Acotec Scientific Holdings Limited
先瑞達醫療科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6669)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

ANNUAL RESULTS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	Year ended December 31, 2024 ***RMB'000***	Year ended December 31, 2023 *RMB'000*	Year-on-year change
Revenue	**533,988**	473,848	12.7%
Gross profit	**402,722**	377,415	6.7%
Profit before tax	**52,601**	14,452	264.0%
Profit for the year	**52,280**	14,487	260.9%

BUSINESS HIGHLIGHTS

In 2024, we continued to drive innovation and iteration in technology and processes and achieved significant progress in product research and development. During the Reporting Period, three products completed product finalization, two products were under clinical trials, six products had applied for registration with the NMPA, and seven products had been approved by the NMPA for marketing. In 2024, we successfully registered 11 patents and applied for registration of 16 additional patents.

Besides our significant progress in research and development, our admission efforts to hospital are also advancing. As of December 31, 2024, our ATK DCB (Above-The-Knee Drug-Coated Balloons) had been admitted into 1,800 hospitals (1,600 hospitals as of December 31, 2023); our BTK DCB (Below-The-Knee Drug-Coated Balloons) had been admitted into 820 hospitals (770 hospitals as of December 31, 2023); our Peripheral Aspiration System (AcoStream®) had been admitted into 1,760 hospitals (1,300 hospitals as of December 31, 2023); and our Radiofrequency Ablation System (AcoArt Cedar®), which was approved by the NMPA in April 2022, had been admitted into 680 hospitals (350 hospitals as of December 31, 2023). These numbers are expected to continue to grow.

The stable and positive direction of our production and research contributed to the rapid growth of our annual revenue directly. For the Reporting Period, our revenue was approximately RMB534.0 million, representing a year-on-year increase of approximately 12.7%. Our Core Products, AcoArt Orchid® & Dhalia® and AcoArt Tulip® & Litos®, were the major contributors of our revenue.

We have established a diversified and innovative product pipeline layout, with several products being launched within 2024.

In 2024, we obtained the NMPA approvals for seven of our products. Two products were approved in the field of vascular surgery: the Introducer Sheath Set (Acotrace) and the Delivery Catheter for Aspiration Catheter. Four products were approved in the field of cardiology, including the Coronary High-Pressure Dilatation Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), and the Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®). Additionally, we received approval for the AV Scoring Balloon (Peridge®) in nephrology. These approvals have enhanced our product portfolio and expanded our market presence.

We continued to diversify our business by launching new products and accelerating our globalization process.

In 2024, in addition to revenue generated from our Core Products, we continued to diversify our revenue stream from venous intervention, vascular access and other products (primarily including but not limited to Peripheral Aspiration System (AcoStream®), 2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®), Radiofrequency Ablation System (AcoArt Cedar®) and PTA balloons products (AcoArt Iris® & Jasmin® and AcoArt Lily® & Rosmarin®)), which contributed a revenue of approximately RMB213.7 million, accounting for approximately 40.0% of the total revenue. As of December 31, 2024, we had obtained market approvals for eleven products in vascular surgery, seven products in cardiology, two products in nephrology and one product in neurology. We anticipate that these approved products will contribute to sustained revenue generation, thereby enhancing the diversification of our income sources.

In 2024, our international business development accelerated. We further expanded the overseas reach of our products and we have completed the preparatory work for ATK DCB, BTK DCB to enter the markets of Chile, Austria, Finland, Sweden, the Netherlands, the United Kingdom and Poland. Additionally, we are actively progressing through the regulatory registration and market access processes in other overseas countries. In July 2023, we entered into a master collaboration agreement (the "**Master Collaboration Agreement**") and a master service agreement (the "**Master Service Agreement**", together with the Master Collaboration Agreement, the "**Framework Agreements**") with Boston Scientific Group plc, outlining collaboration in product commercialization, manufacturing services and product development over the next three years. Please refer to our Company's announcement dated July 20, 2023 and circular dated July 28, 2023 for further details. The signing of these two Framework Agreements enables us to seize vast sales opportunities globally and elevate our brand influence. We are of the view that the acceleration of our internationalization progress will further diversify our sources of income and facilitate us to respond to market changes more flexibly.

Following the signing of the Master Collaboration Agreement and the Master Service Agreement, our cooperation with BSC has entered the phase of practical implementation. Pursuant to the Framework Agreements, both parties have entered into distribution agreements for selling peripheral DCB products (including AcoArt Orchid®, AcoArt Tulip® and AcoArt Litos®) in the overseas market in 2023. In 2024, both parties have begun to establish cooperation on the commercialization of multiple peripheral and coronary products in Hong Kong and Taiwan. In the mainland China market, distribution agreements have been entered into for coronary products, which enabled BSC to begin selling our products in domestic market. In the future, we intend to introduce a broader range of products for launch in the market, thereby expanding our collaboration with BSC. Furthermore, we are currently progressing with the overseas registration of various products. In 2024, our Group and BSC initiated a collaborative partnership in R&D, focusing on the co-development of products whereby our Group is tasked with the research, development, and regulatory approval of these products. Upon market launch, BSC will hold the commercialization rights for these products.

We continued to strengthen our efforts in clinical promotions and promote the innovation of clinical therapies of vascular intervention.

Since the launch of AcoArt Orchid® & Dhalia®, our first and China's first peripheral DCB product, we have already initiated our efforts in clinical promotion and education. Since the commencement of research and development of our products, we have never been slack in our promotion efforts in clinical treatments. We have been promoting the innovation of clinical therapies of vascular intervention, so as to provide brand-new solutions for intravascular diseases to patients.

We will continue to carry out the market cultivation of our new products, so as to provide new treatment methods to clinical patients.

We continued to reinforce our talent pool and improve our team building.

As of December 31, 2024, we had 650 employees in total. The number of members of our research and development team increased to 131, and the expertise of our technical team covers material science, mechanical design, chemistry and biomedical engineering. During the Reporting Period, we have conducted campus recruitment at several top-tier universities. This strategic endeavor enabled us to enrich our team with professional talents in fields such as, among others, mechanical design, polymer materials, clinical medicine and pharmaceuticals, which further enhanced our talent pool. We believe that the support of talents with different expertise will accelerate the implementation of our multi product pipeline projects.

