintenance training sessions, covering customer service engineers and related personnel in regions including Europe, the Middle East, Africa, Latin America, and Asia-Pacific, effectively enhancing the professionalism of the global service network.

Environmental, Social and Governance Report (Continued)

2.3 Responsible Procurement

The stability and sustainability of the supply chain are crucial foundations for product quality and business resilience. MedBot integrates the concept of responsible procurement into the entire supply chain management process. Through stringent supplier selection, evaluation, and cooperation mechanisms, we ensure the quality, reliability, and compliance of materials and services, working with partners to build a safe, efficient, and sustainable supply chain ecosystem.

2.3.1 Supplier management

MedBot continuously improves its supply chain management system centered on the Procurement Management System and the Supplier Management System. This system standardizes the selection, qualification certification, performance evaluation, and dynamic management of suppliers to ensure the quality stability and operational reliability of the supply chain. As of the end of the Reporting Period, the Group had a total of 694 suppliers, including 667 suppliers in China and 27 overseas suppliers.



2.3.2 Sustainable supply chain

MedBot is committed to building a supply chain system characterized by resilience, reliability, and sustainability. By integrating requirements for environmental responsibility, business ethics, and social responsibility into the supply chain management system, we encourage suppliers and partners to focus on environmental protection and social responsibility while fulfilling contractual obligations, collectively enhancing the supply chain's risk resilience.

Environmental, Social and Governance Report (Continued)

During the Reporting Period, building upon the existing management foundation, the Group updated the *Procurement Framework Agreement*, further clarifying requirements for suppliers regarding environmental protection, business ethics and anti-corruption, work safety, human rights, and labor conditions. This continuously strengthens the management constraints on environmental and social responsibility within the supply chain. Concurrently, to reduce the potential environmental impact of business operations, we require suppliers to comply with relevant environmental protection requirements proposed by the Group and continuously monitor their fulfillment during cooperation.

Supplier Selection and Evaluation

- Incorporate suppliers' social and environmental risks into the assessment considerations. Beyond traditional indicators like price and quality, introduce ESG-related performance as a key reference factor, prioritizing cooperation with suppliers that have relatively higher ESG management levels.
- For manufacturing suppliers, we set ISO 9001 Quality Management System certification as a basic entry requirement. Certifications such as ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and SA8000 Social Accountability are considered as advantageous factors, encouraging suppliers to continuously improve their environmental, occupational health and safety, and social responsibility management.

Supply Chain Risk Management and Control

- Implement a monthly review mechanism to conduct continuous risk assessments for long-lead-time and bottleneck materials, formulating safety stock strategies accordingly.
- Assess alternatives and compatibility options for critical materials to prevent supply disruption risks caused by unexpected events.
- Plan overseas supply chain and production capacity layouts to build a more resilient and risk-resistant global supply network.

Local Procurement

- Actively promote a localized procurement strategy, continuously increasing the proportion of local purchases. This supports the development of the domestic industry while ensuring supply chain security and responsiveness.
- Steadily advance the localization substitution of core raw materials. Substitution for a significant portion of product raw materials has been completed, effectively enhancing the autonomous controllability of the supply chain.

Supplier Training

- Through various means such as organizing thematic training and on-site technical exchanges, we continuously communicate quality requirements, technical standards, and sustainable development concepts to suppliers, empowering partners for mutual growth.

MedBot Sustainable Supply Chain Management Initiatives

Environmental, Social and Governance Report (Continued)

2.4 Inclusive Healthcare

MedBot consistently focuses on the accessibility and equity of advanced medical technologies, actively exploring ways to alleviate the uneven distribution of medical resources through technological innovation and multi-party collaboration. We actively promote clinical popularization and standardized application of cutting-edge technologies, and empower the healthcare system through multi-party cooperation, striving to enable doctors in broader regions to master advanced technologies and allow more patients to access high-quality medical services.

2.4.1 Driving win-win results in the industry

The Group actively maintains strategic partnerships with top domestic clinical research institutions and universities, fostering deep integration of industry, academia, research, and medicine, sharing resources, and jointly overcoming technical challenges. Simultaneously, we proactively participate in industry exchanges, sharing innovative achievements and discussing frontier trends.

Toumai Remote Surgery System Grand Launch, MedBot Robot Shines at China-Hospeq 2025

In August 2025, the 31st China International Medical Equipment Fair & Technical Exchange Conference (China-Hospeq 2025) and the Beijing Health Conference were grandly held at the Beijing National Convention Center. MedBot Robot Group participated with the Toumai Robot, Toumai Remote Surgery System, and Honghu Robot. The Toumai Remote Surgery System and OneClick innovative technology were grandly launched, providing a practical new solution for connecting medical experts, professional knowledge, and high-quality medical resources across borders and departments.



Grand Launch of the Toumai Remote Surgery System

Environmental, Social and Governance Report (Continued)

Empowering Global “Standard Co-creation” with “Technology Leadership,” Toumai Accelerates the Development and Transformation of Remote Surgery

In November 2025, the 16th CRSA (Clinical Robotic Surgery Association) Global Congress was held in California, USA. As a pioneer of domestic surgical robots and a global leader in remote surgery technology, MedBot Robot Group was invited to attend. At the conference, industry-leading experts shared practical experience and cutting-edge research on conducting cross-institutional and cross-border remote surgeries based on the Toumai robot. With its leading performance in ultra-low latency communication, precise operation, and remote security system assurance, the Toumai system provided strong clinical evidence for remote surgery transitioning from “feasibility verification” to “multidisciplinary routine application”. Concurrently, several professors proposed that the global practice, standard-setting, and regulatory approval experience of multiple national authorities based on Toumai Remote provide important references for future international standard formulation and cross-border network construction, accelerating the maturation, refinement, and practical application of remote surgery models worldwide.



Opening of the 16th CRSA Global Congress

Environmental, Social and Governance Report (Continued)

MedBot Robot Impressively Debuts at the Global Top Medical Robotics Event SRS

In July 2025, the annual meeting of the Society of Robotic Surgery (SRS) was grandly held in Strasbourg, France. As a global leader in remote surgery technology and a significant participant in the international surgical robot market, MedBot Robot comprehensively showcased its full range of product portfolio covering multi-port and single-port laparoscopy, remote surgery, orthopedics, and vascular intervention. During the conference, through multiple academic activities, MedBot Robot deeply interpreted its clinical layout and international strategy in multidisciplinary fields. With its excellent operability, leading remote technology, and innovative solutions, the MedBot Robot booth attracted nearly a thousand experts for on-site experience. The Toumai Single-Port Laparoscopic Surgical Robot, Remote Surgery System, and OneClick technology made their international market debut. Experts unanimously praised the remote surgery technology of the Toumai robot and its “broad coverage” full product portfolio for bringing revolutionary changes to the development of minimally invasive surgery. Its precision, versatility, and potential to significantly improve surgical outcomes provide the global medical community with high-quality alternatives, benefiting patients worldwide.

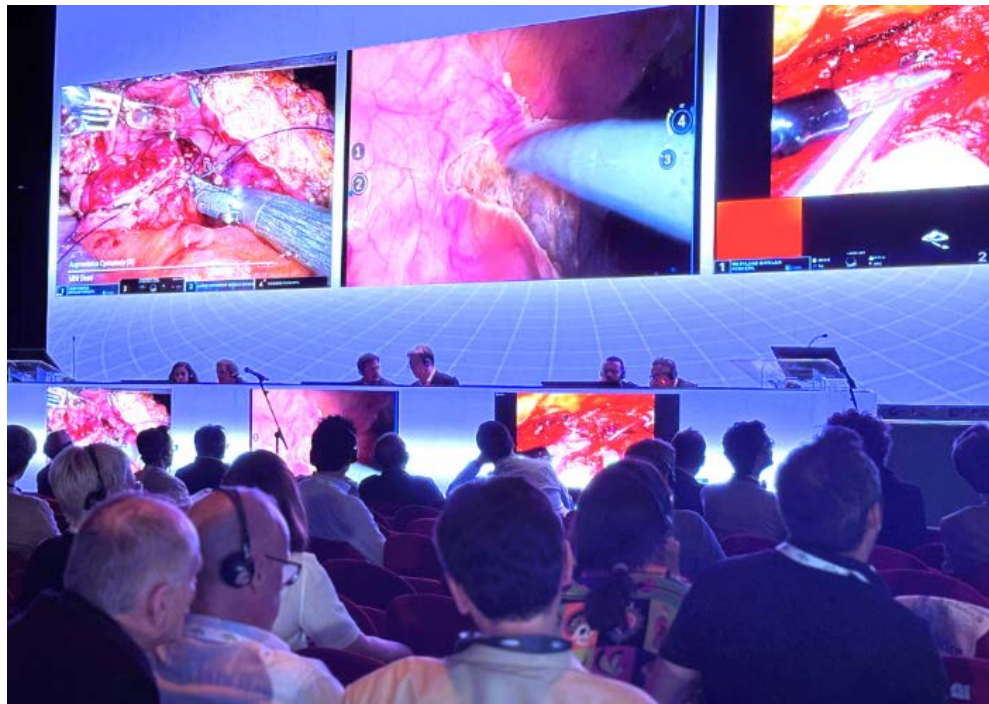


MedBot Robot's Most Comprehensive Product Array Debuts at SRS 2025

Environmental, Social and Governance Report (Continued)

Toumai Clinical Application Case Presented at CILR-AI 2025, Igniting Enthusiasm for Exchange Among Global Top Experts

In June 2025, the 21st Challenges in Laparoscopy and Robotics with Artificial Intelligence Congress (CILR-AI 2025) grandly opened in Florence, Italy. At this top academic event, the deep participation of dozens of China's top urology experts and domestic surgical robots became the biggest highlight from Academician Zhang Xu delivering the opening speech, to Chinese experts performing multiple surgeries with live broadcasts, to Professor Zhang Xuepei's detailed explanation of the treatment plan for complex urological surgeries assisted by the domestic Toumai surgical robot, which was highly praised by experts from various countries. This indicates that the influence of cutting-edge technology, diagnostic and treatment theories, and innovative achievements in China's medical field overseas is continuously increasing, with the scope of dissemination gradually expanding. Represented by Toumai, domestic surgical robots, with precision, stability, and safety comparable to international first-class products, are becoming an important international business card and health envoy for China's medical technology, writing a new chapter for building a global community of health for all.



Professor Zhang Xuepei's Academic Sharing on Complex Surgeries Using Toumai

Environmental, Social and Governance Report (Continued)

We value participation in standard-setting at various levels, contributing professional strength to the standardized and high-quality development of the medical robot industry. During the Reporting Period, we were deeply involved in the development and revision of multiple national, industry, and local standards.

National Standard Drafting

Participated in the drafting of national standards such as the *General Requirements for Remote Transmission of Medical Electrical Equipment Using Robot Technology* and the *Modularity of Robot Technology-Assisted Surgical Equipment*.

Industry Standard Drafting

Led or participated in the formulation of industry standards such as the *Vascular Interventional Surgical Control System Using Robot Technology* and the *Reliability Verification Method for Robot Technology-Assisted Surgical Equipment*.

Feedback on Local Regulations

Provided professional revision suggestions for multiple policy consultation drafts from locations such as Shanghai Municipality and Pudong New District, covering areas including medical device production quality management, tiered supervision, and lease management.

2.4.2 Sharing inclusive healthcare resources

MedBot is committed long-term to promoting the application of medical technology in broader regions. We collaborate with provincial capital cities and regional Class III Grade A hospitals where medical resources are relatively concentrated. By leveraging technologies such as 5G and cloud services to break geographical limitations, we gradually radiate mature technical experience and clinical practice to surrounding areas, empowering more medical institutions to perform complex surgeries and reducing the burden on patients seeking cross-regional medical care.

We understand that effective technology popularization cannot be achieved without standardized talent cultivation. Therefore, we continuously collaborate with multiple hospitals nationwide to jointly establish clinical training centers. We form a trainer team composed of senior surgical experts, providing systematic surgical operation training, promoting the standardization of surgical procedures, cultivating more high-level surgeons proficient in robot technology at the grassroots level, and accelerating technology inclusivity. During the Reporting Period, the Group successfully established a professional and standardized robotic surgery training service system spanning dozens of countries across Asia, Europe, North and South America, and Africa. To date, the Group has set up over 40 Toumai clinical application and training centers, as well as nearly 20 Honghu clinical application and training centers worldwide, providing training to more than 2,000 participants annually.

Environmental, Social and Governance Report (Continued)

Toumai Surgical Robot Performs 5G Ultra-Remote Surgery at an Altitude Above 4,500 Meters

On September 3, 2025, the world's first 5G ultra-remote robotic surgery conducted at an altitude above 4,500 meters was successfully completed at Nagqu People's Hospital in Tibet. The procedure was performed by Professor Liu Zhiyu's team from the Second Affiliated Hospital of Dalian Medical University, who remotely operated the Toumai Surgical Robot via a 5G network to carry out the surgery at Nagqu People's Hospital. With a distance exceeding 4,000 kilometers, this milestone marks a major breakthrough in the integration of 5G-enabled remote healthcare and robotic technology in China.

This technological breakthrough not only alleviates the shortage of medical resources in remote areas, but also opens up new pathways for hierarchical diagnosis and treatment, as well as for extending high-quality medical resources to grassroots regions. In the future, as the technology continues to mature, more patients will be able to access high-level medical services locally, promoting healthcare equity and inclusive technological advancement.



Toumai Surgical Robot Performs 5G Ultra-Remote Surgery at an Altitude Above 4,500 Meters

Environmental, Social and Governance Report (Continued)

Toumai Enables FDA-Approved Intercontinental Remote Robotic Prostate Cancer Surgery

On June 14, 2025, the world's first FDA-approved intercontinental remote robotic surgery was successfully performed in Luanda, Angola. The procedure was conducted by Professor Vipul Patel, President of the Society of Robotic Surgery (USA), who remotely operated the Toumai Surgical Robot to perform a radical prostatectomy on a 67-year-old prostate cancer patient. The surgery lasted approximately one and a half hours.

With a distance of 17,000 kilometers, the procedure utilized a 5G network to achieve low latency, high stability, and high precision in remote operation, fully demonstrating the outstanding performance of the Toumai robot over extreme distances. This surgery marks a significant milestone in the medical history of Angola and even Africa, receiving high-level attention from the government and medical community.



Group Photo of Angola's Minister of Health and the On-site Surgical Support Team

Environmental, Social and Governance Report (Continued)

Ruijin Hospital Achieves “Ten-Surgeon Collaboration” Multi-Center Remote Surgeries, Toumai Robot Advances Routine “Cloud Surgery”

On September 17, 2025, Ruijin Hospital affiliated with Shanghai Jiao Tong University School of Medicine, together with Diqing Prefecture People’s Hospital in Yunnan Province and Jiuquan People’s Hospital in Gansu Province, among three medical institutions, completed three “ten-surgeon collaboration” multi-center remote surgeries using the Toumai Surgical Robot. The procedures covered general surgery, thoracic surgery, and colorectal surgery. Throughout the operations, real-time images were clear and command transmission was smooth, marking the routine application of remote surgical technology in “one-to-many” and “many-to-many” models in China.

This operation represents another successful practice by Ruijin Hospital in the field of multi-center remote collaboration, further validating the high feasibility and safety of remote surgical technology in cross-regional and cross-hospital applications. Through deep integration with Ruijin Hospital’s remote surgery platform, surgical teams from partner hospitals were able to be incorporated into standardized diagnosis and treatment processes, achieving both technical improvement and talent development.



Professor Liu Kun Performing the Surgery

Environmental, Social and Governance Report (Continued)

3. COHESION AND ACHIEVING EXTRAORDINARY SYNERGY

Consistently putting people first, MedBot treats talent as the cornerstone of the enterprise. We are committed to establishing and continuously improving a systematic human resources management framework, protecting the rights and interests of employees, offering competitive compensation and benefits, building diverse career development platforms, and fostering a safe, healthy, and inclusive working environment. These efforts are designed to holistically empower and support the growth of our employees.

3.1 Employees Rights and Interests

3.1.1 Protecting employees rights

The Group fully implements all applicable labor laws and regulations in its regions of operation, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Prohibition of Child Labor*, and the *Fair Labor Standards Act of the United States*. In line with the Group's development needs, we have continuously revised and improved the *Employee Handbook* and related human resources management systems. This systematic approach standardizes all stages of the employee lifecycle from onboarding and employment to career development providing institutionalized safeguards for employees' rights and interests.

In terms of employment compliance, we strictly enforce a recruitment review mechanism to ensure all hired employees meet the local statutory minimum working age requirements, thereby eliminating the possibility of employing child labor at the source. Any violations of the employment policy will trigger an investigation and the implementation of corrective measures in accordance with Group regulations, to maintain a compliant and ethical employment environment.

We adhere to the principles of voluntary and fair employment, explicitly prohibiting all forms of forced labor. Through regular employment reviews and targeted inspections, we ensure reasonable working hours and the voluntary nature of employees' work. The Group regularly organizes training for all employees and management on the prevention of forced labor and child labor, continuously enhancing compliance awareness and the capacity to fulfill responsibilities.

MedBot actively fosters a workplace environment of equality, inclusivity, and respect. We firmly oppose all forms of discrimination based on nationality, age, ethnicity, gender, religious belief, physical condition, or any other factor, and maintain a zero-tolerance policy towards workplace harassment, bullying, and other forms of misconduct. We are committed to ensuring that every employee enjoys fair and respectful work experience through clear policies and a transparent grievance mechanism.

During the Reporting Period, the Group did not experience any significant incidents related to child labor, forced labor, workplace discrimination, or sexual harassment. The labor contract signing rates for all employees remained at 100%.