The Board is pleased to announce the audited consolidated results of the Group for the Reporting Period. The content of this annual results announcement has been prepared in accordance with applicable disclosure requirements under the Listing Rules in relation to preliminary announcements of annual results which is prepared in accordance with the IFRS issued by the IASB. Such annual results have also been reviewed and confirmed by the Board and the Audit Committee. Unless otherwise stated, the financial data of the Company are presented in RMB, rounded to the nearest thousand.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended December 31, 2024

*(Expressed in Renminbi ("**RMB**"))*

	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*4*	**533,988**	473,848
Cost of sales		**(131,266)**	(96,433)
Gross profit		**402,722**	377,415
Other income	*5*	**40,429**	35,397
Other net losses	*6*	**(4,780)**	(16,596)
Reversal of impairment losses on trade receivables		**120**	184
Selling and distribution expenses		**(92,784)**	(97,544)
Research and development expenses		**(216,773)**	(190,070)
Administrative expenses		**(64,927)**	(83,777)
Profit from operations		**64,007**	25,009
Finance costs	*7(a)*	**(11,504)**	(9,958)
Share of profit/(loss) of an associate		**98**	(599)
Profit before taxation	*7*	**52,601**	14,452
Income tax (expenses)/credit	*8*	**(321)**	35
Profit for the year		**52,280**	14,487
Attributable to:			
Equity shareholders of the Company		**52,280**	14,487
Profit for the year		**52,280**	14,487
Earnings per share (RMB)	*9*		
Basic and diluted		**0.17**	0.05

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2024
(Expressed in RMB)

	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**52,280**	14,487
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of		
– financial statements of entities with functional currencies other than RMB	**1,008**	692
Other comprehensive income for the year	**1,008**	692
Total comprehensive income for the year	**53,288**	15,179
Attributable to:		
Equity shareholders of the Company	**53,288**	15,179
Total comprehensive income for the year	**53,288**	15,179

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024
(Expressed in RMB)

	Note	**December 31, 2024** ***RMB'000***	December 31, 2023 *RMB'000*
Non-current assets			
Property, plant and equipment	*10*	**149,890**	124,940
Right-of-use assets	*11*	**177,976**	214,396
Intangible assets	*12*	**47,489**	4,402
Goodwill		**1,150**	1,150
Interest in an associate		**20,561**	20,463
Financial assets measured at fair value through profit or loss ("**FVPL**")		**30,804**	10,743
Deposits paid for acquisition of property, plant and equipment and intangible assets		**15,612**	13,732
Rental deposits		**8,520**	10,107
		452,002	399,933
Current assets			
Inventories	*13*	**155,989**	150,958
Trade receivables	*14*	**161,099**	143,643
Prepayments, deposits and other receivables		**29,294**	37,115
Other financial assets		**54,621**	–
Pledged deposits		**–**	200
Time deposits		**58,181**	241,581
Cash and cash equivalents		**751,388**	637,627
		1,210,572	1,211,124
Current liabilities			
Trade and other payables	*15*	**93,392**	76,434
Contract liabilities		**7,745**	3,873
Bank loans		**10,000**	10,000
Lease liabilities	*16*	**23,654**	25,938
		134,791	116,245
Net current assets		**1,075,781**	1,094,879
Total assets less current liabilities		**1,527,783**	1,494,812

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2024
(Expressed in RMB)

	Note	**December 31, 2024** ***RMB'000***	December 31, 2023 *RMB'000*
Non-current liabilities			
Lease liabilities	*16*	**169,262**	198,059
Deferred income		**8,515**	–
Deferred tax liabilities		**190**	225
		177,967	198,284
NET ASSETS		**1,349,816**	1,296,528
CAPITAL AND RESERVES			
Share capital		**20**	20
Reserves		**1,349,796**	1,296,508
Total equity attributable to equity shareholders of the Company		**1,349,816**	1,296,528
TOTAL EQUITY		**1,349,816**	1,296,528

NOTES

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Acotec Scientific Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on December 3, 2020, as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong limited (the "**HKEX**") on August 24, 2021. The Company and its subsidiaries (collectively as the "**Group**") are principally engaged in research and development on providing treatment solutions for vascular diseases. The principal place of business of the Group is located at 4-5/F., Building No.1, No.16 North Hongda Road, Beijing Economic-Technological Development Area, Beijing, the People's Republic of China (the "**PRC**").

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**") 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 HKEX (the "**Listing Rules**").

The consolidated financial statements for the year ended December 31, 2024 comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the assets and liabilities are stated at their fair value.

The financial information relating to the financial year ended December 31, 2024 that is included in this preliminary annual results announcement does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current ("**2020 amendments**") and amendments to IAS 1, Presentation of financial statements – Non-current liabilities with covenants ("**2022 amendments**")*
Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*
Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The Group has not entered into any supplier finance arrangements.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared and presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the research and development on providing treatment solutions for vascular diseases.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Type of goods		
– Core products*	**320,302**	323,536
– Venous intervention, vascular access and other products	**213,686**	150,312
	533,988	473,848
Type of customers		
– Domestic distributors	**500,300**	449,496
– Domestic hospitals	**8,487**	8,730
– Oversea customers	**25,201**	15,622
	533,988	473,848

* The core products represent the drug-coated balloons ("**DCB**") products.

The Group mainly sells core products and other medical devices to its distributors. During the years ended December 31, 2024 and 2023, the revenue is recognized at a point in time when the customers obtain the control of products, i.e. upon the acceptance of the products by the distributors.

(ii) Geographic 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, right-of-use assets, intangible assets, rental deposits and deposits paid for acquisition of property, plant and equipment ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, rental deposit, right-of-use assets and deposits paid for acquisition of property, plant and equipment, and the location of the operation to which they are allocated in the case of intangible assets.

Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**508,787**	458,226
Other countries and regions	**25,201**	15,622
	533,988	473,848

Specified non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**382,318**	356,480
United States of America ("**United States**")	**17,169**	11,097
	399,487	367,577

(b) Segment reporting

For the purpose of resource allocation and assessment of segment performance, the management of the Group, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

5 OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants *(Note)*	**8,662**	15,533
Interest income	**30,147**	18,505
Others	**1,620**	1,359
	40,429	35,397

Note:

Government grants mainly include subsidies granted from local government to reward the contribution to the Group's local economy and encourage technology innovation.

As at the end of the Reporting Period, there was no unfulfilled condition or other contingency attaching to the government grants that had been recognized by the Group.

6 OTHER NET LOSSES

	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange losses	**(158)**	(13,704)
Net loss on disposal of property, plant and equipment and right-of-use assets	**(6,611)**	(152)
Net unrealized gains/(losses) on financial assets measured at FVPL	**2,922**	(2,767)
Net realized gains on forward contracts	**1,656**	–
Written off of the rental deposits	**(1,127)**	–
Others	**(1,462)**	27
	(4,780)	(16,596)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest expenses on lease liabilities	**9,626**	9,550
Interest expenses on bank loans	**271**	283
Others	**1,607**	125
	11,504	9,958

(b) Staff costs

	2024	2023
	RMB'000	*RMB'000*
Salaries, bonus and other benefits	**193,539**	182,381
Retirement benefits scheme contributions *(Note)*	**13,919**	13,994
Share-based payments	**–**	5,260
	207,458	201,635

Note:

Pursuant to the relevant labour rules and regulations in the PRC, the subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "**Schemes**") organized by the local government authorities whereby the subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

(c) Other items

	2024	2023
	RMB'000	*RMB'000*
Depreciation and amortization		
– owned property, plant and equipment	**19,745**	15,159
– right-of-use assets	**29,903**	30,346
– intangible assets	**831**	753
Less: expenses capitalized into intangible assets	**(499)**	–
	49,980	46,258
Cost of inventories *(Note i)*	**111,577**	77,740
Royalty fees (included in cost of sales)	**19,689**	18,693
Provision for write-down of inventories	**4,621**	272
Research and development expenses *(Note ii)*	**258,726**	190,070
Less: expenses capitalized into intangible assets *(Note)*	**(41,953)**	–
	352,660	286,775
Auditors' remuneration		
– audit services	**3,000**	3,000
– non-audit services	**150**	295
	3,150	3,295

Notes:

(i) Cost of inventories includes amounts relating to staff costs, depreciation and amortization expenses and provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

(ii) Research and development expenses includes amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax		
Withholding income tax	**341**	–
Under provision in respect of prior years	**15**	–
	356	–
Deferred tax		
Reversal of temporary differences	**(35)**	(35)
	321	(35)

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(ii) Effective from January 1, 2008, under the Mainland China Corporate Income Tax Law, the Mainland China statutory income tax rate is 25%. The Group's subsidiaries in the Mainland China are subject to Mainland China income tax at 25% unless otherwise specified.