Environmental, Social and Governance Report (Continued)

3.1.2 Recruiting diverse talents

Upholding the core values of “Group Wisdom, Tenacity, Focus, Responsibility, Ingenuity, Passion and Innovation”, the Group continuously strengthens the development of a distinctive recruitment culture with MedBot characteristics. We strictly comply with relevant national and local laws and regulations and consistently improve systematic and standardized human resources management systems, including the *MedBot Recruitment Policy* and the *Internal Referral Reward System*. This ensures that all recruitment activities are conducted effectively under the principles of openness, fairness, and justice. By implementing a diversified recruitment strategy and incorporating a cross-departmental collaborative evaluation mechanism with multi-functional team interviews, we are dedicated to accurately identifying and selecting talent that closely matches position requirements, thereby supporting the continuous optimization of the enterprise’s human capital.

To further expand the breadth and depth of talent acquisition, we actively build and integrate a multi-channel talent attraction network, continuously enhancing an internally and externally linked talent recruitment system. Throughout the recruitment process, we adhere to professional and rigorous assessment standards. Through a collaborative evaluation process involving multiple departments and stages, we conduct comprehensive and multi-dimensional assessments of candidates. This ensures that the talent we attract not only possesses excellent professional capabilities but also deeply aligns with the corporate culture and meets long-term development needs.



Employee Recruitment Channel of MedBot

To build a fair and equitable work environment, we fully implement the equal pay for equal work policy and continuously improve the *Protection and Management System for Female Employees and Minors*, thereby safeguarding the legitimate rights and interests of female employees at an institutional level.

Environmental, Social and Governance Report (Continued)

By the end of the Reporting Period, MedBot had a total of 461 full-time employees. The composition of the workforce is as follows:

Category		2025 Total number of employees	Proportion
By Gender	Male	307	66.16%
	Female	157	33.84%
By Age	At or under 30 years of age	64	13.79%
	31–50 years of age	393	84.70%
	Above 50 years of age	7	1.51%
By Region	China	463	99.78%
	US	1	0.22%
By Academic Qualification	Bachelor's degree	231	49.78%
	Master's degree	117	25.22%
	Doctoral degree	9	1.94%
	Other	107	23.06%

MedBot continuously builds an organizational system characterized by both flexibility and resilience. By enhancing overall collaborative efficiency, we proactively respond to a complex and ever-changing external market environment. During the Reporting Period, the Group implemented structural adjustments to certain business units and positions. The overall employee turnover rate was 14.32%, with the specific breakdown as follows:

Category		2025	2024	2023
By Gender	Male	15.13%	34.93%	51.45%
	Female	12.74%	37.14%	48.53%
By Age	At or under 30 years of age	24.42%	45.70%	59.01%
	31–50 years of age	11.92%	33.08%	47.62%
	Above 50 years of age	16.67%	40.00%	55.56%
By Region	China	14.35%	35.63%	50.31%
	US	/	/	50.00%

Environmental, Social and Governance Report (Continued)

3.2 Talent Empowerment

MedBot consistently regards employee career development as a vital pillar of corporate growth. By continuously optimizing incentive mechanisms, improving the training system, and expanding career pathways, we systematically support employees in enhancing their professional capabilities, broadening their industry perspectives, and achieving shared progress between individual value and organizational development.

3.2.1 Employee incentives

The Group adheres to a fair, just, and transparent performance evaluation system to recognize and respect employees' work achievements. This effectively stimulates employee potential and fosters synergistic development between the organization and its talent. We have established and continuously improved performance management systems, including the *Quarterly Performance Appraisal System for MedBot and the Performance Appraisal System for Management Positions*. These clearly define assessment types, rating rules, and incentive distribution mechanisms, systematically refining the employee performance management process to provide institutional support for the shared growth of employees and the organization.

Building upon the existing performance appraisal framework, we have developed a diversified incentive system encompassing policies such as the *Overseas Market-Oriented Sales Incentive System*, the *Mega-matrix R&D Project Performance Appraisal and Incentive System* and the *Project Incentive System* and other multi-dimensional incentive systems based on performance appraisal and incentives. This structured approach is designed to systematically support the attraction, retention, and ongoing motivation of our talent.

Performance Appraisal Incentive	Overseas Market-Based Sales Incentive Scheme	Project Incentive
<ul style="list-style-type: none">Evaluate the performance of employees in each department scientifically, and carry out performance incentives according to the results.	<ul style="list-style-type: none">Incentives are provided to employees who make significant contributions to overseas product sales.	<ul style="list-style-type: none">Grant project incentive for project management team members who make positive contributions.

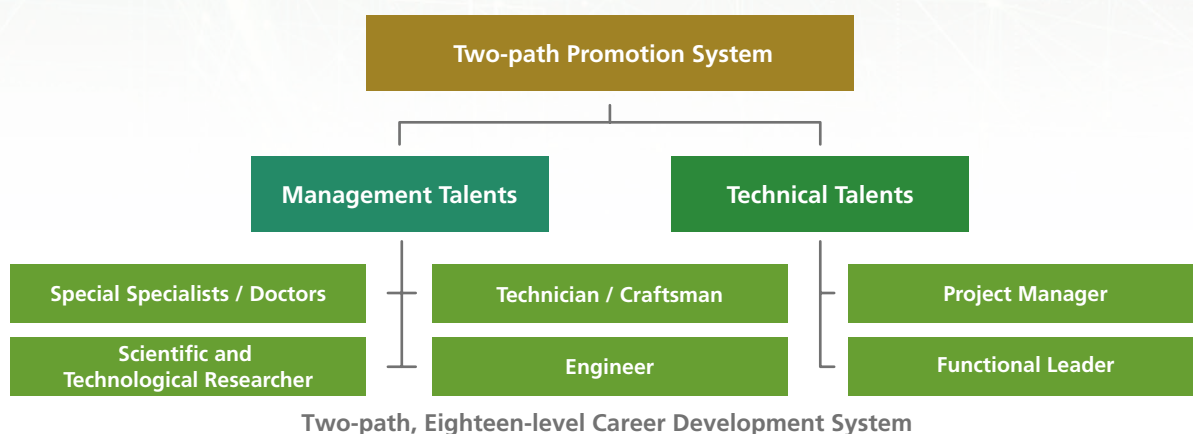
MedBot Incentives for Employees

MedBot adheres to the principle of equal pay for equal work, establishing a fair compensation system based on position value, performance contribution, and individual capability. We implement a long-term equity incentive plan designed to consistently motivate eligible employees who have made outstanding contributions to the Group's development. This further stimulates their work enthusiasm and creativity, achieving shared growth for both employees and the enterprise.

Environmental, Social and Governance Report (Continued)

3.2.2 Talent cultivation

MedBot has established and continuously improved a “Two-path, Eighteen-level” career development system, providing all employees with a fair and diversified career progression pathway. This system encompasses dual-track development paths in both leadership/management and specialized technical fields. During the reporting year, particular emphasis was placed on strengthening the systematic cultivation of sales talent, ensuring clear career development directions for employees across all positions and levels. Furthermore, the Group supports employees in fully leveraging their professional strengths and achieving career advancement alongside personal value realization through policies such as the Professional Channel (Engineer) Promotion System.



Building upon this foundation, MedBot has concurrently established a systematic, tiered, and categorized *Training Management System*. We have formulated and continuously optimized the Training Management System, building an internal talent growth platform centered on business needs. Through comprehensive annual training and development plans, we provide all-around support for enhancing employee capabilities. To meet the personalized learning needs of our staff, the Group leverages the “C-999” training framework to establish a diversified curriculum system encompassing general knowledge, management skills, professional expertise, and project practice. This system offers employees a continuous learning path from foundational to mastery levels, assisting them in achieving ongoing growth throughout their career development.

The Group has established specialized functional training platforms, including the Management Academy, the Geek Academy, the Specialized Training Academy and the New Recruit Academy. These are dedicated to helping employees rapidly adapt to job requirements and master the necessary knowledge and skills through systematic and targeted cultivation. We continuously advance the development of a learning organization, stimulating employees’ innovative thinking and collaborative spirit, thereby providing sustained momentum for the shared growth of the organization and its talent.

MedBot consistently enhances its employee onboarding support system. The MedBot Quantum Program (Small Quantum System), serving as a key mechanism for new hire integration, provides systematic onboarding support. Through the selection and training of outstanding incumbent employees to act as Small Quantum, the program pairs them as dedicated mentors to new employees. These mentors provide practical guidance, skills transfer, and experience sharing, assisting new hires in rapidly acquiring job-specific skills, improving their business capabilities, and thereby integrating into the team and adapting to the work environment more effectively.

Environmental, Social and Governance Report (Continued)

Management Academy	Geek Academy	Specialised Training Academy	New Recruit Academy
<ul style="list-style-type: none"> targeted at newly-hired/newly-promoted managers. provides online courses to introduce the basic management system and tool import process, and organises various of online courses and seminars to help improve the basic management ability of participants. 	<ul style="list-style-type: none"> targeted at technical geeks. adopts a project research model to help them apply what they have learned into practice and improve technical capabilities. 	<ul style="list-style-type: none"> targeted at employees with professional functions such as machinery, electrical appliances, algorithms, and software New Recruit Academy. consolidate their professional ability through a complete suite of learning content. 	<ul style="list-style-type: none"> targeted at new employees. provide courses like cultural integration, system promotion, basic industry and product knowledge popularisation to help them quickly familiarise with the environment and master the vocational skills required for work.

Employee Special Ability Training Platform of MedBot

During the Reporting Period, 100% of MedBot’s employees received training, with an average of 26.7 training hours per person. The details of the training are as follows:

Category		2025 Average training hours per employee	The percentage of employees trained	2024 Average training hours per employee	2023 Average training hours per employee
By Gender	Male	27.0	65.94%	28.5	16.7
	Female	26.3	34.06%	24.6	11.8
By Level	Grass-root level	26.5	1.74%	27.9	16.2
	Middle-level management	29.1	9.33%	28.8	11.3
	Senior-level management	9.5	88.94%	10.1	8.2

3.3 Employee Care

We regard talent as the core capital for the enterprise’s sustainable development, consistently dedicating ourselves to enhancing employee well-being. We continuously optimize a safe, healthy, and inclusive work environment, persistently elevating our employees’ sense of happiness and belonging.

3.3.1 Employee communication

MedBot is committed to fostering an open and inclusive organizational culture, actively listening to employee voices, and continuously broadening communication channels. We have established regular employee engagement mechanisms, including diverse formats such as Appointment with Senior Management, Employee Suggestion Box, and Email Complaint. These create a two-way feedback loop, ensuring that employees’ opinions and concerns receive timely responses. Based on employee feedback, we continually optimize management practices and the workplace environment, thereby enhancing organizational cohesion.

Environmental, Social and Governance Report (Continued)

We have established diversified internal reporting channels to ensure employees can timely and safely report misconduct in the workplace. Upon receiving relevant feedback, the Group will respond promptly, conduct a serious and objective investigation into potential violations, and strictly implement whistleblower protection measures. The investigation results will be communicated to the whistleblower in a timely manner. If the reported situation is substantiated, the Group will take appropriate corrective and disciplinary actions.

Employee well-being and satisfaction are key to the enterprise's sustainable development. To this end, we conduct regular organization-wide satisfaction surveys to systematically gather employee feedback. This information serves as a basis for continuously optimizing management mechanisms and enhancing organizational effectiveness and competitiveness.

3.3.2 Employee compensation and benefits

In accordance with the *Compensation Management System* and other internal policies and systems, we continuously refine a competitive and comprehensive compensation and benefits system. Building upon providing employees with a base salary that meets and maintains regional competitiveness, we have also established performance-linked variable incentives, position-based allowances, and diversified non-monetary benefits. We are committed to enhancing employees' sense of belonging and organizational cohesion through holistic value-based rewards.

Diversified Benefits

- In addition to the national statutory benefits, we additionally provide wedding gift, parental flexible leave, family caregiver leave, additional commercial insurance, birthday and holiday gifts, and meal allowance for our employees.

Humane Subsidy

- We provide our employees with talent subsidy, vocational education subsidy, meal subsidy and technical allowance and effectively address employees commuting and housing needs through the application mechanism for talent apartments.

Based on the Group's "Horizontal and Vertical Alliance" management model, we have established eight cross-functional horizontal organizations, including the Women's Federation, Sports League, and Precision Engineering League. These organizations regularly conduct corporate culture-building activities and diverse sports events, encouraging employees to actively participate outside of work hours to promote work-life balance.

We diligently implement a diverse range of leave and welfare policies, legally providing maternity leave, prenatal leave, breastfeeding leave, parental leave, and child-care leave. The Group's office premises are equipped with lactation rooms, offering convenient facilities for female employees. Furthermore, the MedBot Women's Federation regularly organizes professional exchange and care activities for women, providing support for the career development and personal growth of female employees.

Environmental, Social and Governance Report (Continued)

3.4 Safety and Health

MedBot consistently prioritizes employee health and safety. We advanced from both management mechanisms and system development, continuously strengthening safety management capabilities. We thoroughly carry out all aspects of safety production, systematically preventing and controlling safety risks and occupational health hazards.

During the Reporting Period, all the occupational health and safety production targets set by the Group have been fully implemented and achieved.

MedBot Key Occupational Health and Production Safety Goals

1. Zero safety incidents, including deaths, serious injuries, fires, explosions, poisoning and culpable traffic accidents;
2. 100% participation and pass rate in safety training;
3. Main persons in charge, production safety administrators, special operators and employees in relevant positions are 100% certified;
4. Zero incidents of unauthorized management and use of hazardous chemicals;
5. Occupational hazards identification, fire safety inspection, special equipment inspection and other related inspections are 100% completed;
6. The indicators of the working environment are in line with the national occupational health standards, and there are no cases of occupational diseases.

3.4.1 Production safety

The Group fully implements and continuously optimizes the *Production Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Regulations on Reporting, Investigation and Handling of Production Safety Accidents*, and the *Regulations on Occupational Health Supervision and Management in the Workplace*. We have formulated and improved a series of internal systems such as the *Environmental and Occupational Health and Safety Management Manual*, the *Work Safety Emergency Plan*, the *Occupational Health Management System* and the *Production Safety Responsibility System* and insist on carrying out safety management work in accordance with the laws and regulations.

To clarify responsibility allocation, standardize management criteria, and refine the organizational structure, the Group has established the MedBot Production Safety Committee. It systematically reviews safety work processes, implements management responsibilities at all levels, and promotes the standardized operation and effective execution of the Group's production safety management system.

Environmental, Social and Governance Report (Continued)

Chairman of the Production Safety Committee	President of the Group Comprehensively coordinate and supervise the Company's occupational health and safety management
Vice Chairman of the Production Safety Committee	Vice President of Supply Chain Implement and monitor achievement of goals
Heads of departments	Jointly promote the implementation of health and safety work

Production Safety Committee of MedBot

To systematically advance safety management and strengthen risk prevention and control capabilities, MedBot has established a dual-prevention mechanism covering safety supervision, risk tiered control, and hidden hazard investigation and rectification. Furthermore, a "Three-level Safety Management Network" has been constructed to achieve systematic identification, assessment, control, and reduction of safety risks, thereby effectively safeguarding employees' lives and the Group's assets.



MedBot Three-level Safety Management Network

Environmental, Social and Governance Report (Continued)

Adhering to the safety management principle of prevention first, MedBot has established a systematic safety management mechanism. This involves conducting safety hazard identification and investigation work covering all business segments, defining clear incident reporting and investigation procedures, and organizing regular workplace safety training. These measures are implemented to systematically reduce safety risks and their potential impacts.

Safety Management Mechanism

- We have constructed safety and supervision management mechanisms as well as a dual preventive system of risk hierarchical control, and potential hazards detection and management;
- Based on the *List of identification and Control of Environmental Factors* and the *List of identification and Control of Hazardous Factors*, we carry out the identification and response work to hazardous sources, and base the management of employees occupational safety and health on the formulation of safety operation procedures.

Safety Hazard Identification

- We have formulated the Environmental Factors and Safety Risk identification Management Procedures and the Production Safety Reward and Punishment Management System. We conduct safety inspections every week, special inspections before and after holidays, comprehensive inspections, etc., and complete closed-loop rectification of hidden dangers found within the rectification period;
- Employees are encouraged to identify and report potential safety hazards in a timely manner in daily production work, and to detect and prevent potential safety hazards with the help of employees understanding of their own positions, so as to enhance the safety culture and awareness.

Safety-related Incident Handling

- We have set up a reporting and investigation process for safety incidents and appointed dedicated teams to investigate thoroughly the causes of the accidents to ensure that safety incidents are properly handled and to avoid re-occurrence of similar accidents.

Production Safety Training

- All new employees are required to pass the three-level safety education training and exams before they can officially take their duties; besides, we carry out regular safety lectures for front-line production employees and strengthen the position safety risk;
- Personnel who need to hold certificates before taking up their posts, such as those engaged in hazardous chemicals and operators of special equipment, will receive relevant training and obtain certificates before taking up their posts;
- Employees exposed to occupational hazards receive occupational disease-related training once a year.