According to the Mainland China income tax law and its relevant regulations, entities that qualified as High and New Technology Enterprise ("**HNTE**") are entitled to a preferential income tax rate of 15%. Acotec Scientific Co., Ltd. has been qualified as HNTE by the Science and Technology Bureau of Beijing and relevant authorities and is subject to income tax at the rate of 15% for the years ended December 31, 2024 and 2023. VascuPatent Medical (Shenzhen) Co., Ltd. has been qualified as HNTE by the Science and Technology Bureau of Shenzhen and relevant authorities in November 2023 for a term of three years and is subject to income tax at the rate of 15% for the year ended December 31, 2024 and 2023.

According to the Mainland China income tax law and its relevant regulations, an additional 100% (2023: 100%) of qualified research and development expenses so incurred is allowed to be deducted from taxable income for the years ended December 31, 2024 and 2023.

(iii) No provision for Hong Kong Profits Tax was made for the Group as it does not have any assessable profits subject to Hong Kong Profits Tax for the years ended December 31, 2024 and 2023.

(iv) The subsidiary in the United States is subject to Federal Income tax at a tax rate of 21% and the State Income tax of 8.84% for the years ended December 31, 2024 and 2023.

(b) Reconciliation between actual income tax expense and accounting profit at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Profit before taxation	**52,601**	14,452
Notional tax on profit before taxation, calculated using the Mainland China statutory tax rate of 25%	**13,150**	3,613
Tax effect of different tax rates	**(15,081)**	(8,178)
Tax effect of non-deductible expenses	**1,266**	3,454
Tax effect of deductible temporary differences not recognized	**4,533**	743
Additional deduction for qualified research and development costs	**(21,960)**	(15,923)
Tax effect on tax losses not recognized	**23,511**	24,682
Utilization of tax losses previously not recognized	**(5,454)**	(8,322)
Withholding income tax	**341**	–
Under provision in respect of prior years	**15**	–
Others	**–**	(104)
Actual tax expense/(credit)	**321**	(35)

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB52,280,000 (2023: RMB14,487,000) and the weighted average of 301,077,842 ordinary shares (2023: 301,077,842 ordinary shares) in issue during the year.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares in existence for the years ended December 31, 2024 and 2023. The calculated diluted earnings per share equals the basic earnings per share at December 31, 2024 and 2023.

10 PROPERTY, PLANT AND EQUIPMENT

	Machineries *RMB'000*	**Motor vehicles** *RMB'000*	**Furniture, equipment and tools** *RMB'000*	**Leasehold improvements** *RMB'000*	**Total** *RMB'000*
Cost:					
At January 1, 2023	53,474	304	9,709	44,015	107,502
Additions	18,396	–	7,450	45,555	71,401
Disposals	(32)	–	(727)	–	(759)
At December 31, 2023 and January 1, 2024	**71,838**	**304**	**16,432**	**89,570**	**178,144**
Additions	**23,591**	**–**	**2,006**	**26,585**	**52,182**
Disposals	**(346)**	**–**	**(946)**	**(23,746)**	**(25,038)**
At December 31, 2024	**95,083**	**304**	**17,492**	**92,409**	**205,288**
Accumulated depreciation:					
At January 1, 2023	(11,222)	(289)	(4,941)	(22,122)	(38,574)
Charge for the year	(4,086)	–	(2,306)	(8,767)	(15,159)
Written back on disposals	27	–	502	–	529
At December 31, 2023 and January 1, 2024	**(15,281)**	**(289)**	**(6,745)**	**(30,889)**	**(53,204)**
Charge for the year	**(5,335)**	**–**	**(3,741)**	**(10,669)**	**(19,745)**
Written back on disposals	**258**	**–**	**649**	**16,644**	**17,551**
At December 31, 2024	**(20,358)**	**(289)**	**(9,837)**	**(24,914)**	**(55,398)**
Net book value:					
At December 31, 2024	**74,725**	**15**	**7,655**	**67,495**	**149,890**
At December 31, 2023	56,557	15	9,687	58,681	124,940

11 RIGHT-OF-USE ASSETS

	Leased properties *RMB'000*
Cost:	
At January 1, 2023	68,517
Additions	201,030
Written off	(5,366)
At December 31, 2023 and January 1, 2024	**264,181**
Additions	**4,167**
Written off	**(20,506)**
At December 31, 2024	**247,842**
Accumulated depreciation:	
At January 1, 2023	(23,315)
Charge for the year	(30,346)
Written off	3,876
At December 31, 2023 and January 1, 2024	**(49,785)**
Charge for the year	**(29,903)**
Written off	**9,822**
At December 31, 2024	**(69,866)**
Net book value:	
At December 31, 2024	**177,976**
At December 31, 2023	214,396

The Group has obtained the right to use properties as its offices through tenancy agreements. The leases typically run for an initial period of 2 to 10 years. Certain lease payments are increased every one year to reflect market rentals.

During the year, additions to right-of-use assets were RMB4,167,000 (2023: RMB201,030,000). The addition was mainly due to the capitalized lease payments payable under new tenancy agreements and a number of lease agreements extended for use of property.

12 INTANGIBLE ASSETS

	Capitalized development costs *RMB'000*	Patent rights *RMB'000*	Software *RMB'000*	Product technology *RMB'000*	Total *RMB'000*
Cost:					
At January 1, 2023	–	102	5,666	1,400	7,168
Additions	–	57	–	–	57
At December 31, 2023 and January 1, 2024	–	159	5,666	1,400	7,225
Additions	41,953	1,050	915	–	43,918
At December 31, 2024	41,953	1,209	6,581	1,400	51,143
Accumulated amortization:					
At January 1, 2023	–	(102)	(1,607)	(361)	(2,070)
Charge for the year	–	(4)	(609)	(140)	(753)
At December 31, 2023 and January 1, 2024	–	(106)	(2,216)	(501)	(2,823)
Charge for the year	–	(31)	(660)	(140)	(831)
At December 31, 2024	–	(137)	(2,876)	(641)	(3,654)
Net book value:					
At December 31, 2024	41,953	1,072	3,705	759	47,489
At December 31, 2023	–	53	3,450	899	4,402

As at December 31, 2024, the capitalized development costs of RMB41,953,000 are related to costs incurred for clinical trials of below-the-knee DCB products in the United States, which were not yet available for use.

The amortization charge for the year is included in "cost of sales" and "research and development expenses" in the consolidated statement of profit or loss.

Impairment test for cash-generating units containing development costs

At December 31, 2024, the Group performed impairment test on the capitalized development cost. The Group assessed the recoverable amounts of the assets comprising the CGU in relation to its clinical trials of below-the-knee DCB products in the United States, which included the capitalized development costs.

The recoverable amount of the CGU that included the development costs is determined based on value-in-use calculation. The Group engaged an independent professional valuer to assist with the calculation covering a ten-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2024
Annual revenue growth rate during the forecast period	2.4%~99.5%
Pre-tax discount rate	21.42%

As at December 31, 2024, the recoverable amount of the CGU was RMB375 million, which was higher than its carrying amount by RMB333 million. The Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at December 31, 2024 to exceed its recoverable amount.

13 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**76,225**	89,577
Work in progress	**23,099**	8,125
Finished goods	**62,465**	54,435
	161,789	152,137
Write down of inventories	**(5,800)**	(1,179)
	155,989	150,958

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**106,956**	77,468
Provision for write-down of inventories	**4,621**	272
	111,577	77,740

All inventories are expected to be recovered within one year.

14 TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**161,228**	143,892
Less: loss allowance	**(129)**	(249)
	161,099	143,643

All of the trade receivables are expected to be recovered within one year.

Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade receivable, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**115,052**	117,164
3 to 6 months	**45,988**	25,700
6 to 12 months	**59**	779
	161,099	143,643

Trade receivables are generally due within 90-180 days from the date of billing.

15 TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**39,041**	19,288
Accrued expenses		
– research and development expenses	**327**	675
– selling and distribution expenses	**3,015**	3,553
– salaries and bonus	**36,589**	27,727
– legal and professional fees	**1,707**	1,939
Value added tax ("**VAT**") and other taxes payable	**6,510**	14,083
Other payables	**6,203**	9,169
	93,392	76,434

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**30,616**	16,120
3 to 6 months	**5,345**	1,980
6 to 12 months	**1,962**	1,188
Over 12 months	**1,118**	–
	39,041	19,288

16 LEASE LIABILITIES

At December 31, 2024, the lease liabilities were repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**23,654**	25,938
After 1 year but within 2 years	**24,268**	25,692
After 2 years but within 5 years	**65,949**	71,991
After 5 years but within 10 years	**79,045**	100,376
	169,262	198,059
	192,916	223,997

17 DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a global leading medical device technology platform company in China. Leveraging on our four unique technology platforms (including drug-coating technology, radiofrequency ablation technology, polymer material technology and aspiration platform technology), we are focusing on the provision of solutions of cutting-edge intravascular interventional treatments. We have already built more than 30 product pipelines so far, which are capable of providing endovascular minimally-invasive interventional solutions for four areas consisting of vascular surgery, cardiology, nephrology and neurology. Based on the extendability and efficiency of our four technology platforms, we wish to leverage on our advantages in production and research through continuous innovation and continue to meet clinical needs for vascular interventional treatments, so as to provide solutions of full-body vascular interventional treatments to patients worldwide and safeguard their health and wellness.

BUSINESS HIGHLIGHTS

In 2024, we continued to drive innovation and iteration in technology and processes and achieved significant progress in product research and development. During the Reporting Period, our three products completed product finalization, two products were under clinical trials, six products had applied for registration with the NMPA, and seven products had been approved by the NMPA for marketing. In 2024, we successfully registered 11 patents and applied for registration of 16 additional patents.

Besides our significant progress in research and development, our admission efforts to hospital are also advancing. As of December 31, 2024, our ATK DCB (Above-The-Knee Drug-Coated Balloons) had been admitted into 1,800 hospitals (1,600 hospitals as of December 31, 2023); our BTK DCB (Below-The-Knee Drug-Coated Balloons) had been admitted into 820 hospitals (770 hospitals as of December 31, 2023); our Peripheral Aspiration System (AcoStream®) had been admitted into 1,760 hospitals (1,300 hospitals as of December 31, 2023); and our Radiofrequency Ablation System (AcoArt Cedar®), which was approved by the NMPA in April 2022, had been admitted into 680 hospitals (350 hospitals as of December 31, 2023). These numbers are expected to continuously grow.

The stable and positive direction of our production and research contributed to the rapid growth of our annual revenue directly. For the Reporting Period, our revenue was approximately RMB534.0 million, representing a year-on-year increase of approximately 12.7%. Our Core Products, AcoArt Orchid® & Dhalia® and AcoArt Tulip® & Litos®, were the major contributors of our revenue.

We have established a diversified and innovative product pipeline layout, with several products being launched within 2024.

In 2024, we obtained the NMPA approvals for seven of our products. Two products were approved in the field of vascular surgery: the Introducer Sheath Set (Acotrace) and the Delivery Catheter for Aspiration Catheter. Four products were approved in the field of cardiology, including the Coronary High-Pressure Dilatation Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), and the Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®). Additionally, we received approval for the AV Scoring Balloon (Peridge®) in nephrology. These approvals have enhanced our product portfolio and expanded our market presence.

We continued to diversify our business by launching new products and accelerating our globalization process.

In 2024, in addition to revenue generated from our Core Products, we continued to diversify our revenue stream from venous intervention, vascular access and other products (primarily including but not limited to Peripheral Aspiration System (AcoStream®), 2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®), Radiofrequency Ablation System (AcoArt Cedar®) and PTA balloons products (AcoArt Iris® & Jasmin® and AcoArt Lily® & Rosmarin®)), which contributed a revenue of approximately RMB213.7 million, accounting for approximately 40.0% of the total revenue. As of December 31, 2024, we had obtained market approvals for eleven products in vascular surgery, seven products in cardiology, two products in nephrology and one product in neurology. We anticipate that these approved products will contribute to sustained revenue generation, thereby enhancing the diversification of our income sources.

In 2024, our international business development accelerated. We further expanded the overseas reach of our products and we have completed the preparatory work for ATK DCB, BTK DCB to enter the markets of Chile, Austria, Finland, Sweden, the Netherlands, the United Kingdom and Poland. Additionally, we are actively progressing through the regulatory registration and market access processes in other overseas countries. In July 2023, we entered into a master collaboration agreement (the "**Master Collaboration Agreement**") and a master service agreement (the "**Master Service Agreement**", together with the Master Collaboration Agreement, the "**Framework Agreements**") with Boston Scientific Group plc, outlining collaboration in product commercialization, manufacturing services and product development over the next three years. Please refer to our Company's announcement dated July 20, 2023 and circular dated July 28, 2023 for further details. The signing of these two Framework Agreements enables us to seize vast sales opportunities globally and elevate our brand influence. We are of the view that the acceleration of our internationalization progress will further diversify our sources of income and facilitate us to respond to market changes more flexibly.