Safety Production Management Measures of MedBot

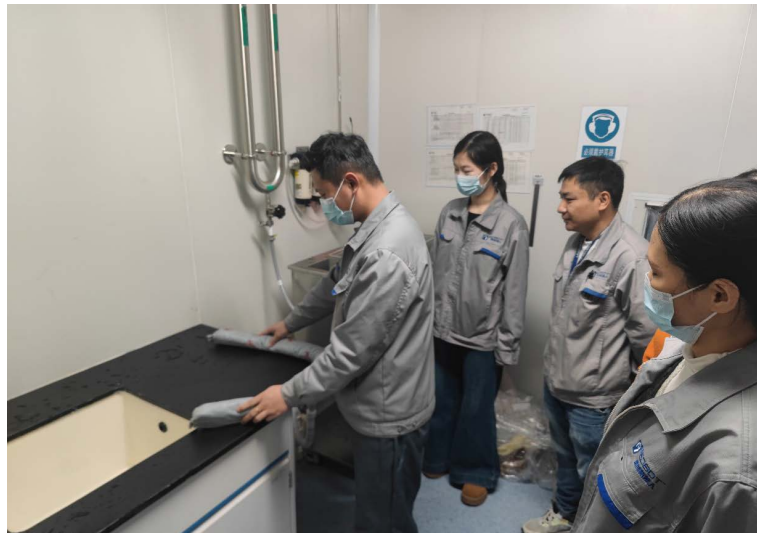
MedBot consistently prioritizes employee safety. By systematically conducting diverse and in-depth work safety training and emergency drills, we continuously enhance employees' safety awareness and their ability to respond to emergencies. During the Reporting Period, the Group had no work-related fatalities. We had no working days lost due to work-related reasons and no work-related incidents. The Group has completed 1 special drill for mechanical injuries, 1 special drill for elevator accidents, 1 special drills for dangerous chemical accidents, 1 special drill for flood and typhoon prevention, 2 fire escape drills, 2 drill for pressure vessel explosion accidents, 2 drill for motor vehicle injury accidents within the factory, and 2 drill for object impact accidents.

Environmental, Social and Governance Report (Continued)

Work Safety Training Cases



Training on Machinery Safety Protection



Emergency Drill for On-site Response to Chemical Spills

Environmental, Social and Governance Report (Continued)

3.4.2 Occupational health

To effectively safeguard the physical and mental health of employees, MedBot actively conducts systematic occupational health monitoring to prevent unsafe behaviors and incidents. The Group organizes annual inspections for occupational hazard factors and arranges pre-employment, on-the-job, and post-employment occupational health examinations for employees exposed to relevant risks. By the end of the Reporting Period, the Group has obtained the ISO 45001 Occupational Health and Safety Management System certification and has been certified as a national Level III Enterprise of Work Safety Standardization by Shanghai Work Safety Association.

In addition, the Group has formulated and implemented the *Chemical Safety Management System*, which governs the entire lifecycle management of hazardous chemical materials involved in the product realization process. It standardizes their procurement, usage, storage, and waste disposal, ensuring that related activities are conducted safely, under control, and in compliance with quality regulations.

4. PROTECTING THE ENVIRONMENT AND BUILDING A SHARED ECOLOGICAL HOME

4.1 Climate Change

Climate change poses a serious threat to human well-being and the Earth's ecosystem. MedBot places high importance on environmental protection and continuously strives to reduce its negative environmental impact, contributing to addressing the challenges of climate change.

Environmental, Social and Governance Report (Continued)

4.1.1 Governance Structure

Within its existing environmental management framework, MedBot undertakes integrated management of climate change-related issues. It incorporates climate change considerations into daily operational management and risk control, gradually advancing the standardization of related work. Our Board of Directors, as the highest accountability body, provides comprehensive oversight of climate change management. Committee members, within their respective areas of responsibility, promote climate mitigation and adaptation efforts. Concurrently, we conduct annual reviews of the management progress concerning climate-related risks and opportunities. This is to continuously monitor management effectiveness, refine improvement plans, and enhance overall climate management capabilities¹.

4.1.2 Strategy

We refer to the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and conduct a systematic, scientific assessment by considering external factors such as policies, regulations, and historical data, combined with an internal analysis of the company's operational characteristics and business development. On this basis, MedBot systematically identifies climate-related risks and opportunities, evaluates their specific impacts on corporate operations and development, and takes targeted actions from the dimensions of our operations and supply chain collaboration to actively address climate challenges and seize green opportunities.

Given that the Group's climate data management system is still in the ongoing improvement stage, and related scenario assumptions, financial sensitivity parameters, and assessment models are being gradually established, we currently primarily identify the potential impacts of climate change on production operations, supply chain stability, compliance costs, and other areas through qualitative means. Considering that, at the present stage, the direct financial impact of climate-related risks on the Group is relatively limited, and the foundational data and methodological systems required for comprehensive quantitative analysis still need further consolidation, we have not yet conducted systematic quantitative scenario assessments. In the future, as we continue to strengthen data accumulation and management capacity building, we will gradually advance the quantitative analysis of climate-related financial impacts and appropriately enhance the depth and comprehensiveness of information disclosure in line with evolving disclosure maturity.

¹ We plan to progressively assess the necessity and feasibility of incorporating climate management performance into remuneration policies and will make disclosures in due course.

Environmental, Social and Governance Report (Continued)

Climate-Related Risks and Opportunities Inventory

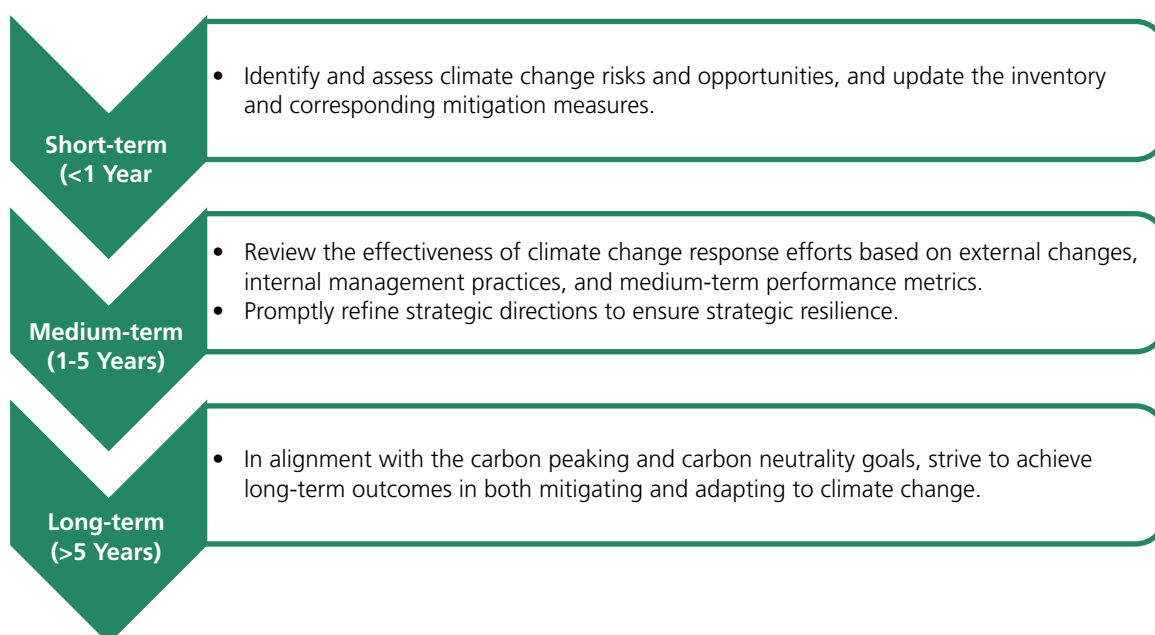
Types of Risks and Opportunities Related to Climate Change		Time Horizon		Potential Impact	Likelihood	Magnitude of Impact	Financial Impact ²
Risk	Physical Risks	Acute	Mid-term	Production capacity declines because of the frequent extreme climate events may disrupt daily operations or supply chain	Low	Weak	Increase in operational costs
		Chronic	Long-term	Potential abnormal power supply caused by climate change-induced continuous hot weather may require more energy to ensure the desired indoor ambient temperature	Low	Moderate	Increase in operational costs
	Transition Risks	Policy and Legal	Mid-term	Increasingly stringent climate change policies and regulatory requirements may increase the Group's compliance operating costs	Low	Moderate	Increase in operational costs
		Technology	Short-term	The application of low-carbon technologies may bring additional capital investment, and the existing production and operation models may have compatibility issues with new low-carbon technologies	High	Moderate	Increase in operational costs
		Market	Mid-term	Increased production costs as a result of changes in raw material prices (e.g., energy, water) and emission requirements (e.g., waste disposal)	High	Moderate	Increase in operational costs
		Reputation Risk	Mid-term	Stakeholders are increasingly concerned about the Group's actions and transparency in information disclosure in addressing climate change. Failure to disclose relevant information or to meet stakeholders expectations may negatively affect the Group's reputation and investors decisions	Low	Weak	Decrease in Revenue

² Given the currently limited financial sensitivity of climate-related risks to the Company, we have adopted a qualitative approach to identify the potential financial impacts of climate factors. The scenario parameters and models required for fully quantifying climate-related financial impacts are still under development. Building on the existing qualitative analysis, we will continue to monitor developments in climate-related issues and progressively enhance quantitative assessment in line with regulatory requirements, and will provide more in-depth disclosures in the future as appropriate.

Environmental, Social and Governance Report (Continued)

Types of Risks and Opportunities Related to Climate Change		Time Horizon	Potential Impact	Likelihood	Magnitude of Impact	Financial Impact ²
Opportunity	Products & Services	Mid-term	Customers are increasingly opting for high-quality, environmentally friendly products and services. The Group's achievements in low carbon will enhance the competitiveness of its products and services	High	Weak	Decrease in operational costs Increase in Revenue
	Resource efficiency	Mid-term	Improve the efficiency of energy and water resources and reduce operating costs by implementing design optimization, process improvement, equipment upgrades and other measures	High	Moderate	Decrease in operational costs
	Energy Source	Long-term	Increase the use of low-emission or clean energy, gradually adjust the energy structure, and mitigate the risk associated with higher energy prices in the future	Low	Moderate	Decrease in operational costs

Based on systematically identifying climate change-related risks and opportunities, MedBot has formulated corresponding strategies to address climate change for the short, medium, and long term, in alignment with its operational realities and resource endowments. These strategies are dynamically adjusted according to changes in the external environment and internal operational circumstances.



Climate Change Management Strategy

Environmental, Social and Governance Report (Continued)

Concurrently, we continuously advance energy conservation and carbon reduction initiatives to enhance business resilience and improve our capacity to adapt to and address climate change. We strictly adhere to the *Energy Conservation Law of the People's Republic of China* and other laws and regulations and persist in advancing energy-saving and carbon-reduction efforts based on our existing environmental management framework. By continually refining our low-energy-consumption management mechanisms and strengthening the control over energy use processes, the Group is progressively elevating the standardization and precision of its energy management practices.

Technology and Process Optimization

- Implement energy-saving technological upgrades for medical robot assembly processes that have high energy consumption and significant resource loss, to reduce energy consumption per unit of product;
- Introduce high-efficiency, energy-saving equipment, combined with precise power matching and intelligent energy-saving control methods, to reduce the operational energy consumption of equipment;
- Adopt high-efficiency lighting fixtures, and replace infrared energy-saving control systems and motion sensor switches to reduce unnecessary energy consumption;
- Employ technical means such as contracted maximum demand (MD) management, regular equipment inspections, remote time-controlled devices, and air conditioning motorized valves to enhance energy utilization efficiency;
- Where conditions permit, advance the installation of solar photovoltaic facilities to progressively improve the energy mix.

Administrative Management Optimization

- Continuously improve and iterate the online energy monitoring and management platform to achieve efficient energy management through energy metering equipment and monitoring systems;
- Analyze production capacity utilization rates to reasonably schedule the startup and shutdown of cleanrooms, reducing energy consumption from non-essential operations;
- Optimize production process layouts to minimize unnecessary transportation and repetitive work steps, thereby lowering associated energy consumption;
- Guide employees to develop good habits of energy conservation through methods such as office inspections, awareness campaigns, and training, implementing energy-saving and carbon-reduction requirements at the level of daily behavior.

Energy-Saving and Carbon-Reduction Management Measures of MedBot

Environmental, Social and Governance Report (Continued)

4.1.3 Risk management

MedBot has integrated climate change-related risks into its overall environmental and operational risk management framework. It implements a standardized climate risk management process of “Risk Identification — Risk Assessment — Risk Ranking — Risk Control”, with a particular focus on the potential impacts of extreme weather events, energy usage, and policy changes on business continuity.

Physical Risks	<ul style="list-style-type: none"> Continuously improve internal normative documents such as the <i>Emergency Plan for Sudden Environmental Events</i> and the <i>Emergency Plan for Typhoon and Flood Prevention</i>, and constantly refine monitoring and early warning mechanisms to provide guidance for emergency responses to extreme weather. During periods of high-temperature weather and typhoon warnings, implement safety protection measures for employees and operational arrangements to ensure personnel safety and business continuity. Actively carry out hazard inspections, detailed work deployments, and other measures to enhance the management capabilities for extreme weather emergency events. Establish dedicated emergency and safety funds for facility maintenance and repairs, improving operational resilience under extreme weather conditions.
Transition Risks	<ul style="list-style-type: none"> Continuously monitor developments in climate-related policies, regulations, and market expectations. Adjust internal management standards and operational arrangements in a timely manner in response to changes in the external environment. Gradually implement energy-saving and emission-reduction measures across all operational activities.
Climate-Related Opportunities	<ul style="list-style-type: none"> Strengthen emissions management and circular economy practices to enhance overall environmental performance. Where conditions permit, advance the application of renewable energy and low-carbon energy solutions. Implement low-carbon initiatives at the operational level, including localized procurement, the use of green materials, and low-carbon travel modes.

Climate Risk Management Initiatives

Environmental, Social and Governance Report (Continued)

4.1.4 Metrics and targets

MedBot sets energy efficiency and carbon emissions management targets based on its actual business development, with a focus on controlling energy intensity and carbon emission intensity. It continuously monitors the progress of these targets to drive the low-carbon transition.

Energy Consumption Efficiency	Carbon Emissions
<ul style="list-style-type: none"> Improve operational efficiency and endeavour to achieve negative growth of energy consumption intensity 	<ul style="list-style-type: none"> Strictly adhere to the carbon peak and carbon neutrality policy and seek to achieve negative growth of carbon emission intensity

Energy Conservation and Carbon Reduction Targets of MedBot

MedBot continuously carries out the accounting and management of energy consumption and greenhouse gas emissions, serving as a critical foundation for assessing climate change impacts and driving energy conservation and emission reduction. By the end of the Reporting Period, the energy consumption and greenhouse gas emission indicators of the Group are as follows:

Indicator	Unit	2025	2024	2023	
Energy consumption³					
Direct energy consumption	Natural gas	kWh	0	0	203,966.00
	Gasoline ⁵	kWh	0	2,065.83	4,331.88
	Diesel	kWh	56,069.30	93,863.80	96,609.34
Indirect energy consumption	Purchased electricity	kWh	3,707,822.29	2,920,859.68	4,388,132.50
Total energy consumption		kWh	3,763,891.60	3,016,789.30	4,693,039.72
Total energy consumption intensity		/kWh/m	220.84	165.19	87.95
Greenhouse gas emissions⁴					
Scope 1 greenhouse gas emissions	Tonnes of CO ₂ Equivalent		14.64	25.07	67.51
Scope 2 greenhouse gas emissions	Tonnes of CO ₂ Equivalent		1,967.37	1,710.46	2,502.55
Total greenhouse gas emissions	Tonnes of CO ₂ Equivalent		1,982.01	1,735.53	2,570.06
GHG emission intensity	Tonnes of CO ₂ Equivalent/sq.m.		0.12	0.10	0.05

³ We plan to progressively assess the necessity and feasibility of incorporating climate management performance into remuneration policies and will make disclosures in due course.

⁴ Given the currently limited financial sensitivity of climate-related risks to the Company, we have adopted a qualitative approach to identify the potential financial impacts of climate factors. The scenario parameters and models required for fully quantifying climate-related financial impacts are still under development. Building on the existing qualitative analysis, we will continue to monitor developments in climate-related issues and progressively enhance quantitative assessment in line with regulatory requirements, and will provide more in-depth disclosures in the future as appropriate.

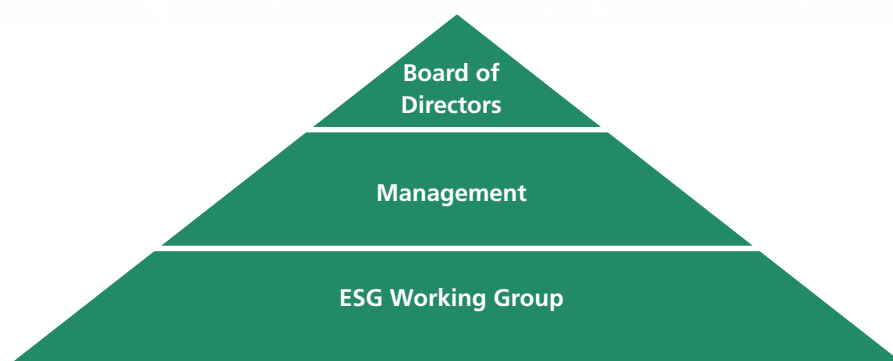
⁵ As the Company no longer operates gasoline-powered vehicles in 2025, gasoline consumption is 0.

Environmental, Social and Governance Report (Continued)

4.2 Green Operation

MedBot strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of People's Republic of China on Environmental Impact Assessment* and other laws and regulations related to the environment in the places where it operates. Furthermore, we have formulated internal systems such as the *Environmental and Occupational Health and Safety Management Manual*, the *Environmental Factors and Safety Risk Identification Management Procedures*, the *List of Identification and Control of Environmental Factors* and the *Logging List of Material Environmental Factors* in combination with the production and operation characteristics of the Group, so as to systematically standardize environmental management processes and requirements to strengthen the prevention and control of various environmental risks.