Our product pipelines were comprehensive and diversified.

We have cultivated a diverse product portfolio spanning vascular surgery, cardiology, nephrology and neurology, comprising more than 30 products. Our early recognition of the treatment demand for venous vascular disease prompted us to proactively develop products in this area, allowing us to gain a first-mover advantage in the market. The rapid revenue growth generated from venous intervention products following their market approval stand as a testament to our expertise in pipeline development. This remarkable achievement is attributable to two reasons: our insight into judgment of and prediction of market potentials and our first-class execution capabilities. We will continue to introduce competitive products to the market.

In November 2023, the Group received the approval of IDE (Investigational Device Exemption) application for AcoArt Litos® from the FDA, this marks a significant milestone in advancing the product's market entry in the U.S. As of the date of this annual results announcement, we have activated clinical trial sites in the U.S. and Europe and have already enrolled a number of patients globally. In December 2023, we released clinical trial data for our intracranial DCB (AcoArt Daisy®). The 6-month follow-up showed the target vessel restenosis rate of 6.85% for the DCB group, which was significantly lower than that of the Stent group. This confirms the significant clinical efficacy and good safety of the AcoArt Daisy® in the treatment of intracranial atherosclerotic stenosis (ICAS).

We continued to strengthen our efforts in clinical promotions and promote the innovation of clinical therapies of vascular intervention.

Since the launch of AcoArt Orchid® & Dhalia®, our first and China's first peripheral DCB product, we have already initiated our efforts in clinical promotion and education. Since the commencement of research and development of our products, we have never been slack in our promotion efforts in clinical treatments. We have been promoting the innovation of clinical therapies of vascular intervention, so as to provide brand-new solutions for intravascular diseases to patients.

We will continue to carry on the market cultivation of our new products, so as to provide new treatment methods to clinical patients.

We continued to reinforce our talent pool and improve our team building.

As of December 31, 2024, we had 650 employees in total. The number of members of our research and development team increased to 131, and the expertise our technical team covers material science, mechanical design, chemistry and biomedical engineering. During the Reporting Period, we have conducted campus recruitment at several top-tier universities. This strategic endeavor enabled us to enrich our team with professional talents in fields such as, among others, mechanical design, polymer materials, clinical medicine and pharmaceuticals, which further enhanced our talent pool. We believe that the support of talents with different expertise will accelerate the implementation of our multi product pipeline projects.

BUSINESS OVERVIEW

We carried out in-depth investigations and discussion in respect of artery diseases, vein diseases, and vascular aneurysm, and we prepared for our business presence in these sectors. During the Reporting Period, we obtained the NMPA approvals for seven of our products. Two products were approved in the field of vascular surgery: the Introducer Sheath Set (Acotrace) and the Delivery Catheter for Aspiration Catheter. Four products were approved in the field of cardiology, including the Coronary High-Pressure Dilatation Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), and the Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®). Additionally, we received approval for the AV Scoring Balloon (Peridge®) in nephrology. The progress of production development had been advancing at a quick pace.

Product Pipeline

Our products and product candidates are Class I, Class II and Class III medical devices under the classification criteria of the NMPA. The following chart summarizes the key information of our full product portfolio as of the date of this annual results announcement, including 22 commercialized products, the indication expansion for our Core Products in one therapeutic area, and 10 additional product candidates:

Department	Products and Product Candidates	Indications / Applications	Key Technologies	Phase				Upcoming Milestone
				Area	Pre-clinical Studies	Clinical Studies	Registration	
Vascular Surgery	AcoArt Orchid® & Dhalia®/Orchid Plus ★ Note 1	Superficial femoral artery (SFA) and popliteal artery (PPA) disease	Drug coating technology	China			NMPA Approval ★	/
				EU			CE ★	/
	AcoArt Tulip®& Litos® ★	Below-the-knee (BTK) artery disease	Drug coating technology	China			NMPA Approval ★	/
				EU			CE ★	/
				U.S.		FDA IDE Approval		
	AcoArt Iris® & Jasmin®	PTA Balloon applied in PTA procedure	Polymer materials	China			NMPA Approval ★	/
	AcoArt Lily® & Rosmarin®	PTA Balloon applied in PTA procedure	Polymer materials	China			NMPA Approval ★	/
	Peripheral Aspiration System (AcoStream®)▲	DVT, ALI	Aspiration platform	China		Exempted from clinical trial	NMPA Approval ★	/
				Brazil			ANVISA Approval ★	/
	Radiofrequency Ablation System (AcoArt Cedar®)	Saphenous varicose veins	RF platform	China			NMPA Approval ★	/
	Peripheral Support Catheter (Vericor®)▲	Peripheral CTO lesion	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
				U.S.			FDA Approval ★	/
				Brazil			ANVISA Approval ★	/
				Thailand			TFDA Approval ★	/
				Japan			MHLW Approval ★	/
	PTA Balloon (P-Conic®) ▲	PTA	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®)▲	DVT, ALI	Aspiration platform	China		Exempted from clinical trial	NMPA Approval ★	/
	Introducer Sheath Set (Acotrace)▲	PTA	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Delivery Catheter for Aspiration Catheter▲	PTA	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Lower Limb Sirolimus DCB	SFA and PPA disease	Drug coating technology	China				2026
	Peripheral Scoring Balloon	SFA and PPA disease	Polymer materials	China				2025
	Peripheral Coil	Embolization	Polymer materials	China				2025
	Peripheral Thrombectomy Device	DVT, ALI and PE	Polymer materials	China				2025
	Microguidewire▲	PTA	Polymer materials	China		Exempted from clinical trial		2025
Cardiology	Semi-compliant PTCA Balloon (YAN)	PTCA	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Coronary CTO Recanalization Balloon (RT-Zero®)▲	Coronary CTO	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Coronary CTO Antegrade Micro-Catheter (Vericor-14®) ▲	Coronary CTO	Polymer materials	China			NMPA Approval ★	/
				Japan		Exempted from clinical trial	MHLW Approval ★	/
				Thailand			TFDA Approval ★	/
	Coronary CTO Retrograde Micro-Catheter (Vericor-RS®) ▲	Coronary CTO	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Coronary High-Pressure Balloon (YIYAN)	PTCA	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Cardiac Valve Balloon (RunFlow®)	TAVR	Polymer materials	China			NMPA Approval ★	/
	AcoArt Camellia® (DCB)	Coronary small vessel diseases	Drug coating technology	China			NMPA Approval ★	/
	Coronary Micro-Catheter (Vericor-S2®)▲ Note 2	PCI	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	Coronary Sirolimus DCB	Bifurcation lesions	Drug coating technology	China				2025
	Coronary IVL System	Coronary lesion calcium	Polymer materials	China				2027
Nephrology	AcoArt Orchid®& Dhalia®/Orchid Plus☆(DCB)	Arteriovenous fistula stenosis	Drug coating technology	China			NMPA Approval ★	/
	Paclitaxel Coated High-pressure Balloon (ACOART AVENS®) ▲	AVF PTA procedure	Drug coating technology	China			NMPA Approval ★	/
	AV Scoring Balloon (Peridge®)	AVF PTA procedure	Polymer materials	China			NMPA Approval ★	/
	High-Pressure Balloon Catheter	AVF PTA procedure	Polymer materials	China				2025
Neurology	Intracranial PTA Balloon (NEO-Skater®)▲	Intracranial PTA procedure	Polymer materials	China		Exempted from clinical trial	NMPA Approval ★	/
	AcoArt Verbena®& Vinca® (DCB)	Vertebral atherosclerotic stenosis	Drug coating technology	China				2025
	AcoArt Daisy® (DCB)	Intracranial atherosclerotic stenosis	Drug coating technology	China				2025