Simultaneously, we have established a three-tier environmental governance structure comprising the Board of Directors, Management team and the ESG Working Group. By refining the top-down accountability transmission and oversight mechanisms, we promote the implementation of environmental management initiatives at all levels and regularly report the progress of related work to the Board of Directors.



Environmental Governance Structure of MedBot

We continuously benchmark against relevant certification standards and consistently improve our environmental management system. As of the end of the Reporting Period, the Group has obtained ISO 14001 environmental management system certification, providing an institutional guarantee for the standardized operation of our environmental management efforts.

Focusing on the systematic prevention and process control of environmental risks, we consider the identification of environmental aspects and potential hazards as the foundational component of our environmental management work. Based on our specific production and operational characteristics, we identify risks and accordingly formulate corresponding response measures, environmental objectives, and targets, thereby driving the implementation of environmental risk management requirements in our actual operations.

Environmental, Social and Governance Report (Continued)

Furthermore, we continuously track the implementation of environmental management measures through periodic EHS internal audits and routine unannounced inspections. We also proactively cooperate with external regulatory bodies and third-party organizations in conducting environmental inspections, promptly identifying and rectifying any issues identified, thereby continuously optimizing our environmental management practices. By the end of the Reporting Period, the Group's environmental inspection completion rate reached 100%, and all related environmental management work has progressed in an orderly manner as per established requirements.

During the Reporting Period, MedBot did not experience any major environmental risk accidents, nor did we violate any laws and regulations related to environmental protection.

While strengthening institutional and management measures, MedBot also focuses on enhancing employees' environmental awareness through communication and guidance. We continuously integrate environmental concepts into all operational aspects. Methods such as posting environmental slogans in office areas and regularly organizing environmental-themed training for all employees are employed to deepen their understanding and acceptance of environmental principles. This encourages employees to translate these requirements into daily practices, jointly advancing the Group's sustainable development goals.

We regularly conduct EHS knowledge training for all employees, covering key content such as environmental protection laws and regulations, policy interpretation, significant environmental aspects and impacts of the Group, waste classification, and disposal standards. Furthermore, we provide specialized EHS hazardous waste training for employees in specific roles to ensure they master the requirements for hazardous waste storage, management, and emergency response. During the Reporting Period, we organized and executed multiple environmental management training sessions, which achieved positive outcomes, with a 100% employee pass rate.

Environmental, Social and Governance Report (Continued)

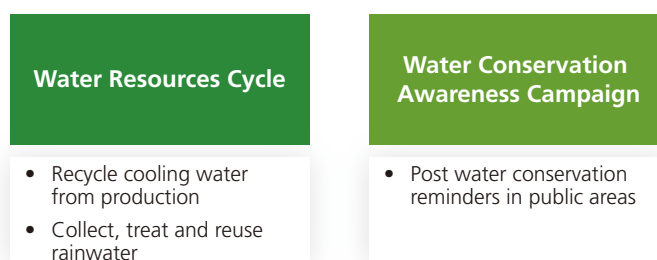
4.3 Resource Management

MedBot regards efficient resource utilization and reduction-oriented management as key priorities within its operational management. In line with its business characteristics, the Group continuously advances the optimization of resource usage patterns. While ensuring orderly production and business operations, the Group focuses on critical areas such as water consumption and packaging material usage. Through improving management measures and practical exploration, it drives the enhancement of resource use efficiency, reduces environmental impact, and supports the enterprise's long-term, stable development.

4.3.1 Water resources management

The rational utilization of water resources is a critical issue for enterprises in advancing green operations. MedBot monitors water usage in both production and office activities, strictly complies with the *Water Law of the People's Republic of China* and other water-related laws and regulations of the places where it operates. The Group has formulated and implemented the *Water Management System*, continuously improving its water resource management framework, standardized water usage practices, and promoted the rational allocation and effective protection of water resources.

Our production and operational water supply primarily comes from municipal water supply systems, with water demand concentrated in process water, cleaning water for R&D and production, and daily water use for employees. In response to these usage characteristics, we have implemented multiple water resource management initiatives. By strengthening the management of water usage processes, exploring methods for water resource recycling, and conducting awareness campaigns on water conservation, we guide employees to focus on saving water, reducing unnecessary consumption and waste. This approach ensures the fulfillment of production and operational needs while gradually improving overall water use efficiency.



Water Resources Management Initiatives

We continuously monitor and manage water resource consumption to promote efficient utilization and conservation. During the Reporting Period, MedBot's water resource consumption metrics are as follows:

Indicator	Unit	2025	2024	2023
Total water consumption	Tonnes	11,072.00	3,877.20	11,016.00
Total water consumption intensity	Tonnes/sq.m.	0.65	0.21	0.21

Environmental, Social and Governance Report (Continued)

4.3.2 Packaging materials management

MedBot focuses on the resource consumption and environmental impact of packaging materials in its production and operations, positioning resource recycling as a key direction in packaging material management. The Group advances the design optimization and usage management of packaging materials in areas such as production and logistics, aiming to reduce waste generation by minimizing single-use packaging and unnecessary consumption. Concurrently, leveraging its business characteristics, the Group explores methods for the recovery and reuse of packaging materials. It collaborates with relevant parties in the value chain and industry partners to jointly promote the circular use of packaging materials, supporting resource conservation and the achievement of sustainable development goals.

Packaging Material Design Optimisation	Supplier Packaging Material Management	Green Packaging Material Practice in The Industry
<ul style="list-style-type: none"> Formulate the <i>Management Policies on Packaging Design</i>, design and use reusable shipping packaging, and promote the recycling and reuse of packaging boxes, material pallets, etc. 	<ul style="list-style-type: none"> Suppliers are required to sign a <i>Purchase Framework Agreement</i> to ensure that the quality of packaging materials meets the standards, and priority is given to suppliers that meet environmental protection requirements. 	<ul style="list-style-type: none"> Promote the association standard of the <i>Guidance on Packaging Design for Medical Surgery Robots</i> to provide guiding packaging design standards for the long-term development of the industry. Optimise packaging materials through technological innovation, recycling, the use of environmentally friendly materials, lightweight and weight reduction, and explore packaging solutions that take into account environmental protection and the diversity of medical surgical robotic system products.

Packaging Material Management Initiatives

By the end of the Reporting Period, the packaging material usage indicators of MedBot are as follows:

Indicator	Unit	2025	2024	2023
Total consumption of packaging materials	Tonnes	56.51	21.93	21.64
Total consumption density of packaging materials	Tonnes/sq.m.	0.0033	0.0012	0.0004

Environmental, Social and Governance Report (Continued)

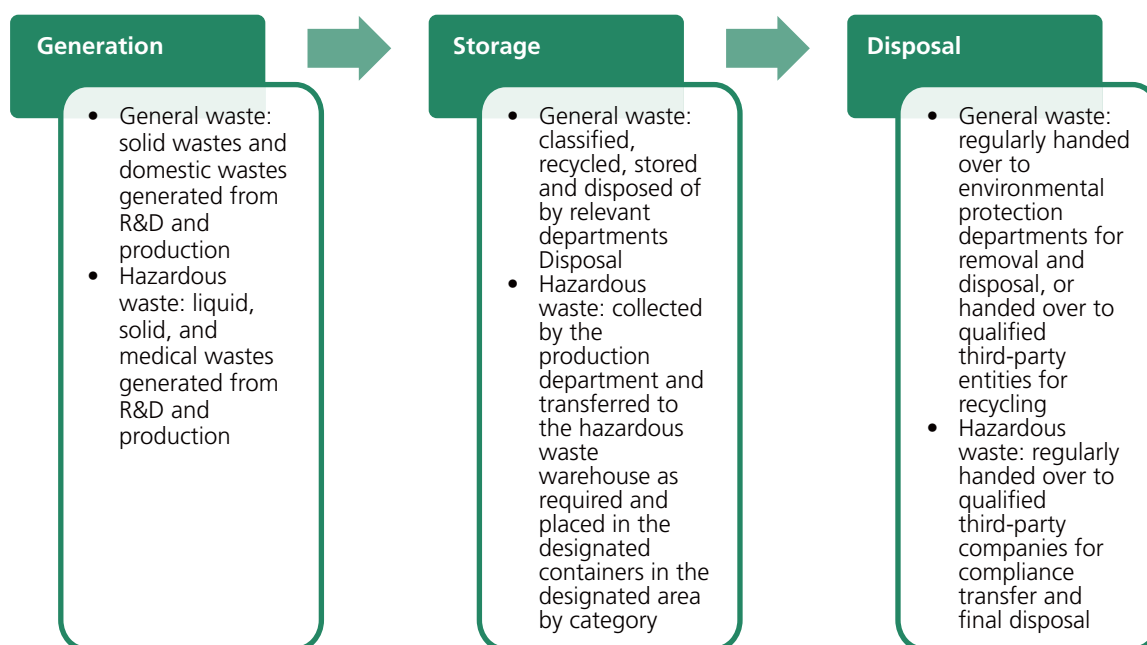
4.4 Emissions Management

We regard emissions management as a vital component of our environmental management system, paying close attention to the potential impacts of our production and operational activities on the environment. We strictly comply with all applicable environmental laws, regulations, and emission standards in our regions of operation. By refining management requirements and implementing control measures, we manage the discharge of various pollutants in a standardized manner. This ensures compliance with regulatory requirements for emissions while continuously reducing the potential impact on the surrounding environment and ecosystems, thereby fostering coordinated development between our business operations and ecological protection.

4.4.1 Waste management

MedBot strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations of the places where it operates. In line with its actual business operations, the Group continuously improves internal management systems, including the *Solid Waste Pollution Control Management System*, the *Hazardous Chemicals Management System* and the *Technical Specification for Setting Hazardous Waste Identification Marks*. These systems systematically standardize management requirements for solid waste and related hazardous materials, clearly defining management responsibilities and operational procedures for all types of waste.

We implement a classification management principle for solid waste, dividing waste management into three stages: generation, storage, and disposal. For different types of waste, we carry out categorized collection, standardized storage, and compliant disposal respectively. Corresponding management processes and handling mechanisms are established to ensure that all categories of waste are properly treated, effectively reducing the risk of environmental pollution caused by waste.



Waste Disposal Process of MedBot

Environmental, Social and Governance Report (Continued)

We continuously advance waste management practices. By advocating for paperless operations and implementing electronic management of processes using OA and other systems, we reduce the generation of general waste at the source. Simultaneously, by optimizing production processes and reusing waste alcohol in appropriate scenarios such as workshop cleaning, we lower the volume of hazardous waste produced, mitigating adverse environmental impacts. Furthermore, the Group concurrently promotes the classified management of waste. Through awareness campaigns, we guide employees in waste sorting and separate disposal, ensuring the standardized collection and proper treatment of all waste categories. This enhances the level of resource recovery and reuse, supporting the sustainable development of the enterprise.

By the end of the Reporting Period, MedBot has achieved the goal of 100% legal disposal rate of hazardous waste, general industrial solid waste and domestic waste

4.4.2 Wastewater management

MedBot adheres to the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations. In line with its business characteristics, the Group has formulated and implemented internal management documents, including the *Water Pollution Prevention and Control Management System* and the *Water Pollution Prevention and Control Procedures*. These documents standardize the management of wastewater discharge-related activities, reducing the potential environmental impact of production and operations.

The types of wastewaters from MedBot mainly include production wastewater from the production and R&D test stages, as well as domestic sewage generated by employees' office life. The Group has built sewage treatment stations, which use anoxic-aerobic and membrane bioreactor processes to treat sewage, centrally treating the wastewater. After treatment, the levels of various pollutants meet the requirements of the relevant discharge standard, and the treated water is then uniformly discharged into the municipal sewage network.

4.4.3 Waste gas management

Air pollution prevention is a crucial component of the environmental management system. We strictly adhere to the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations of the place where we operate. Based on actual production and operational conditions, we have formulated and implemented the *Air Pollution Prevention and Control Management System*. This system establishes clear management requirements for the generation, treatment, and emission of waste gases, promoting the standardized and compliant management of exhaust gas discharge activities.

The types of exhaust pollutants from MedBot mainly include welding fumes, ethanol and volatile organic compounds (VOCs). To address these pollutants, the Group continuously improves the configuration of related environmental protection facilities and conducts regular operational inspections and maintenance to ensure the stable operation of the treatment systems. Concurrently, by optimizing production processes and operational procedures, we work to reduce the generation of air pollutants at the source, thereby minimizing the impact of exhaust emissions on the surrounding environment.

Environmental, Social and Governance Report (Continued)

As of the end of the Reporting Period, MedBot did not have any pollutant emissions exceeding the standard. The emission indicators of various types of waste, wastewater, and exhaust pollutants are as follows:

Indicator	Unit	2025	2024	2023
Waste				
Total hazardous waste produced	Tonne	0.01	0.10	0.31
Hazardous waste intensity	Tonne/sq.m.	0.0000005	0.000005	0.000006
Total solid waste generated	Tonne	31.08	61.80	72.19
Total non-hazardous waste disposed	Tonne	31.08	61.80	72.19
Non-hazardous waste disposal intensity	Tonne/sq.m.	0.002	0.003	0.001
Wastewater				
Sewage discharge	Tonne	9,965.00	3,000.00	9,914.00
COD Chemical oxygen demand (COD) emissions	Tonne	0.10	0	0.37
Ammonia nitrogen discharge	Tonne	0.0022	0	0.0015
Exhaust				
VOCs Volatile Organic Compounds (VOCs) emissions	Tonne	0.09	0.18	/

Environmental, Social and Governance Report (Continued)

5. APPENDIX: APPENDIX C2 TO THE LISTING RULES ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs		Chapter
A. Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i>	4.4 Emissions Management
A1.1	The types of emissions and respective emissions data.	4.4 Emissions Management
A1.2	[Repealed 1 January 2025]	4.4 Emissions Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Emissions Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Emissions Management
A1.5	Description of emission target(s) set and steps taken to achieve them.	4.4 Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.3 Resource Management
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	4.3 Resource Management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 000s) and intensity (e.g. per unit of production volume, per facility).	4.3 Resource Management
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Resource Management
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.3 Resource Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.3 Resource Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.3 Resource Management

Environmental, Social and Governance Report (Continued)

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs		Chapter
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuers significant impacts on the environment and natural resources.	4.3 Resource Management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.4 Emissions Management
A4: Climate Change		
General Disclosure	[Repealed 1 January 2025]	
A4.1	[Repealed 1 January 2025]	
B. Social		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Employees Rights and Interests
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	3.1 Employees Rights and Interests
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Employees Rights and Interests
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.4 Safety and Health
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Safety and Health
B2.2	Lost days due to work injury.	3.4 Safety and Health
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Safety and Health
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	3.4 Safety and Health
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Talent Empowerment
B3.2	The average training hours completed per employee by gender and employee category.	3.2 Talent Empowerment

Environmental, Social and Governance Report (Continued)

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs		Chapter
B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1 Employees Rights and Interests
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Employees Rights and Interests
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employees Rights and Interests
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.3 Responsible Procurement
B5.1	Number of suppliers by geographical region.	2.3 Responsible Procurement
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.3 Responsible Procurement
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3 Responsible Procurement
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3 Responsible Procurement
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	1.3 Responsible Marketing 2.1 Innovation-driven Approach
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.2 Craftsmanship and Quality
B6.2	Number of products and service related complaints received and how they are dealt with.	2.2 Craftsmanship and Quality
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1.2 Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures.	2.2 Craftsmanship and Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4 Information and Data Security

Environmental, Social and Governance Report (Continued)

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs		Chapter
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.1.3 Business ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.1.3 Business ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.1.3 Business ethics
B7.3	Description of anti-corruption training provided to directors and staff.	1.1.3 Business ethics
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	2.4 Inclusive Healthcare
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	2.4 Inclusive Healthcare
B8.2	Resources contributed (e.g. money or time) to the focus area.	2.4 Inclusive Healthcare

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
<p>(I) Governance</p> <p>1. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 19 to 22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p>

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
(II) Strategy	
Climate-related risks and opportunities	
<p>2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons short, medium or long term the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	<p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p>
Business model and value chain	
<p>3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	<p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p>

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures

Chapter

Strategy and decision-making

4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:
- (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:
 - (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; 4.1 Climate Change Response
4.3 Resource Management
 - (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); 4.1 Climate Change Response
4.3 Resource Management
 - (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and 4.1 Climate Change
 - (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19 to 22; and 4.1 Climate Change Response
 - (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a). 4.1 Climate Change Response
5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a). 4.1 Climate Change Response

Financial position, financial performance and cash flows

- Current financial effect 4.1 Climate Change Response
6. An issuer shall disclose qualitative and quantitative information about:
- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and 4.1 Climate Change Response
 - (b) the climate-related risks and opportunities identified in paragraph 6(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. 4.1 Climate Change Response

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures

Chapter

Financial position, financial performance and cash flows

Anticipated financial effect

7. The issuer shall provide qualitative and quantitative disclosures about:
 - (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
 - (i) its investment and disposal plans; and 4.1 Climate Change Response
 - (ii) its planned sources of funding to implement its strategy; and 4.1 Climate Change Response
 - (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 4.1 Climate Change Response

Climate resilience

8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:
 - (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
 - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; 4.1 Climate Change Response
 - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and 4.1 Climate Change Response
 - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; 4.1 Climate Change Response

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	4.1 Climate Change Response
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
(2) whether the analysis included a diverse range of climate-related scenarios;	
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
(6) time horizons the issuer used in the analysis; and	
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
(ii) the key assumptions the issuer made in the analysis; and	4.1 Climate Change Response
(iii) the reporting period in which the climate-related scenario analysis was carried out.	4.1 Climate Change Response

(III) Risk Management

9. An issuer shall disclose information about:
 - (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
 - (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); 4.1 Climate Change Response
 - (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; 4.1 Climate Change Response
 - (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); 4.1 Climate Change Response

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	4.1 Climate Change Response
(v) how the issuer monitors climate-related risks; and	4.1 Climate Change Response
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	4.1 Climate Change Response
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets	
Greenhouse gas emissions	
10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	4.1 Climate Change Response
(a) Scope 1 greenhouse gas emissions;	4.1 Climate Change Response
(b) Scope 2 greenhouse gas emissions; and	4.1 Climate Change Response
(c) Scope 3 greenhouse gas emissions.	4.1 Climate Change Response
11. An issuer shall:	4.1 Climate Change Response
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	4.1 Climate Change Response
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	4.1 Climate Change Response
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	4.1 Climate Change Response

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	4.1 Climate Change Response
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	4.1 Climate Change Response
Climate-related transition risks	4.1 Climate Change Response
12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.1 Climate Change Response
Climate-related physical risks	4.1 Climate Change Response
13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	4.1 Climate Change Response
Climate-related opportunities	4.1 Climate Change Response
14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	4.1 Climate Change Response
Capital deployment	4.1 Climate Change Response
15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
Internal carbon prices	
16. An issuer shall disclose:	4.1 Climate Change Response
(a) an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	4.1 Climate Change Response
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	4.1 Climate Change Response
Remuneration	4.1 Climate Change Response
17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv).	

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
<p>Industry-based metrics</p>	Not applicable
<p>18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	
<p>Climate-related targets</p>	
<p>19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. <p>20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	<p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p> <p>4.1 Climate Change Response</p>

Environmental, Social and Governance Report (Continued)

Part D: Climate-related Disclosures	Chapter
21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4.1 Climate Change Response
22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	4.1 Climate Change Response
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	4.1 Climate Change Response
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	4.1 Climate Change Response
(d) whether the target was derived using a sectoral decarbonisation approach; and	Not applicable
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Not applicable
(ii) which third-party scheme(s) will verify or certify the carbon credits;	Not applicable
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Not applicable
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Not applicable
Applicability of cross-industry metrics and industry-based metrics	Not applicable
23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	

Independent Auditor's Report



Independent auditor's report to the shareholders of Shanghai MicroPort MedBot (Group) Co., Ltd.

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of 上海微创医疗机器人(集团)股份有限公司 (Shanghai MicroPort MedBot (Group) Co., Ltd.) (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 173 to 248, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

KEY AUDIT MATTER (Continued)

Recognition and measurements of research and development costs

Refer to the accounting policies set out in note 1(j)

The Key Audit Matter

The Group incurred research and development ("R&D") costs of RMB216 million for the year ended 31 December 2025, mainly consisting of staff costs, cost of materials and consumables, contracting and clinical trial expenses.

We identified the recognition and measurement of R&D costs as a key audit matter because of the significant amount incurred during the year and the inherent risk of R&D costs not accurately recognised.

How the matter was addressed in our audit

Our audit procedures to assess the recognition and measurement of R&D costs included the following:

- Obtaining an understanding of and testing the design and implementation and the operating effectiveness of the key internal controls related to the Group's R&D recognition and measurement process;
- Evaluating the accrual and allocation in terms of R&D-related staff costs by checking to the working time records maintained by the R&D department;
- Evaluating the R&D-related cost of materials and consumables by inspecting, on a sample basis, materials and consumables purchase contracts, payment slips, invoices and other underlying documents;
- Evaluating the contracting and clinical trial expenses by inspecting key terms set out in the contracts and evaluating the completion status reports from the service providers, on a sample basis, to assess whether these costs were recorded based on the respective contract terms or completion status; and
- Evaluating whether the R&D costs were included in the appropriate period by comparing R&D costs recorded before and after the balance sheet date, on a sample basis, to relevant underlying document such as working time records of staff costs, purchase contracts, payment slips and invoices and completion status reports from the service providers.

Independent Auditor's Report (Continued)

KEY AUDIT MATTER (Continued)

Revenue recognition

Refer to note 3 to the consolidated financial statements and the accounting policies set out in note 1(w)(i)

The Key Audit Matter

How the matter was addressed in our audit

The Group recognised revenue of RMB551 million for the year ended 31 December 2025, mainly arising from the sale of surgical robots, the instruments and accessories and the service.

The Group participates in sales arrangements that include multiple performance obligations, e.g. sale of robot(s), robot components, accessories, instruments and/or services. These arrangements require the allocation of the transaction price to each performance obligation in an amount based on the estimated relative stand-alone selling prices. Generally, the Group establishes stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer. In addition, the timing of revenue recognition on each performance obligation depends on different terms and conditions in the sales arrangements.

Our audit procedures to assess the recognition and measurement of revenue included the following:

- obtaining an understanding of and assessing and testing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition including the identification of performance obligations and the determination of stand-alone selling prices;
- inspecting, on a sample basis, customer contracts to identify terms and conditions relating to the identification of performance obligations and timing of revenue recognition, and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;
- understanding and evaluating the methodology in determining the allocation of total transaction price to each performance obligation, testing the completeness and accuracy of the data used in the methodology on a sample basis, and testing the accuracy of management's calculations of the estimated stand-alone selling prices on a sample basis;

Independent Auditor's Report (Continued)

KEY AUDIT MATTER (Continued)

Revenue recognition (Continued)

Refer to note 3 to the consolidated financial statements and the accounting policies set out in note 1(w)(i)

The Key Audit Matter

How the matter was addressed in our audit

We identified the recognition of revenue as a key audit matter because (i) revenue is a key performance indicator of the Group and is, therefore, subject to possible manipulation through the timing of revenue recognition to meet targets or expectations, (ii) the variety of different terms of sale may affect the timing of the recognition of revenue; and (iii) significant management judgement can be required to estimate the stand-alone selling price to allocate the transaction price of an arrangement to each distinct performance obligation.

- comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with relevant underlying documentation, which included goods receipt notes and installment documents, as applicable under the different sales contracts, to assess whether the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the respective sales contracts; and
- Inspecting, on a sample basis, the supporting documents relating to revenue recognition including sales contracts, goods receipt notes, installation documents and invoices as applicable under the different terms of the respective sales contracts.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (Continued)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Au, Yat Fo (practising certificate number: P04854).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2026

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Revenue	3	551,069	257,249
Cost of sales		(284,447)	(171,029)
Gross profit		266,622	86,220
Other net income/(loss)	4	12,270	(3,168)
Selling and marketing expenses		(203,608)	(207,934)
Administrative expenses		(45,637)	(55,282)
Research and development costs		(215,982)	(308,725)
Net (loss)/gain on financial instruments carried at fair value through profit or loss ("FVPL")		(17,610)	138
Impairment losses on property, plant and equipment and goodwill	5(c)	(31,316)	—
Loss from operations		(235,261)	(488,751)
Finance costs	5(a)	(19,809)	(21,639)
Share of profits less losses of equity-accounted investees		(1,040)	(20,244)
Reversal of/(provision for) impairment loss on an equity-accounted investee		1,995	(116,467)
Loss before taxation	5	(254,115)	(647,101)
Income tax	6(a)	—	—
Loss for the year		(254,115)	(647,101)
Attributable to:			
Equity shareholders of the Company		(249,660)	(642,406)
Non-controlling interests		(4,455)	(4,695)
Loss for the year		(254,115)	(647,101)
Loss per share	9		
Basic and diluted (RMB)		(0.24)	(0.66)

The notes on pages 180 to 248 form part of the consolidated financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 28(b).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

(Expressed in Renminbi)

	2025 RMB'000	2024 RMB'000
Loss for the year	(254,115)	(647,101)
Other comprehensive income for the year, net of nil tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations, net of nil tax	2,707	(1,150)
Other comprehensive income for the year	2,707	(1,150)
Total comprehensive income for the year	(251,408)	(648,251)
Attributable to:		
Equity shareholders of the Company	(247,015)	(643,526)
Non-controlling interests	(4,393)	(4,725)
Total comprehensive income for the year	(251,408)	(648,251)

The notes on pages 180 to 248 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in Renminbi)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	10	172,751	297,371
Intangible assets	11	2,374	3,972
Goodwill		—	1,482
Trade receivables	18	21,364	2,579
Equity-accounted investees	14	14,741	11,887
Financial assets measured at FVPL	15	49,444	67,054
Other non-current assets	16	38,320	38,148
		298,994	422,493
Current assets			
Inventories	17	131,687	151,481
Trade and other receivables	18	263,762	92,835
Pledged deposits	12	3,833	—
Cash and cash equivalents	19	636,317	612,230
		1,035,599	856,546
Current liabilities			
Interest-bearing borrowings	20	28,792	245,223
Trade and other payables	21	312,333	201,476
Contract liabilities	22	65,508	8,718
Lease liabilities	23	19,103	34,511
Provisions	24	24,453	13,529
		450,189	503,457
Net current assets		585,410	353,089
Total assets less current liabilities		884,404	775,582
Non-current liabilities			
Interest-bearing borrowings	20	360,258	389,312
Contract liabilities	22	43,935	12,527
Lease liabilities	23	2,426	22,281
Deferred income	26	77,463	93,147
Provisions	24	397	637
		484,479	517,904
NET ASSETS		399,925	257,678

The notes on pages 180 to 248 form part of these financial statements.

Consolidated Statement of Financial Position (Continued)

(Expressed in Renminbi)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
CAPITAL AND RESERVES			
Share capital	28	1,031,330	1,006,194
Reserves		(620,656)	(727,992)
Total equity attributable to equity shareholders of the Company		410,674	278,202
Non-controlling interests		(10,749)	(20,524)
TOTAL EQUITY		399,925	257,678

Approved and authorised for issue by the board of directors on 26 March 2026.

Dr. Chang Zhaohua
Chairman

Dr. He Chao
Director

The notes on pages 180 to 248 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Exchange reserve	Other reserve	Accumulated losses			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024		958,594	2,006,119	373,549	2,559	48,628	(2,869,969)	519,480	(17,725)	501,755
Changes in equity for 2024:										
Loss for the year		—	—	—	—	—	(642,406)	(642,406)	(4,695)	(647,101)
Other comprehensive income		—	—	—	(1,120)	—	—	(1,120)	(30)	(1,150)
Total comprehensive income		—	—	—	(1,120)	—	(642,406)	(643,526)	(4,725)	(648,251)
Shares issued under the placements	28(c)	47,600	303,900	—	—	—	—	351,500	—	351,500
Contributions from non-controlling shareholders of subsidiary and additional investments in a subsidiary by the Company		—	—	2,746	—	—	—	2,746	1,854	4,600
Equity-settled share-based transactions	27	—	—	48,002	—	—	—	48,002	72	48,074
Balance at 31 December 2024		1,006,194	2,310,019	424,297	1,439	48,628	(3,512,375)	278,202	(20,524)	257,678

The notes on pages 180 to 248 form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity (Continued)

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Exchange reserve	Other reserve	Accumulated losses	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		1,006,194	2,310,019	424,297	1,439	48,628	(3,512,375)	278,202	(20,524)	257,678
Changes in equity for 2025:										
Loss for the year		—	—	—	—	—	(249,660)	(249,660)	(4,455)	(254,115)
Other comprehensive income		—	—	—	2,645	—	—	2,645	62	2,707
Total comprehensive income		—	—	—	2,645	—	(249,660)	(247,015)	(4,393)	(251,408)
Shares issued under the placements	28(c)	25,136	326,273	—	—	—	—	351,409	—	351,409
Acquisition of non-controlling interest of subsidiaries		—	—	(14,010)	—	—	—	(14,010)	14,010	—
Equity-settled share-based transactions	27	—	—	42,088	—	—	—	42,088	158	42,246
Balance at 31 December 2025		1,031,330	2,636,292	452,375	4,084	48,628	(3,762,035)	410,674	(10,749)	399,925

The notes on pages 180 to 248 form part of the consolidated financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Net cash used in operating activities	19(b)	(22,742)	(298,124)
Investing activities			
Payments for the purchase of property, plant and equipment		(2,598)	(41,785)
Proceeds from sale of property, plant and equipment		953	477
Payments for the purchase of intangible assets		—	(306)
Loans to an equity-accounted investee		—	(5,990)
Loans and interest repaid by an equity-accounted investee		6,116	—
Payments for the investments in an equity-accounted investee		(1,850)	—
Net cash generated from/(used in) investing activities		2,621	(47,604)
Financing activities			
Capital element of lease rentals paid	19(c)	(36,630)	(44,153)
Interest element of lease rentals paid	19(c)	(1,782)	(4,430)
Proceeds from interest-bearing borrowings	19(c)	490,695	486,922
Lease deposits received		—	27
Loans from related parties	19(c)	—	99,091
Repayments of loans from related parties	19(c)	(19,391)	(48,362)
Repayments of interest-bearing borrowings	19(c)	(716,321)	(378,307)
Interest paid for interest-bearing borrowings and loans from related parties	19(c)	(18,355)	(16,926)
Contributions from non-controlling shareholders of subsidiaries		—	4,600
Net proceeds from the placements	28(c)	351,509	351,500
Net cash generated from financing activities		49,725	449,962
Net increase in cash and cash equivalents		29,604	104,234
Cash and cash equivalents at 1 January		612,230	507,711
Effect of foreign exchange rate changes		(5,517)	285
Cash and cash equivalents at 31 December		636,317	612,230

The notes on pages 180 to 248 form part of the consolidated financial statements.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

Shanghai MicroPort MedBot (Group) Co., Ltd. (the “**Company**”) (上海微创医疗机器人(集团)股份有限公司) and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the research and development, manufacturing and sales of surgical robots.

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange Limited (the “**Stock Exchange**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and the Group’s interest in equity-accounted investees.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in equity securities (see note 1(g)); and
- derivative financial instruments (see note 1(h)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“**NCI**”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(q), or (s) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 1(l)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 1(l)).

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 1(l)).

(g) Investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Investments in equity securities (Continued)

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(w)(ii)(b)).

(h) Derivative financial instruments

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(l)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(k)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|--|---|
| — Equipment and machinery | 3 to 10 years |
| — Office equipment, furniture and fixtures | 1.5 to 5 years |
| — Leasehold improvements | Shorter of their useful lives and the lease terms |

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(l)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

— Software	2 to 3 years
— Technologies	3 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(i) and 1(l)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECL”s) on financial assets measured at amortised cost (including cash and cash equivalents, pledged deposits, trade and other receivables and amounts due from equity-accounted investees, which are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Financial assets measured at fair value, including equity securities measured at FVPL and derivative financial instruments, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(iii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(I)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 1(l)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(w)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 1(o)).

(o) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(l)(i)).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 1(l)(i)).

(q) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(y).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(v) Provisions, contingent liabilities

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(l)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(w) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business. Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Revenue is recognised when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contract. The payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

In certain of the Group's customer contract, the Group participates in arrangements that include multiple performance obligations. The Group accounts for individual products and services as separate performance obligations if they are a distinct product or service that is separately identifiable from other items in the packages and if a customer can benefit from the product or service on its own or with other resources that are readily available to the customer. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. Generally, the Group establishes stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer.

The Group generally recognises revenue for the performance obligations in the following manner:

Sales of surgical robot systems (including system components and system accessories) and other medical equipment

For surgical robot systems sales where the installation is provided by the Group, revenue is generally recognised when the acceptance occurs that indicates the customer's acknowledgment of installation. For surgical robot systems sold to distributors where the installation is provided by the distributor, revenue is recognised when the control of goods is transferred to the distributor, which generally occurs at the time of shipment, depending on the contractual terms and transaction arrangements.

For other medical equipment sales which do not have a complicated process of installation, revenue is generally recognised at the time of shipment, depending on the terms of the arrangement.

The Group's sales of surgical robot systems do not provide a right of return.

Sales of instruments and accessories

Revenue from sales of instruments and accessories is recognised when control is transferred to the customers, which generally occurs at the time of shipment but also could occur at the time of delivery, depending on the customer arrangement.

Services

Revenue from rendering of services is recognised over the term of the service period, as the customer benefits from the services throughout the service period.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income (Continued)

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi (“RMB”) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(z) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

2 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Determining the lease term

As explained in note 1(k), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(b) Sources of estimation uncertainty

Notes 27 and 29(e) contains information about the assumptions and risk factors relating to fair value of equity-settled share-based transactions and financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. The assessment of the net realisable value of inventories involves high degree of estimation uncertainties and judgement subjectively associated with the usage of the inventories, the estimated selling prices and the selling expenses, etc. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realisable value.

(ii) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

2 ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(iii) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) Allocation of performance obligations in revenue recognition

As explained in note 1(w)(i), the Group participates in sales arrangements that include multiple performance obligations. The total transaction price is allocated to each performance obligations in an amount based on the estimated relative stand-alone selling prices of the goods or services underlying each performance obligation.

The Group estimates stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer. Management regularly review stand-alone selling prices and update these estimates, as necessary. Changes in facts and circumstances may result in revisions to the conclusion, which would affect profit or loss.

(v) Impairment losses for non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in note 1(l)(ii). These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. Goodwill is tested annually for impairment.

When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

2 ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(vi) Warranty provisions

The warranty provision represents management's best estimate of liability under a 12-month warranty on surgical robot systems, based on past repair experience.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group derives revenue principally from the sales of surgical robot systems, instruments and accessories, and provision of services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and the timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of surgical robot systems, instruments and accessories		
— point in time	539,267	252,410
Service income — over time	7,700	2,230
Others — point in time	2,758	2,172
	549,725	256,812
Revenue from other sources	1,344	437
	551,069	257,249

During the years ended 31 December 2024 and 2025, major customers which accounted for 10% or more of the Group's revenue were related parties of the Group. Please see note 31(c) for details.