★Core product ☆ Indication expansion of core product ★Commercialization

▲Exempted from clinical trial requirements in accordance with the Catalogue of Medical Device Exempted from Clinical Trials (《免於進行臨床試驗醫療器械目錄》) promulgated by the NMPA, as amended.

Note:

1. We have been continuously improving the performance of AcoArt Orchid® & Dhalia®. As advised by NMPA and as part of our business strategy, we decided not to register Orchid Plus as a separate product. Alternatively, we applied to register Orchid Plus as an upgrade version of AcoArt Orchid® & Dhalia® with improved delivery balloon catheter system, and received the revised NMPA approval for AcoArt Orchid® & Dhalia® in November 2021.

2. Coronary Micro-Catheter (Vericor-S2®) obtained the registration approval from the NMPA on January 20, 2025.

3. We have updated our product candidates in our product pipelines in order to accommodate the market demands.

Our Core Products

1. AcoArt Orchid® & Dhalia®

AcoArt Orchid® & Dhalia® is a paclitaxel DCB used to prevent stenosis or occlusion in superficial femoral artery (SFA) and popliteal artery (PPA) for the treatment of lower extremity artery disease (LEAD) with a vascular interventional approach. It is compatible with the guidewire of 0.035" (AcoArt Orchid®) and 0.018" (AcoArt Dhalia®).

We received the CE Marking for AcoArt Orchid® in 2014 and the NMPA approval for AcoArt Orchid® & Dhalia® in 2016. AcoArt Orchid® & Dhalia® was the first peripheral DCB product launched in China. As of December 31, 2024, we had also launched AcoArt Orchid® in Germany, Italy, Switzerland, Czech Republic, Ecuador, Estonia, Hungary, India, South Africa, Spain, Turkey, Thailand and Brazil, and completed the preparatory work to enter the markets of Chile, Austria, Finland, Sweden, the Netherlands, the United Kingdom and Poland. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

We are expanding the indications of AcoArt Orchid® & Dhalia® to address the underserved medical needs. In May 2018, we initiated an RCT for our AcoArt Orchid® & Dhalia® indicated for treating AVF stenosis in China to evaluate its safety and efficacy. The RCT enrolled a total of 244 trial subjects in 11 hospitals in China, with the General Hospital of People's Liberation Army as the principal investigator institution. The 244 subjects were randomized in a 1:1 ratio to a study group, where the subjects receive the treatment using AcoArt Orchid® & Dhalia®, and a control group, where the subjects receive the treatment using PTA balloons. We have completed the six-month follow-ups and the twelve-month follow-ups for all the trial subjects. According to the six-month follow-ups statistics, patency rate of DCB group is 91.4%, as comparing to the 66.9% patency rate for PTA group. According to the twelve-month follow-ups statistics, patency rate of DCB group is 66.1%, as compared to the 46.4% patency rate for PTA group. In nephrology, we received the updated registration certificate from the NMPA for the indication expansion of AcoArt Orchid® & Dhalia® for treating AVF stenosis in July 2022.

We have been continuously improving the performance of AcoArt Orchid® & Dhalia®. As advised by NMPA and as part of our business strategy, we decided not to register Orchid Plus as a separate product. Alternatively, we applied to register Orchid Plus as an upgrade version of AcoArt Orchid® & Dhalia® with improved delivery balloon catheter system, and received the revised NMPA approval for AcoArt Orchid® & Dhalia® in November 2021.

For the Reporting Period, our revenue generated from the sales of AcoArt Orchid® & Dhalia® in China and overseas amounted to approximately RMB267.0 million, representing year-on-year decrease of approximately 2.7%.

2. AcoArt Tulip® & Litos®

AcoArt Tulip® & Litos® is a paclitaxel coated DCB used to prevent stenosis or occlusion in below-the-knee (BTK) arteries for the treatment of chronic limb-threatening ischemia with a vascular interventional approach. It is compatible with the guidewire of 0.018" (AcoArt Tulip®) and 0.014" (AcoArt Litos®). We received the CE Marking for AcoArt Tulip® & Litos® in 2014, the FDA "breakthrough device" designation for AcoArt Litos® in 2019 and the NMPA approval for market for AcoArt Tulip® & Litos® in December 2020, and successfully launched it in China in January 2021. As of December 31, 2024, we had also launched AcoArt Tulip® & Litos® in Germany, Italy, Switzerland, Czech Republic, Ecuador, Estonia, Hungary, India, South Africa, Spain, Turkey and Brazil, and completed the preparatory work to enter the markets of Chile, Austria, Finland, Sweden, the Netherlands, the United Kingdom and Poland. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

In January 2022, we submitted an IDE application for AcoArt Litos® Paclitaxel Coated Percutaneous Transluminal Angioplasty (PTA) Balloon Catheter to the Center for Devices and Radiological Health of the FDA. In November 2023, the Group received the approval of IDE (Investigational Device Exemption) application from the US Food and Drug Administration (FDA). As of the date of this annual results announcement, we have activated clinical trial sites in the U.S. and Europe and have already enrolled a number of patients globally.

For the Reporting Period, our revenue generated from the sales of AcoArt Tulip® & Litos® in China and overseas amounted to approximately RMB53.3 million, representing a year-on-year increase of approximately 8.8%.

Other Key Product Candidates

In vascular surgery, other than our Core Products, we have nine other commercialized products and five product candidates in pipeline. In cardiology, we have eight commercialized products and two product candidates in pipeline. In nephrology, we have two commercialized products and one product candidate in pipeline. In neurology, we have one commercialized product and two product candidates in pipeline.

Devices Targeting Vascular Surgery

Other than our Core Products, we have nine commercialized products, namely AcoArt Iris® & Jasmin®, AcoArt Lily® & Rosmarin®, Peripheral Aspiration System (AcoStream®), Radiofrequency Ablation System (AcoArt Cedar®), 2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®), Peripheral Support Catheter (Vericor®), PTA Balloon (P-Conic®), the Delivery Catheter for Aspiration Catheter and the Introducer Sheath Set (Acotrace) and five product candidates in pipeline.