Details of the credit risk arising from the Group's customers are set out in note 29(a).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts was RMB56,573,000 (2024: RMB19,128,000). This amount represents revenue expected to be recognised in the future from rendering services. The Group will recognise the expected revenue in future when the service is rendered to the customers, which is expected to occur over the next 5 (2024: 6) years.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) Segment reporting

(i) Segment information

For the purpose of resource allocation and performance assessment, the Group's president, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

(ii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill and investments in equity-accounted investees ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods were delivered or services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of investments in equity-accounted investees.

	Revenues from external customers		Specified non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
— the People's Republic of China (the "PRC") (country of domicile)	150,839	153,725	189,293	308,997
— Overseas	400,230	103,524	573	5,715
	551,069	257,249	189,866	314,712

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

4 OTHER NET INCOME/(LOSS)

	2025 RMB'000	2024 RMB'000
Interest income on financial assets measured at amortised cost	6,834	2,197
Government grants (i)	27,582	12,157
Net foreign exchange loss	(11,832)	(534)
Net gain/(loss) in relation to the termination of leases	117	(8,098)
Net loss on disposal of property, plant and equipment	(10,457)	(8,074)
Others	26	(816)
	12,270	(3,168)

(i) Majority of the government grants are subsidies received from government for the encouragement of R&D projects.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on interest-bearing borrowings and loans from related parties (note 19(c))	17,887	17,060
Interest on lease liabilities (note 19(c))	1,782	4,446
Total interest expense on financial liabilities not at fair value through profit or loss	19,669	21,506
Others	140	133
	19,809	21,639

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Contributions to defined contribution retirement plans	18,885	22,634
Equity-settled share-based payment expenses (note 27(c))	42,197	48,165
Salaries, wages and other benefits	191,971	246,855
	253,053	317,654

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

5 LOSS BEFORE TAXATION (Continued)

(b) Staff costs (Continued)

Majority of the Group's employees are in the PRC. As stipulated by the labour regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at a specified proportion of the eligible employees' salaries. The Group's contributions made to the plans are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the plans.

(c) Other items

	2025 RMB'000	2024 RMB'000
Amortisation of intangible assets* (note 11)	2,595	5,836
Depreciation charge* (note 10)		
— owned property, plant and equipment	72,396	73,563
— right-of-use assets	33,983	38,445
	106,379	112,008
Impairment losses on property, plant and equipment and goodwill		
— property, plant and equipment (note 10)	29,834	—
— goodwill	1,482	—
	31,316	—
(Reversal of)/provision for impairment loss on an equity-accounted investee	(1,995)	116,467
Auditors' remuneration		
— audit services	1,850	1,750
— other assurance services	800	1,600
	2,650	3,350
Increase in provisions (note 24)	25,370	14,034
Cost of inventories* (note 17(b))	301,308	217,085

* Cost of inventories includes RMB53,509,000 (2024: RMB43,612,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax	—	—
Deferred tax	—	—
	—	—

Pursuant to the Corporate Income Tax (“CIT”) Law of the PRC, the Company and its PRC subsidiaries are liable to PRC CIT at a rate of 25% except for those subject to tax concessions disclosed in the notes below.

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32) issued by Ministry of Finance of the PRC, Ministry of Science and Technology of the People’s Republic of China and National Taxation Bureau of the PRC, the company and a subsidiary of the Group were certified as high-tech enterprises during the year ended 31 December 2025 and were entitled to a preferential income tax rate of 15% during the certified period.

According to the new tax incentives policies promulgated by the State Tax Bureau of the PRC in March 2021, effective from 1 January 2021, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from the taxable income.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applied in the relevant countries.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Loss before taxation	(254,115)	(647,101)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the countries concerned	(43,732)	(151,055)
Effect of non-deductible expenses	8,196	16,556
Effect of additional deduction on research and development costs	(5,616)	(14,178)
Effect of deductible temporary differences and tax losses not recognized	41,152	148,677
Actual tax expenses	—	—

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Equity-settled share-based payment (Note) RMB'000	Total RMB'000
Chairman and non-executive director						
Mr. Sun Hongbin (resigned in November 2025)	—	—	—	—	—	—
Dr. Chang Zhaohua (appointed in November 2025)	—	—	—	—	—	—
Executive directors						
Dr. He Chao	—	1,207	914	—	71	2,192
Ms. Fang Cong (resigned in November 2025)	—	679	273	—	386	1,338
Mr. Liu Yu (appointed in May 2025)	—	800	758	—	2,386	3,944
Non-executive directors						
Mr. Chen Xinxing (resigned in April 2025)	—	—	—	—	—	—
Mr. Chen Chen	—	—	—	—	—	—
Mr. Shirafuji Hiroshi (appointed in November 2025)	12	—	—	—	—	12
Mr. Ashida Norihiro (appointed in November 2025)	12	—	—	—	—	12
Ms. Liang Min (appointed in November 2025)	—	—	—	—	—	—
Independent non-executive directors						
Dr. Li Minghua (resigned in November 2025)	110	—	—	—	—	110
Mr. Yao Haisong	120	—	—	—	—	120
Mr. Chung Wai Man	120	—	—	—	—	120
Dr. Liu Guoen (appointed in November 2025)	10	—	—	—	—	10
Mr. Chou Jonathan H. (appointed in November 2025)	10	—	—	—	—	10
Supervisors						
Mr. Chen Gong	—	462	151	—	23	636
Ms. Zhang Lihong	—	—	—	—	—	—
Mr. Zhang Jie	—	—	—	—	—	—
	394	3,148	2,096	—	2,866	8,504

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

7 DIRECTORS' EMOLUMENTS (Continued)

	2024					Total RMB'000
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Equity-settled share-based payment (Note) RMB'000	
Chairman and non-executive director						
Mr. Sun Hongbin	—	—	—	—	732	732
Executive directors						
Dr. He Chao	—	1,635	—	—	8,994	10,629
Ms. Fang Cong (appointed in July 2024)	—	371	62	—	441	874
Non-executive directors						
Mr. Chen Xinxing	—	—	—	—	—	—
Mr. Chen Chen	—	—	—	—	—	—
Independent non-executive directors						
Dr. Li Minghua	120	—	—	—	—	120
Mr. Yao Haisong	120	—	—	—	—	120
Mr. Mui Wing Hong (resigned in July 2024)	66	—	—	—	—	66
Mr. Chung Wai Man (appointed in July 2024)	55	—	—	—	—	55
Supervisors						
Mr. Chen Gong	—	483	58	—	23	564
Ms. Zhang Lihong	—	—	—	—	—	—
Mr. Zhang Jie	—	—	—	—	—	—
	361	2,489	120	—	10,190	13,160

Note: The amounts of equity-settled share-based payment represent the estimated value of equity instruments granted to the directors under the Company's employee share purchase plan and other share-based arrangements. The value of these equity instruments is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(t)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued previously where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind are disclosed under note 27.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2024: two) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other four (2024: three) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	1,639	3,433
Discretionary bonuses	3,278	594
Equity-settled share-based payments	22,422	2,946
	27,339	6,973

The emoluments of the four (2024: three) individuals with the highest emoluments are within the following bands:

	2025 Number of Individuals	2024 Number of Individuals
HK\$1,000,001 to HK\$1,500,000	—	2
HK\$5,000,001 to HK\$5,500,000	—	1
HK\$5,500,001 to HK\$6,000,000	1	—
HK\$6,000,001 to HK\$6,500,000	1	—
HK\$8,500,001 to HK\$9,000,000	1	—
HK\$9,500,001 to HK\$10,000,000	1	—

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

9 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of RMB249,660,000 (2024: RMB642,406,000) and the weighted average number of ordinary shares of 1,021,620,000 shares in issue during the year (2024: 966,917,000 shares).

Weighted average number of ordinary shares

	2025 '000	2024 '000
Issued ordinary shares at 1 January	1,006,194	958,594
Effects of shares issued under placements	15,426	8,323
Weight average number of ordinary shares at 31 December	1,021,620	966,917

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The calculation of diluted loss per share amount for the years ended 31 December 2025 and 2024 has not included the potential effects of the warrants and share options issued by an equity-accounted investee of the Group, as they had anti-dilutive effects on the basic loss per share amount for the respective year. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share of the respective years.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Leasehold improvements RMB'000	Equipment and machinery RMB'000	Office equipment, furniture and fixtures RMB'000	Right-of-use assets RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 January 2024	58,196	253,462	37,458	210,081	9,978	569,175
Transfer from construction in progress	2,916	18,698	—	—	(21,614)	—
Additions	3,331	53,291	2,555	—	12,619	71,796
Exchange adjustments	91	92	63	125	5	376
Disposals	(13,956)	(6,680)	(7,022)	(30,652)	(349)	(58,659)
At 31 December 2024 and 1 January 2025	50,578	318,863	33,054	179,554	639	582,688
Transfer from construction in progress	153	922	863	—	(1,938)	—
Additions	61	29,722	1,941	4,585	1,929	38,238
Exchange adjustments	—	(72)	(14)	—	—	(86)
Disposals	(87)	(49,768)	(1,692)	(20,883)	—	(72,430)
At 31 December 2025	50,705	299,667	34,152	163,256	630	548,410
Accumulated depreciation and amortisation:						
At 1 January 2024	24,618	60,508	14,597	102,435	—	202,158
Charge for the year	16,812	50,263	6,488	38,445	—	112,008
Exchange adjustments	14	18	6	34	—	72
Written back on disposals	(9,838)	(2,458)	(3,559)	(13,066)	—	(28,921)
At 31 December 2024 and 1 January 2025	31,606	108,331	17,532	127,848	—	285,317
Charge for the year	12,429	52,956	7,011	33,983	—	106,379
Exchange adjustments	—	(26)	(7)	—	—	(33)
Written back on disposals	(6)	(26,399)	(1,321)	(18,108)	—	(45,834)
At 31 December 2025	44,029	134,862	23,215	143,723	—	345,829
Accumulated impairment:						
At 31 December 2024 and 1 January 2025	—	—	—	—	—	—
Charge for the year	—	25,216	4,618	—	—	29,834
Exchange adjustments	—	(1)	(3)	—	—	(4)
At 31 December 2025	—	25,215	4,615	—	—	29,830
Net book value:						
At 31 December 2025	6,676	139,590	6,322	19,533	630	172,751
At 31 December 2024	18,972	210,532	15,522	51,706	639	297,371

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Reconciliation of carrying amount (Continued)

Impairment loss

During 2025, management considered certain equipment and machineries had impairment indicators primarily due to the upgrade of the products and changes of business strategy. The Group assessed the recoverable amounts of those equipment and machineries and as a result their carrying amount was written down to their recoverable amount of RMB7,998,000. An impairment loss of RMB29,834,000 was recognised in profit or loss during the year. The Group will dismantle the equipment and machineries and the recoverable amount of the dismantled assets were based on the fair values less costs of disposal of those assets that could be reuse, using market comparison approach by reference to recent sales price of similar assets within the same industry, adjusted for differences such as remaining useful lives. The fair value on which the recoverable amount is based on is categorised as level 3 measurement.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2025 RMB'000	2024 RMB'000
Properties leased for own use, carried at depreciated cost	19,533	51,706

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset: — Properties leased for own use	33,983	38,445
Interest on lease liabilities (note 5(a))	1,782	4,446
Expense relating to short-term leases	859	3,273

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in notes 19(c) and 29(b), respectively.

The Group has obtained the right to use other properties as its manufacturing plants, warehouse and office building through tenancy agreements. The lease typically run for an initial period from 2 to 5 years. None of the lease includes variable lease payments.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

11 INTANGIBLE ASSETS

	Software RMB'000	Technologies RMB'000	Total RMB'000
Cost:			
At 1 January 2024	13,389	1,766	15,155
Additions	271	—	271
At 31 December 2024 and 1 January 2025	13,660	1,766	15,426
Additions	997	—	997
At 31 December 2025	14,657	1,766	16,423
Accumulated amortisation:			
At 1 January 2024	5,445	173	5,618
Charge for the year	5,246	590	5,836
At 31 December 2024 and 1 January 2025	10,691	763	11,454
Charge for the year	2,007	588	2,595
At 31 December 2025	12,698	1,351	14,049
Net book value:			
At 31 December 2025	1,959	415	2,374
At 31 December 2024	2,969	1,003	3,972

12 PLEDGED DEPOSITS

	2025 RMB'000	2024 RMB'000
Pledged deposits	3,833	—

Pledged deposits mainly consist of banker's acceptance security deposits.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

13 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of registered capital/paid-up capital	Proportion of ownership interest as at 31 December 2025			Principal activities
			Group's interest	Held by the Company	Held by a subsidiary	
MicroPort Navibot (Suzhou) Co., Ltd.* (蘇州微創錫行機器人有限公司) (i)	The PRC	RMB12.5 million/ RMB10.204 million	98.00%	98.00%	—	Manufacture, research and development of surgical robot devices
Medical (Beijing) Health Technology Co., Ltd.* (易達醫(北京)健康科技有限公司) (i)	The PRC	RMB10 million/ RMB6.1 million	98.36%	98.36%	—	Distribution, research and development of surgical robot devices
Jiaxing Weizhuo Technology Co., Ltd.* (嘉興微琢科技有限公司) (i)	The PRC	RMB10 million/ RMB8 million	100.00%	100.00%	—	Manufacture of parts of surgical robot devices
Shanghai Weimi Medical Co., Ltd.* (上海微覓醫療器械有限公司) (i)	The PRC	RMB35 million/ RMB24.50 million	100.00%	100.00%	—	Research and development of surgical robot devices
MicroPort Medical Corp. Limited	Hong Kong	400 shares	100.00%	100.00%	—	Investment and distribution of surgical robot devices
MicroPort NaviBot International LLC	United States	100 shares of US\$1 each	98.00%	—	98.00%	Distribution of surgical robot devices

* English translation is for identification purpose only.

Note:

(i) These subsidiaries are domestic enterprises in the PRC.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

14 EQUITY-ACCOUNTED INVESTEEES

As of 31 December 2025, the following list contains only the particular of material equity-accounted investee, which is unlisted corporate entities that did not have quoted market price:

Name of equity-accounted investee	Form of business structure	Place of incorporation and business	Particulars of issued capital/paid-in capital	Proportion of ownership interest as at 31 December 2025			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Cathbot (Shanghai) Robot Co., Ltd. ("Cathbot") 知脈(上海) 机器人有限公司 (Note i)	Incorporated	The PRC	EUR10,000,000/ EUR10,000,000	51.00%	51.00%	—	Manufacture, distribution, research and development of surgical robot devices

The above equity-accounted investee is accounted for using the equity method in the consolidated financial statements.

Note:

- (i) In October 2020, the Group and Robocath entered into a shareholders agreement, pursuant to which, the Group holds 51% equity interest in Cathbot, while Robocath holds the remaining 49%. As the approval of the resolutions in relation to the relevant activities of Cathbot shall require both approval from the Group and Robocath, the directors of the Company determined that the investment in Cathbot is a joint venture.

Summarised financial information of the material equity-accounted investee, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements, are disclosed below:

	Cathbot	
	2025 RMB'000	2024 RMB'000
Gross amounts		
Current assets	35,043	21,660
Non-current assets	1,209	2,127
Current liabilities	(4,612)	(3,282)
Non-current liabilities	(3,822)	(1,182)
Equity	27,818	19,323
Revenue	20,443	10,619
Profit/(loss) for the year	8,495	(5,092)
Total comprehensive income	8,495	(5,092)
Reconciled to the Group's interests in the equity-accounted investee		
Gross amounts of net assets of the equity-accounted investees	27,818	19,323
Group's effective interests	51%	51%
Group's share of net assets of the equity-accounted investees	14,187	9,855
Carrying amount in the consolidated financial statements	14,187	9,855

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

14 EQUITY-ACCOUNTED INVESTEEES (Continued)

Aggregate information of equity-accounted investees that are not individually material:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial equity-accounted investees	554	2,032
Aggregate amounts of the Group's share of those equity-accounted investees		
Loss for the year	(5,338)	(1,725)
Total comprehensive income	(5,338)	(1,725)

15 FINANCIAL ASSETS MEASURED AT FVPL

	2025 RMB'000	2024 RMB'000
Investments in unlisted equity securities	49,444	67,054

Valuation techniques and significant assumptions for determining the fair value of the investments are set out in note 29(e).

16 OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	216	1,224
Value-added tax ("VAT") recoverable	2,312	2,528
Lease and security deposits (Note)	35,792	34,396
	38,320	38,148

Note: In 2021, the Group entered into a 5-year lease agreement with Shanghai Huiqingcheng Investment Management Co., Ltd. (上海回青橙投资管理有限公司) ("Huiqingcheng Investment") in respect of certain leasehold properties for use of manufacturing facilities, warehouses and office buildings.

Balance as at 31 December 2025 included deposits (before discounting) totalling RMB36,664,000 paid to Huiqingcheng Investment, which are refundable after the expiry of the lease.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

17 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2025 RMB'000	2024 RMB'000
Raw materials	71,912	84,153
Work in progress	37,790	35,151
Finished goods	8,873	32,175
Goods in transit	13,096	—
Others	16	2
	131,687	151,481

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	244,423	138,150
Write-down of inventories	20,138	15,371
Cost of inventories directly recognised as research and development costs and selling and marketing expenses	36,747	63,564
	301,308	217,085

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

18 TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade debtors, net of loss allowance		
— third parties	26,043	1,770
— related parties	182,775	31,298
VAT recoverable	42,058	41,850
Other debtors due from		
— third parties	12,153	4,867
— related parties	3,021	9,033
Prepayments	19,076	6,596
	285,126	95,414
Representing:		
Current portion	263,762	92,835
Non-current portion	21,364	2,579

All of the current portion of trade and other receivables are expected to be recovered or recognised as expense within one year.