Commercialized Products

1. **AcoArt Iris® & Jasmin®** is a PTA balloon used to open up narrowing or occlusive vessels for the treatment of SFA/PPA lesions with a vascular interventional approach. We received the NMPA approval for AcoArt Iris® & Jasmin® in 2014. We also obtained CE Marking for AcoArt Iris® in 2017. The CE Marking for AcoArt Iris® expired in January 2024. In light of the Company's overseas marketing strategy, we have decided not to renew the registration. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

2. **AcoArt Lily® & Rosmarin®** is a PTA balloon used to open up narrowing or occlusive vessels for the treatment of BTK lesions with a vascular interventional approach. We received the NMPA approval for AcoArt Lily® & Rosmarin® in 2015. We also obtained CE Marking for AcoArt Lily® & Rosmarin® in 2017. The CE Marking for AcoArt Lily® & Rosmarin® expired in January 2024. In light of the Company's overseas marketing strategy, we have decided not to renew the registration. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

3. **Peripheral Aspiration System (AcoStream®)** consists of a single-use suction connection tube, a suction pump and a thrombus aspiration catheter designed for use in the percutaneous aspiration thrombectomy for treatment of lower extremity deep vein thrombosis (DVT). The suction pump of Peripheral Aspiration System (AcoStream®) and the aspiration catheter were approved by the NMPA in August 2021 and November 2021, respectively. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

4. **Radiofrequency Ablation System (AcoArt Cedar®)** consists of a radiofrequency generator and an endovenous radiofrequency catheter. Our Radiofrequency Ablation System (AcoArt Cedar®) is designed for superficial vein closure to treat varicose veins through radiofrequency ablation. We received the NMPA approval in April 2022. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

5. **Peripheral Support Catheter (Vericor®)** is designed to enhance access to peripheral vessels. Our peripheral support catheters are used together with guidewires to recanalize CTO lesions and BTK lesions and to reduce the difficulty of performing surgeries on complex lesions and BTK lesions. We received the NMPA approval in July 2022, and received Brazil ANVISA approval in September 2022, the section 510(k) registration approval from the FDA in November 2022. We further received the registration approval from the Food and Drug Administration of Thailand in March 2023 and registration approval from Ministry of Health, Labour and Welfare ("**MHLW**") in Japan in September 2023. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

6. **PTA Balloon (P-Conic®)** is a percutaneous transluminal angioplasty (PTA) balloon designed for arterial dilation of the lower extremities, with a tapered balloon plus high pressure design for optimal vessel preparation. We received the NMPA approval in December 2022. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

7. **2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®)** is the upgraded product of our peripheral aspiration system. The renewal peripheral aspiration catheter is used for removal of blood clots in human peripheral vascular system with improved design to further enhance the treatment effect and ease of operation. We received the NMPA approval in April 2023. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

8. **Introducer Sheath Set (Acotrace)** is indicated for percutaneous insertion into the vascular system during interventional procedures to facilitate the placement of guidewires and catheter-type medical devices into the blood vessels. We received the NMPA approval in October 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

9. **The Delivery Catheter for Aspiration Catheter** is intended for use in peripheral vascular interventional procedures to assist in the delivery and placement of interventional devices. Specifically designed for the AcoStream® aspiration catheter, its outer wall can perfectly conform to the inner wall of the aspiration catheter without any gaps, thereby achieving better support and pushability, which makes the surgical operation more convenient. We received the NMPA approval in November 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

For the Reporting Period, our revenue from the sales of our venous intervention, vascular access and other products, primarily including but not limited to AcoArt Iris® & Jasmin®, AcoArt Lily® & Rosmarin®, Peripheral Aspiration System (AcoStream®), 2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®) and Radiofrequency Ablation System (AcoArt Cedar®), and other products was approximately RMB213.7 million, representing a year-on-year increase of approximately 42.2%.

Product Candidates in Pipeline

10. **Lower Limb Sirolimus DCB** is a sirolimus coated balloon product indicated for PAD. Our lower limb sirolimus DCB's therapeutic effect has been preliminary validated by the pig coronary model. Our lower limb sirolimus DCB is currently under clinical trial. We expect to receive the NMPA approval in 2026.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR LOWER LIMB SIROLIMUS DCB SUCCESSFULLY.

11. **Peripheral Scoring Balloon** has a scoring element embedded on the balloon. We have submitted the product registration to the NMPA in 2023 and expect to receive the NMPA approval in 2025.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PERIPHERAL SCORING BALLOON SUCCESSFULLY.

12. **Peripheral Thrombectomy Device** features a nitinol retrievable stent and is designed to capture the clot in peripheral veins. We have submitted the product registration to the NMPA in 2024 and expect to receive the NMPA approval in 2025.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PERIPHERAL THROMBECTOMY DEVICE SUCCESSFULLY.

13. **Peripheral Coil** is designed to embolize peripheral vessel or aneurysm. We expect to receive the NMPA approval in 2025.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PERIPHERAL COIL SUCCESSFULLY.

14. **Microguidewire** is used in peripheral vascularventional inter treatments to facilitate the navigation of instruments through narrow and tortuous vessels. Our microguidewire is currently under development. We expect to receive the NMPA approval in 2025.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR MICROGUIDEWIRE SUCCESSFULLY.

Devices Targeting Cardiology

As of the date of this annual results announcement, we have eight commercialized products, namely Semi-compliant PTCA balloon (YAN), Coronary CTO Recanalization Balloon (RT-Zero®), Coronary CTO Antegrade MicroCatheter (Vericor-14®), Coronary High-Pressure Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®), Coronary Micro-Catheter (Vericor-S2®) and two product candidates in pipeline.

Commercialized Products

1. **Semi-compliant PTCA Balloon (YAN)** is a product designed for dilation in coronary artery or coronary artery bypass vessels stenosis to improve myocardial perfusion. YAN is also indicated for dilation of coronary artery occlusive lesions to restore coronary blood flow of ST-segment elevation myocardial infarction (STMI) patients. We received the NMPA approval in December 2022. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

2. **Coronary CTO Recanalization Balloon (RT-Zero®)** is a high-pressure PTCA balloon with a minimum of 0.85mm balloon diameter and a minimum of 0.0160" crossing profile, indicated for dilation in coronary artery stenosis and chronic total occlusion (CTO) lesion to improve myocardial perfusion for patients with coronary ischemia. We received the NMPA approval in March 2023. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

3. **Coronary CTO Antegrade Micro-Catheter (Vericor-14®)** is intended to provide support to facilitate the placement of guide wires in stenotic lesions of the coronary and peripheral vasculatures, and can be used to exchange one guide wire for another. This product is also intended to assist in the delivery of normal saline or contrast media into the coronary and peripheral vasculatures. We received the NMPA approval in April 2023. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

4. **Coronary High-Pressure Balloon (YIYAN)** is designed for dilating in coronary artery or coronary artery bypass vessels stenosis to improve myocardial perfusion. We received the NMPA approval in March 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

5. **Coronary CTO Retrograde Micro-Catheter (Vericor-RS®)** is designed to provide support to facilitate the placement of guide wires in stenotic lesions of the coronary and peripheral vasculatures, and can be used to exchange one guide wire for another. This product is also intended to assist in the delivery of normal saline or contrast media into the coronary and peripheral vasculatures. We received the NMPA approval in March 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