Aging analysis

As at 31 December 2025, the aging analysis of trade debtors, based on the date of revenue recognition and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	105,053	24,531
1 to 2 months	11,722	—
2 to 3 months	25,348	4,796
3 to 6 months	55,869	3,741
Over 6 months but within 12 months	8,105	—
Over 12 months	2,721	—
	208,818	33,068

Further details of the Group's credit policy and credit risk arising from trade debtors are set out in note 29(a).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash at bank	636,317	612,230

(b) Reconciliation of profit before taxation to cash generated from operations

	Note	2025 RMB'000	2024 RMB'000
Loss before taxation		(254,115)	(647,101)
Adjustments for:			
Amortisation and depreciation	5(c)	108,974	117,844
Impairment loss of property, plant and equipment	5(c)	29,834	—
Impairment of goodwill	5(c)	1,482	—
ECLs on trade receivables		1,040	—
Finance costs	5(a)	19,669	21,506
Interest income		(1,778)	(1,614)
Changes in fair value of financial instruments carried at FVPL		17,610	(138)
Net loss on disposal of property, plant and equipment	4	10,457	8,074
Net (gain)/loss in relation to the termination of leases		(443)	1,939
Share of profits less losses of equity-accounted investees		1,040	20,244
(Reversal of)/provision for impairment loss on an equity-accounted investee	5(c)	(1,995)	116,467
Equity-settled share-based payment	5(b)	42,197	48,165
Changes in working capital:			
Decrease in inventories		19,794	78,024
Increase in trade and other receivables		(196,486)	(33,575)
Increase/(decrease) in trade and other payables and contract liabilities		198,008	(59,127)
(Increase)/decrease in pledged deposits		(3,833)	1,083
(Decrease)/increase in deferred income		(15,684)	28,465
Decrease in other non-current assets		1,487	1,620
Net cash used in operating activities		(22,742)	(298,124)

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Interest-bearing borrowings and loans from related parties RMB'000 (notes 20 and 21)	Lease liabilities RMB'000 (note 23)	Total RMB'000
At 1 January 2025	634,891	56,792	691,683
Changes from financing cash flows:			
Repayments of loans from related parties	(19,391)	—	(19,391)
Proceeds from interest-bearing borrowings	490,695	—	490,695
Repayments of interest-bearing borrowings	(716,321)	—	(716,321)
Interest paid for interest-bearing borrowings and loans from related parties	(18,355)	—	(18,355)
Capital element of lease rentals paid	—	(36,630)	(36,630)
Interest element of lease rentals paid	—	(1,782)	(1,782)
Total changes from financing cash flows	(263,372)	(38,412)	(301,784)
Other changes:			
Interest charge	17,887	1,782	19,669
Increase in lease liabilities from entering into new leases during the year	—	4,585	4,585
Effect of termination of leases and lease modification	—	(3,218)	(3,218)
Total other changes	17,887	3,149	21,036
At 31 December 2025	389,406	21,529	410,935

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Interest-bearing borrowings and loans from related parties RMB'000 (notes 20 and 21)	Lease liabilities RMB'000 (note 23)	Total RMB'000
At 1 January 2024	475,413	120,386	595,799
Changes from financing cash flows:			
Loans from related parties	99,091	—	99,091
Repayments of loans from related parties	(48,362)	—	(48,362)
Proceeds from interest-bearing borrowings	486,922	—	486,922
Repayments of interest-bearing borrowings	(378,307)	—	(378,307)
Interest paid for interest-bearing borrowings and loans from related parties	(16,926)	—	(16,926)
Capital element of lease rentals paid	—	(44,153)	(44,153)
Interest element of lease rentals paid	—	(4,430)	(4,430)
Total changes from financing cash flows	142,418	(48,583)	93,835
Other changes:			
Interest charge	17,060	4,446	21,506
Effect of termination of leases and lease modification	—	(19,765)	(19,765)
Exchange adjustments	—	308	308
Total other changes	17,060	(15,011)	2,049
At 31 December 2024	634,891	56,792	691,683

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	859	3,273
Within financing cash flows	38,412	48,583
Lease rentals paid	39,271	51,856

20 INTEREST-BEARING BORROWINGS

As of the end of the reporting period, the interest-bearing borrowings were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	28,792	245,223
After 1 year but within 2 years	24,758	307,692
After 2 years but within 5 years	335,500	81,620
	389,050	634,535

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

20 INTEREST-BEARING BORROWINGS (Continued)

As of the end of the reporting period, the interest-bearing borrowings were secured as follows:

	2025 RMB'000	2024 RMB'000
Bank loans		
— secured	20,011	297,579
— unsecured	337,702	286,228
	357,713	583,807
Secured loans from a related party	31,337	50,728
	389,050	634,535

As of the end of the reporting period, the bank facilities drawn down by the Group of RMB20,011,000 (2024: RMB297,579,000) were secured by certain patents held by the Group. The carrying amount of these patents is zero as they have not been capitalised as intangible assets.

Part of the Group's banking facilities are subject to the fulfilment of certain financial covenants. If the Group were to breach the covenants, the drawdown facilities would become payable on demand. As of the end of the reporting period, none of these covenants relating to drawdown facilities of RMB57,500,000 had been breached.

In June 2024, the Group entered into agreements with Shanghai MicroPort Tianniuyan Financial Leasing Co., Ltd. (上海微創天牛眼融資租賃有限公司, "Tianniuyan", a related party of the Group), pursuant to which, the Group agreed to sell certain prototypes for the surgery system to Tianniuyan for a total consideration of RMB60,000,000, and Tianniuyan agreed to lease back these assets to the Group at a consideration of RMB66,000,000 by installments. The transaction was treated as loans from a related party. As at 31 December 2025, the balance of secured loans from a related party was RMB31,337,000 (2024: RMB50,728,000).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

21 TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables due to		
— third-party suppliers	141,175	75,504
— related parties	28,786	6,134
Bills payable	15,609	—
Total trade payables and bills payable	185,570	81,638
Accrued payroll	78,346	53,430
Amounts due to related parties (Note)	22,912	11,131
Other payables and accrued charges	25,505	55,277
Financial liabilities measured at amortised cost	312,333	201,476

Note: As at 31 December 2025, the balance of interests due to related parties included in "Amounts due to related parties" was RMB356,000 (2024: RMB356,000).

All trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of the trade payables and bills payable based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	124,108	63,879
Over 1 month but within 3 months	31,080	10,677
Over 3 months but within 6 months	17,290	1,927
Over 6 months but within 1 year	7,684	639
Over 1 year	5,408	4,516
	185,570	81,638

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

22 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Current		
Advanced receipts from customers for sales of medical devices	52,870	2,117
Extended warranty	12,638	6,601
	65,508	8,718
Non-current		
Extended warranty	43,935	12,527

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at 1 January	21,245	15,023
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities as at 1 January	(6,601)	(10,106)
Increase in contract liabilities as a result of receiving advance payments during the year	94,799	16,328
Balance at 31 December	109,443	21,245

The amount of contract liabilities expected to be recognised as income after more than one year is RMB43,935,000 (2024: RMB12,527,000). All of the other contract liabilities are expected to be recognised as income within one year.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

23 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	19,103	34,511
After 1 year but within 2 years	1,391	17,326
After 2 years but within 5 years	1,035	4,955
	2,426	22,281
	21,529	56,792

24 PROVISIONS

	RMB'000
At 1 January 2025	14,166
Additional provisions made	25,370
Provisions utilized	(14,686)
At 31 December 2025	24,850
Representing:	
Current portion	24,453
Non-current portion	397

Under the terms of the Group's sales agreements, the Group offers warranties for its surgical robots. Provision is therefore made for the best estimate of the expected costs within the warranty periods prior to the end of the reporting period.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB4,198,538,000 (2024: RMB3,957,598,000) and other temporary differences of RMB151,838,000 (2024: RMB157,128,000) at 31 December 2025 due to the unpredictability of future taxable profits in the relevant tax jurisdiction and entity.

The unused tax losses of the Group were mainly from the subsidiaries incorporated in the PRC, where the accumulated tax losses will normally expire within 5 years. The Company was qualified as High and New Technology Enterprise (“HANTE”) in 2025. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HANTE and Small and Medium-sized Technological Enterprises issued in August 2018, the accumulated tax losses which did not expire from 2018 will have expiries extending from 5 years to 10 years.

26 DEFERRED INCOME

	Government subsidies for research and development projects RMB'000
At 1 January 2024	64,682
Additions	33,231
Government grant recognised as other income	(4,766)
At 31 December 2024 and 1 January 2025	93,147
Additions	3,544
Government grant recognised as other income	(19,228)
At 31 December 2025	77,463

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

27 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Employee share purchase plan (the “ESPP”)

Since 2017, the Group adopted several ESPPs, pursuant to which, the partnership firms, whose limited partners consisted of employees of the Group and employees of the Group’s equity-accounted investees, invested in the Company or its subsidiaries (together, the “**Target Companies**”) by way of subscribing newly issued equity interests of the Group, or acquiring equity interests from the Group. All participants of the ESPPs have purchased equity interests in respective partnership firms at amounts specified in the respective partnership agreements.

Since 2022, several subsidiaries of the Group also adopted the ESPPs, pursuant to which, the partnership firms, consisting of the eligible employees of Group, invested in these subsidiaries.

All ESPPs contain a service condition. Employees participating in the plan have to transfer out their equity interests if their employments with the Group were terminated within the vesting period, to a person or a party nominated by the general partners of the partnership firms at a price no higher than the amounts specified in the respective partnership agreements. The fair value of the ESPP at the grant date, being the difference between the considerations and the fair value of the equity interests subscribed shall be spread over the vesting period and recognised as staff costs in the profit or loss.

The fair value of the equity interests subscribed was measured by reference to either (i) the price at which third party investors made contributions to these Targeted Companies or (ii) the valuation reports prepared by the external valuers and reviewed and approved by the management.

For the year ended 31 December 2025, the total expenses recognised in the consolidated statement of profit or loss for the above transactions are RMB42,236,000 (2024: RMB48,025,000).

(b) Share options granted by the ultimate controlling party

MPSC granted certain share options to the employee of the Group. Each option gives the holder the right to subscribe for one ordinary share of MPSC, while the Group did not have an obligation to settle such transaction.

Up to 31 December 2025, MPSC has granted 160,757 share options in aggregate to the employee of the Group, which were not exercisable at 31 December 2025. These share options are vested over five years. The contractual life of the options is ten years.

The total expenses recognised in the consolidated statement of profit or loss for the share options granted by the ultimate controlling party are RMB10,000 for the year ended 31 December 2025 (2024: RMB49,000).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

27 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Equity-settled share-based payment expenses recognised in the consolidated statement of profit or loss during the current and prior years:

	2025 RMB'000	2024 RMB'000
Research and development costs	28,746	34,653
Selling and marketing expenses	7,442	7,054
Administrative expenses	2,385	3,275
Cost of sales	3,624	3,183
	42,197	48,165
Add: Impact recognised in share of losses of equity-accounted investees	49	(91)
Total impact of share-based payment recognised in equity during the year	42,246	48,074

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's equity between the beginning and the end of the year are set out below.

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	958,594	2,006,119	325,555	48,628	(2,219,497)	1,119,399
Changes in equity for 2024						
Loss and total comprehensive income	—	—	—	—	(649,771)	(649,771)
Shares issued under the placements (note 28(c))	47,600	303,900	—	—	—	351,500
Equity-settled share-based transactions	—	—	47,019	—	—	47,019
Balance at 31 December 2024 and 1 January 2025	1,006,194	2,310,019	372,574	48,628	(2,869,268)	868,147
Changes in equity for 2025						
Loss and total comprehensive income	—	—	—	—	(285,090)	(285,090)
Shares issued under the placements (note 28(c))	25,136	326,273	—	—	—	351,409
Equity-settled share-based transactions	—	—	35,399	—	—	35,399
Balance at 31 December 2025	1,031,330	2,636,292	407,973	48,628	(3,154,358)	969,865

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

The directors of the Company did not propose the payment of any dividend during the year ended 31 December 2025 (2024: nil).

(c) Share capital and share premium

Details of the movement of the issued and fully paid share capital of the Company are as follows:

	2025		2024	
	No. of shares '000	Amount RMB'000	No. of shares '000	Amount RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	1,006,194	1,006,194	958,594	958,594
Shares issued under the placements	25,136	25,136	47,600	47,600
At 31 December	1,031,330	1,031,330	1,006,194	1,006,194

During 2025, the Company completed a placement and issued a total of 25,136,500 shares to several investors with a net proceeds of RMB351,409,000. RMB25,136,000 was credited to share capital and RMB326,273,000 was credited to share premium.

During 2024, the Company completed two placements and issued a total of 47,600,000 shares to several investors with a net proceeds of RMB351,500,000. RMB47,600,000 was credited to share capital and RMB303,900,000 was credited to share premium.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises the following:

- the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share based payments in note 1(t)(ii); and
- gain/loss on acquisition or dilution of interests in subsidiaries where the Group's interest in a subsidiary is increased/decreased without losing control (note 1(d)).

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of certain subsidiaries within the Group. The reserve is dealt with in accordance with the accounting policies set out in note 1(x).

(iii) Other reserve

The other reserve primarily comprises the following:

- exempted interest payable to investors due to the termination of financial instruments with preferred rights in 2020; and
- the liabilities of the Group waived by related parties.

(e) Capital management

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The debt-to-asset ratio is 70% and 80% for the years ended 31 December 2025 and 2024, respectively.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practises used by the Group to manage these risks are described below.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have low credit risk. The Group's exposure to credit risk arising from refundable rental deposits under other non-current assets is considered to be low, taking into account the remaining lease term and the period covered by the rental deposits.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and other receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit period. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 60 to 180 days from the date of revenue recognition. In specific cases, instalment payment arrangements with a maximum duration of 60 months may be offered to selected customers. The Group does not obtain collateral from customers.

As at 31 December 2025, the Group has a significant concentration of credit risk primarily arise from the significant exposure to individual customers. As at 31 December 2025, trade receivables were mainly due from the Group's related parties. Management considered the default risk of trade receivables due from related parties as at 31 December 2025 was insignificant and no loss allowance was provided in this regard.

For trade receivables due from third parties, the Group applies the individual identification method based on the characteristics of credit risk of each individual balance. The Group assesses the credit quality of the customers, taking into account of their financial positions, past experience and other factors. The expected credit loss considers the customers' external credit ratings.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	RMB'000
At 1 January 2025	—
Impairment losses recognised	1,040
At 31 December 2025	1,040

Management has assessed that during the year ended 31 December 2025, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. Management of the Company expect the occurrence of losses from non-performance by the counterparties of other receivables was remote and loss allowance provision for other receivables was immaterial.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As disclosed in note 20, part of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as non-current at the end of the reporting period is set out below:

Loans	Carrying amount		Covenants	Timing to comply with the covenants
	2025 RMB'000	2024 RMB'000		
Bank loans	57,500	67,479	(i) Debt-to-asset ratio of the Company shall not be higher than 70% for consecutive three months. (ii) Current ratio of the Company shall not be less than 1 for consecutive three months.	At any time throughout the loan term

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	2025					Carrying amount RMB'000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and other payables	228,167	—	—	—	228,167	228,167
Interest-bearing borrowings	38,526	33,006	343,002	—	414,534	389,050
Lease liabilities	20,392	2,477	401	—	23,270	21,529
	287,085	35,483	343,403	—	665,971	638,746

	2024					Carrying amount RMB'000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and other payables	139,448	—	—	—	139,448	139,448
Interest-bearing borrowings	260,863	319,138	77,633	—	657,634	634,535
Lease liabilities	36,202	18,323	5,240	—	59,765	56,792
	436,513	337,461	82,873	—	856,847	830,775

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

(i) Interest rate risk profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is primarily exposed to fair value interest rate risk in relation to lease liabilities (note 23) and cash flow risk in relation to variable-rate bank balances (note 19) and variable-rate interest-bearing borrowings of RMB357,713,000 (note 20). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by approximately RMB3,577,000 (2024: RMB6,008,000). Other components of consolidated equity would have increased/decreased by approximately nil (2024: nil) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss after tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis has been performed on the same basis as 2024.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily from (i) purchases which give rise to payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate and (ii) financing activities that are in Hong Kong Dollars. The currencies giving rise to currency risk are primarily United States Dollars and Hong Kong Dollars.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the entities into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in RMB)					
	2025			2024		
	Renminbi RMB'000	United States Dollars RMB'000	Hong Kong Dollars RMB'000	Renminbi RMB'000	United States Dollars RMB'000	Hong Kong Dollars RMB'000
Cash and cash equivalents	27,151	45,208	1	8,496	33,611	241,501
Trade and other receivables	—	166,309	—	1,653	28,424	—
Inter-company payables within the Group	(150,442)	—	—	(111,895)	—	—
Trade and other payables	(904)	(4,643)	(575)	—	(240)	(633)
Net exposure arising from recognised assets and liabilities	(124,195)	206,874	(574)	(101,746)	61,795	240,868

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulative losses) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of each of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses RMB'000	Effect on other component of equity RMB'000	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses RMB'000	Effect on other component of equity RMB'000
Renminbi	3%	3,726	—	3%	3,052	—
	(3)%	(3,726)	—	(3)%	(3,052)	—
United States Dollars	3%	(6,206)	—	3%	(1,854)	—
	(3)%	6,206	—	(3)%	1,854	—
Hong Kong Dollars	3%	17	—	3%	(7,226)	—
	(3)%	(17)	—	(3)%	7,226	—

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity measured in the respective functional currencies, and then translated into RMB at the exchange rate ruling at the end of each of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has engaged the external valuers to perform valuations for the unlisted equity securities which are categorised into Level 3 of the fair value. The valuation reports prepared by the external valuers are reviewed and approved by the Group's management.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

	Fair value at 31 December 2025 RMB'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets:				
Unlisted equity securities (note 15)	49,444	—	—	49,444

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets:				
Unlisted equity securities (note 15)	67,054	—	—	67,054

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2.

During the year ended 31 December 2025 and 2024, there were no transfers between Level 2 and Level 3.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each of the reporting period in which they occur.

Information about Level 3 fair value measurements:

	Valuation techniques	Significant unobservable inputs	Range
Unlisted equity securities	Equity allocation model (Note)	Expected volatility, taking into account the historical volatility of the comparable companies	61% (2024: 56%)
		Expected probability of event	55% (2024: 55%)
		Discount for lack of marketability	43% (2024: NA)

Note:

As at 31 December 2025, the fair value of unlisted equity securities is determined using the price/revenue ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. It is estimated that with all other variables held constant, an increase/decrease in the expected probability of event by 10% would have increased/decreased the Group's loss by RMB1,942,000/RMB1,946,000, an increase/decrease in the expected volatility by 5% would have increased/decreased the Group's loss by RMB534,000/RMB546,000 and a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the group's other comprehensive income by RMB3,831,000/ RMB3,857,000.

As at 31 December 2024, back-solve method were used to determine the equity value of the unlisted investment. It is estimated that with all other variables held constant, an increase/decrease in the expected probability of event by 10% would have increased/decreased the Group's loss by RMB4,589,000/RMB4,636,000 and an increase/decrease in the expected volatility by 5% would have increased/decreased the Group's loss by RMB434,000/RMB391,000.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	67,054	56,162
Changes in the fair value of financial instruments	(17,610)	10,892
At 31 December	49,444	67,054

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

30 COMMITMENTS

Commitments outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contracted for	927	2,256
Authorised but not contracted for	55,000	25,000
	55,927	27,256

31 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid individuals as disclosed in note 8, is as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	4,641	5,284
Discretionary bonuses	3,413	813
Equity-settled share-based payment expenses	3,155	13,786
	11,209	19,883

Total remuneration was included in staff costs (note 5(b)).

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

31 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Material related party transactions

During the years ended 31 December 2025 and 2024, the directors are of the view that the following companies are related parties:

Name of the related party	Relationship
MPSC	Ultimate controlling party of the Group
Shanghai MicroPort Medical (Group) Co., Ltd. * (上海微創醫療器械(集團)有限公司)	Subsidiary of MPSC
Medical Product Innovation, Inc.	Subsidiary of MPSC
Suzhou MicroPort Orthopaedics Scientific (Group) Co., Ltd. * (蘇州微創骨科科學(集團)有限公司) (“ Suzhou Orthopaedics ”)	Subsidiary of MPSC
MicroPort Orthopedic Instruments Suzhou Co., Ltd.* (蘇州微創骨科醫療工具有限公司)	Subsidiary of MPSC
Jiaxing MicroPort Medical Co., Ltd.* (嘉興微創醫療科技有限公司)	Subsidiary of MPSC
Suzhou MicroPort OrthoRecon Co., Ltd.* (蘇州微創關節醫療科技有限公司)	Subsidiary of MPSC
MicroPort Medical B.V.	Subsidiary of MPSC
MicroPort Orthopedics Inc.	Subsidiary of MPSC
MicroPort Sinica Co., Ltd.* (微創投資控股有限公司)	Subsidiary of MPSC
Shanghai Huanbo Digital Technology Co., Ltd.* (上海寰博數碼科技有限公司)	Subsidiary of MPSC
MicroPort Scientific Vascular Brazil Ltda.	Subsidiary of MPSC
MicroPort Longmai Medical Technology (Jiaxing) Co., Ltd.* (微創龍脈醫療科技(嘉興)有限公司)	Subsidiary of MPSC
Shanghai Chongduozhu Health Technology Co., Ltd.* (上海寵多助健康科技有限公司)	Subsidiary of MPSC
MicroPort Shentong Medical Technology (Shanghai) Co., Ltd.* (微創神通醫療科技(上海)有限公司)	Equity-accounted investee of MPSC
Shanghai MicroPort Xingxi Ecological Technology Co., Ltd.* (上海微創星系生態科技有限公司)	Subsidiary of MPSC
Shanghai MicroPort Weimei Medical Technology (Group) Co., Ltd.* (上海微創惟美醫療科技(集團)有限公司)	Subsidiary of MPSC
Shanghai Zuoxin Medical Technology Co., Ltd.* (上海佐心醫療科技有限公司)	Subsidiary of MPSC
MicroPort Pte. LTD.	Subsidiary of MPSC
Shanghai MicroPort Xuanlv Medical Technology Co., Ltd.* (上海微創旋律醫療科技有限公司)	Subsidiary of MPSC
MicroPort Scientific (Shanghai) Co., Ltd.* (上海微創醫療科學技術有限公司)	Subsidiary of MPSC

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

31 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Material related party transactions (Continued)

Name of the related party	Relationship
MicroPort Scientific GmbH	Subsidiary of MPSC
Tianniuayan	Subsidiary of MPSC
MicroPort Orthopedics Japan K.K.	Subsidiary of MPSC
MicroPort International Corp. Limited	Subsidiary of MPSC
Shanghai Differential Digital Technology Co., Ltd.* (上海微分易數數字科技有限公司)	Equity-accounted investee of MPSC
MicroPort Surgical Medical Technology (Shanghai) Co., Ltd.* (微創外科醫療科技(上海)有限公司)	Equity-accounted investee of MPSC
Zhejiang AccuPath Zhizao Technology (Group) Co., Ltd.* (浙江脈通智造科技(集團)有限公司)	Equity-accounted investee of MPSC
SuZhou ProSteri Medical Technology Co., Ltd.* (蘇州諾潔醫療技術有限公司)	Equity-accounted investee of MPSC
AccuTarget MediPharma (Shanghai) Co., Ltd.* (上海導向醫療系統有限公司)	Equity-accounted investee of MPSC
Shanghai SafeWay Co., Ltd.* (上海安助醫療科技有限公司)	Equity-accounted investee of MPSC
Shanghai Nuocheng Testing Co., Ltd.* (上海諾誠檢測有限)	Equity-accounted investee of MPSC
Suzhou Nuocheng Testing Co., Ltd.* (蘇州諾誠檢測有限公司)	Equity-accounted investee of MPSC
Suzhou Reveda Medtech Co., Ltd.* (蘇州悅膚達醫療科技有限公司)	Equity-accounted investee of MPSC
Shanghai MicroPort Life Science and Technology Co., Ltd.* (上海微創生命科技有限公司)	Equity-accounted investee of MPSC
Cathbot	Equity-accounted investee of the Group
Shanghai IntBot Robotics Co., Ltd.* (上海介航機器人有限公司) (“IntBot”)	Equity-accounted investee of the Group
Shanghai Minimally Invasive Covalent Cloud Medical Technology Co., Ltd.* (上海微創共價雲醫療科技有限公司)	Subsidiary of MPSC
Shanghai Weichuang Weilian Weitong Health Management Co., Ltd.* (上海微創微聯微通健康管理有限公司)	Subsidiary of MPSC
Shanghai Minimally Invasive Xinmai Medical Technology (Group) Co., Ltd.* (上海微創心脈醫療科技(集團)股份有限公司)	Subsidiary of MPSC
MicroPort Scientific Cooperatief U.A.	Subsidiary of MPSC
MicroPort Turkey Medical LTD.	Subsidiary of MPSC
創領心律管理醫療器械(上海)有限公司	Subsidiary of MPSC

* English translation is for identification purpose only.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

31 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Other material transactions

Particulars of the Group's other material transactions with related parties are as follows:

	2025 RMB'000	2024 RMB'000
Sales of goods to subsidiaries and equity-accounted investees of MPSC, and a former equity-accounted investee	388,573	96,087
Service fee charged to subsidiary of MPSC and equity-accounted investee of the Group	2,948	483
Purchase of goods from subsidiaries and equity-accounted investees of MPSC	31,582	11,253
Service fee charged by subsidiaries and equity-accounted investees of MPSC	27,713	17,928
Payment on behalf of the equity-accounted investees	2,939	1,929
Payment on behalf of the Group by subsidiaries of MPSC	2,569	1,520
Loans from MPSC and a subsidiary of MPSC	—	99,091
Loan deposit paid to a subsidiary of MPSC	—	600
Repayment of loan from the MPSC and the corresponding interest expense	22,000	50,091
Interest charged by a subsidiary of MPSC	—	1,728
Loan to an Equity-accounted investee of the Group	—	5,990
Repayment of loan from an Equity-accounted investee of the Group	5,990	—
Interest charged to an equity-accounted investee of the Group	106	20
Sales of property, plant and equipment to subsidiaries and equity-accounted investees of MPSC	337	170

(d) Leasing arrangements

In January 2025, the Group entered into three-year leases in respect of certain leasehold properties from Suzhou Orthopaedics. At the commencement date of the lease, the Group recognised a right-of-use asset of RMB3,359,000 and a lease liability of RMB3,359,000. At 31 December 2025, the outstanding balance of lease liability was RMB2,259,000.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

31 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(e) Related party balances

The outstanding balances arising from the above transactions as at the end of each of the reporting periods are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amounts due from related parties		
Trade related	189,873	31,598
Non-trade related	3,021	9,033
Amounts due to related parties		
Trade related	28,786	6,134
Non-trade related	22,912	11,131
Secured loans due to a related party	31,337	50,728

(f) Applicability of the Listing Rules relating to connected transactions

Except for the transactions with equity-accounted investees of the Group, the above related party transactions with MPSC and its subsidiaries and equity-accounted investees of MPSC constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided under the paragraph "Continuing Connected Transactions" in the report of the directors. The transactions as disclosed above which constitute connected transactions but not continuing connected transactions as defined in Chapter 14A of the Listing Rules, are exempted from the relevant disclosure requirements.

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets		
Property, plant and equipment	138,952	244,651
Intangible assets	1,753	1,854
Trade receivables	21,364	2,579
Investments in subsidiaries	191,247	238,351
Long term other receivables	406,032	—
Equity-accounted investees	14,741	11,887
Other non-current assets	35,952	35,298
	810,041	534,620
Current assets		
Inventories	109,350	98,246
Trade and other receivables	553,726	754,506
Cash and cash equivalents	516,228	440,401
	1,179,304	1,293,153
Current liabilities		
Interest-bearing borrowings	8,213	220,826
Trade and other payables	454,633	224,771
Contract liabilities	62,063	6,231
Lease liabilities	18,003	34,113
Provisions	22,390	13,309
	565,302	499,250
Net current assets	614,002	793,903
Total assets less current liabilities	1,424,043	1,328,523
Non-current liabilities		
Interest-bearing borrowings	349,500	357,975
Contract liabilities	40,436	12,115
Lease liabilities	1,267	21,814
Deferred income	62,578	67,835
Provisions	397	637
	454,178	460,376
NET ASSETS	969,865	868,147
CAPITAL AND RESERVES (note 28(a))		
Share capital	1,031,330	1,006,194
Reserves	(61,465)	(138,047)
TOTAL EQUITY	969,865	868,147

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

33 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2025, the directors of the Company consider the immediate parent of the Company to be Shanghai Latent AI Technology Co., Ltd. (上海默化人工智能科技有限公司), which is incorporated in the PRC and does not produce financial statements available for public use.

As at 31 December 2025, the directors of the Company consider the ultimate controlling party of the Company is MPSC, which is incorporated in the Cayman Islands. MPSC is listed on the Main Board of the Stock Exchange and produces financial statements available for public use.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to HKAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

Notes to the Financial Statements (Continued)

(Expressed in Renminbi unless otherwise indicated)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Definitions

In this report, the following expressions shall have the meaning set out below unless the context requires otherwise:

“2024 Master Products Procurement Agreement”	the master products procurement agreement entered into between the Company and MicroPort on 6 December 2023
“2024 Master Services Procurement Agreement”	the master services procurement agreement entered into between the Company and MicroPort on 6 December 2023
“2024 Sales Framework Agreement”	the sales framework agreement entered into between the Company and MicroPort on 6 December 2023
“2025 AGM”	the annual general meeting of the Company for 2025 to be convened and held in such manner to be determined by the Company
“ANVISA”	Brazilian Health Regulatory Agency
“Articles of Association”	the articles of association of the Company from time to time
“Audit Committee”	the audit committee of the Board
“Biobot”	Biobot Surgical Pte. Ltd., a company established in Singapore with limited liability on 28 August 2007
“Board”	the board of Directors
“CE”	French acronym for “Communate Européene”
“CG Code”	the corporate governance code contained in Appendix C1 to the Listing Rules
“Commercialisation Committee”	the commercialisation committee of the Board
“Company” or “we” or “us” or “our” or “MedBot”	Shanghai MicroPort MedBot (Group) Co., Ltd (上海微创医疗机器人(集团)股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 02252)
“Core Product” or “Toumai”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this report, our Core Product refers to, Toumai® (圖邁®) Laparoscopic Surgical Robot (registered name in China)
“DFVision”	DFVision® (蜻蜓眼®) 3D Electronic Laparoscope (registered name in China)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB
“EU”	European Union
“FDA”	the U.S. Food and Drug Administration

Definitions (Continued)

“Free Cash Flow”	the sum of net cash used in operating activities, net cash used for purchase of property, plant and equipment and intangible assets, and net cash used for payment of lease rentals and deposits
“Green Path”	the special approval procedure for innovative medical devices of the NMPA
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the main board of the Stock Exchange and such Domestic Share(s) converted into H Share(s) upon the Domestic Share(s) been approved for full circulation under the full circulation scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the H Shares on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MicroPort”	MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 14 July 2006, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00853), being one of the controlling shareholders of the Company
“MicroPort CardioFlow”	MicroPort CardioFlow Medtech Corporation (微創心通醫療科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 10 January 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 02160)
“MicroPort Group”	MicroPort and its subsidiaries
“MicroPort Sinica”	MicroPort Sinica Co., Ltd. (微創投資控股有限公司), a company established in the PRC with limited liability, being one of the controlling shareholders of the Company
“MicroPort Vision Power”	MicroPort Vision Power MedTech Shanghai Co., Ltd. (微創視神醫療科技(上海)有限公司), a company established in the PRC with limited liability
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Mona Lisa”	iSR’obot® Mona Lisa Robotic Transperineal Prostate Biopsy System (registered name in China)
“National Health Commission”	National Health Commission of the PRC
“NDR”	NDR Medical Technology Private Limited, a company incorporated in Singapore with limited liability on 20 October 2014.

Definitions (Continued)

“NMPA”	National Medical Products Administration of the PRC
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China, for the purpose of this report, shall not include Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 21 October 2021
“R&D”	Research and Development
“R-ONE”	R-ONE Vascular Interventional Robot
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“Reporting Period”	the twelve months period ended 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Robocath”	Robocath S.A.S, a company incorporated in France with limited liability on 9 October 2009
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
“Shanghai Cathbot”	Cathbot (Shanghai) Robot Co., Ltd. (知脈(上海)機器人有限公司), a company established in the PRC with limited liability on 19 March 2021 which is owned as to 51% by the Company and 49% by Robocath
“Shanghai Intbot”	Shanghai Intbot Robotics Co., Ltd. (上海介航機器人有限公司), a company established in the PRC with limited liability on 12 March 2021 which is owned as to 56.52% by Biobot and 43.48% by the Company
“Shanghai Lantian”	Shanghai Lantian Enterprise Management Consultation Center (Limited Partnership) (上海藍恬企業管理諮詢中心(有限合夥)), a limited liability partnership established in the PRC
“Shanghai Latent”	Shanghai Latent Artificial Intelligence Co., Ltd. (上海默化人工智能科技有限公司), a company established in the PRC with limited liability and is one of our controlling shareholders
“Shanghai Maitian”	Shanghai Maitian Enterprise Management Consultation Center (Limited Partnership) (上海邁恬企業管理諮詢中心(有限合夥)), a limited liability partnership established in the PRC
“Shanghai Qinghe”	Shanghai Qinghe Enterprise Management Consultation Center (Limited Partnership) (上海擎赫企業管理諮詢中心(有限合夥)), a limited liability partnership established in the PRC

Definitions (Continued)

“Shanghai Qingmin”	Shanghai Qingmin Enterprise Management Consultation Center (Limited Partnership) (上海擎敏企業管理諮詢中心(有限合夥)), a limited liability partnership established in the PRC
“Shanghai Qingzhen”	Shanghai Qingzhen Enterprise Management Consultation Center (Limited Partnership) (上海擎禎企業管理諮詢中心(有限合夥)), a limited liability partnership established in the PRC
“Share(s)”	ordinary share(s) of the Company, comprising of Domestic Shares and H Shares
“Share Award Scheme”	the H share award scheme approved on the Company’s 2022 first extraordinary general meeting convened on 10 February 2022
“Share Option Scheme”	the Share Option Scheme approved on each of the Company’s 2022 second extraordinary general meeting, 2022 first domestic shareholders’ class meeting and 2022 first H shareholders’ class meeting convened on 17 March 2022
“Shareholder(s)”	holder(s) of the Shares
“SkyWalker”	SkyWalker® Orthopedic Surgical Robot (registered name in China)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy and Development Committee”	the strategy and development committee of the Company
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Trans-bronchial Surgical Robot”	Robot-assisted Bronchoscopy Navigation System
“%”	per cent



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