6. **Cardiac Valve Balloon Dilation Catheter (RunFlow®)** is indicated for the dilation of the native aortic valve during transcatheter aortic valve replacement procedures. Its eight-balloon cavity structure design allows smooth blood flow even when the balloons are fully inflated, effectively enhancing the safety of the procedure and simplifying the surgical operation. We received the NMPA approval in September 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

7. **AcoArt Camellia®** is a paclitaxel coated DCB indicated for the treatment of de novo coronary artery lesions with a vessel diameter ranging from 2.0mm to 2.75mm. We received the NMPA approval in November 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

8. **Coronary Micro-Catheter (Vericor-S2®)** is designed for use in percutaneous coronary interventions to guide guidewires through stenotic vascular lesions, providing a channel for guidewire exchange and the delivery of normal saline or contrast media. Coronary Micro-Catheter Vericor-S2® features excellent passability, trackability, and pushability, enabling it to navigate smoothly through stenotic, tortuous, and small vessels. We received the NMPA approval in January 2025. As of the date of this annual results announcement, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

For the Reporting Period, our revenue from the sales of our venous intervention, vascular access and other products (for other products in cardiology, primarily including but not limited to Semi-compliant PTCA balloon (YAN), Coronary CTO Recanalization Balloon (RT-Zero®), Coronary CTO Antegrade Micro Catheter (Vericor-14®), Coronary High-Pressure Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®)) was approximately RMB213.7 million, representing a year-on-year increase of approximately 42.2%.

Product Candidates in Pipeline

9. **Coronary Sirolimus DCB** is a sirolimus DCB indicated for the treatment of bifurcation lesions in coronary arteries. We have initiated an RCT for our coronary sirolimus DCB in January 2021 to evaluate the safety and efficacy of sirolimus DCB in treating bifurcation lesions in coronary arteries. We have completed clinical trial for Coronary Sirolimus DCB and submitted the product registration to the NMPA in 2023. We expect to receive the NMPA approval in 2025.

   WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CORONARY SIROLIMUS DCB SUCCESSFULLY.

10. **Coronary IVL System** is an intravascular lithotripsy device mounted on a conventional balloon angioplasty. Energizing the lithotripsy device will generate pulsatile energy to disrupt hard calcium among the coronary lesion, to allow subsequent dilation of stenotic lesion with lower balloon pressure and ultimately to reduce the rate of stent implantation. We expect to receive the NMPA approval in 2027.

    WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CORONARY IVL SYSTEM SUCCESSFULLY.

Devices Targeting Nephrology

In nephrology, we received the updated registration certificate from the NMPA for the indication expansion of AcoArt Orchid® & Dhalia® for treating AVF stenosis in July 2022. Additionally, we have two commercialized products, namely Paclitaxel Coated High-Pressure Balloon (ACOART AVENS®) and AV Scoring Balloon (Peridge®) and one product candidate in pipeline.

Commercialized Products

1. **Paclitaxel Coated High-Pressure Balloon (ACOART AVENS®)** is used in PTA for treating AVF stenosis of hemodialysis patients. We have improved the product design, optimized coating technology and applied new material to enhance the treatment effect and ease of operation. We received the NMPA approval in April 2023. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

2. **AV Scoring Balloon (Peridge®)** is used for the treatment of stenotic lesions in autologous or synthetic arteriovenous fistulae for hemodialysis. AV Scoring Balloon (Peridge®) provides effective anchoring points and aids in the directed opening of lesions, reducing the incidence and severity of elastic recoil for plaques or proliferative intimal tissue and flow-limiting dissections while dilating the vessel lumen, thereby minimizing excessive vascular injury. We received the NMPA approval for AV Scoring Balloon (Peridge®) in January 2024. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

For the Reporting Period, our revenue from the sales of our venous intervention, vascular access and other products (for other products in nephrology, primarily including but not limited to revenue from Paclitaxel Coated High-Pressure Balloon (ACOART AVENS®) and AV Scoring Balloon (Peridge®)) was approximately RMB213.7 million, representing a year-on-year increase of approximately 42.2%.

Product Candidates in Pipeline

3. **High-Pressure Balloon** is a non-compliant balloon designed for optimal luminal dilation during arteriovenous fistula (AVF) maintenance procedures in hemodialysis patients. Its advanced design ensures sustained vascular patency and improved clinical outcomes. We have submitted the product registration to the NMPA in 2024 and expect to receive the NMPA approval in 2025.

   WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR HIGH-PRESSURE BALLOON SUCCESSFULLY.

Devices Targeting Neurology

As of the end of the Reporting Period, we have one commercialized product, namely Intracranial PTA Balloon (NEO-Skater®), and two product candidates in pipeline.

Commercialized Products

1. **Intracranial PTA Balloon (NEO-Skater®)** is an intracranial PTA balloon to improve perfusion of atherosclerotic intracranial arteries, and it has an improved catheter platform and lubricant coating of the balloon to ensure the passage in a tortuous and narrow vascular environment. We received the NMPA approval in December 2022. As of December 31, 2024, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals or registrations.

For the Reporting Period, our revenue from the sales of our venous intervention, vascular access and other products (for other products in neurology, primarily including but not limited to revenue from Intracranial PTA Balloon (NEO-Skater®)) was approximately RMB213.7 million, representing a year-on-year increase of approximately 42.2%.

Product Candidates in Pipeline

1. **AcoArt Daisy®** is a rapid exchange system DCB indicated for the treatment of intracranial atherosclerotic stenosis (ICAS). We completed the subject enrollment of the RCT for our AcoArt Daisy® in 2022 and submitted the product registration to the NMPA in 2023. We expect to receive the NMPA approval in 2025.

   WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR ACOART DAISY® SUCCESSFULLY.

2. **AcoArt Verbena® & Vinca®** is a DCB indicated for the treatment of vertebral atherosclerotic stenosis. We completed the subject enrollment of the RCT for AcoArt Verbena® & Vinca® in 2022 and submitted the product registration to the NMPA in 2023. We expect to receive the NMPA approval in 2025.

   WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR ACOART VERBENA® & VINCA® SUCCESSFULLY.

Research and Development

We have a strong in-house research and development team. The team is led by Ms. Weijia LI, Mr. Lizhong LU, Ms. Yaze LI and Mr. Scott WILSON.

We have primarily adopted a self-development business model. Our research and development team self-develop most of the key technologies used in our products and product candidates, and we own substantially all the rights pertaining to all our products and product candidates, except that the formula of the excipient used in our DCB products (which we believe is a key differentiating aspect of our products) was licensed from InnoRa GmbH, our business partner. Furthermore, as of December 31, 2024, we had a robust intellectual property portfolio, consisting of 57 registered patents and 42 pending patent applications.

During the Reporting Period, we supplemented our research and development team with technicians in the field of mechanical design, polymer materials, medicine, pharmacy, and chemistry, which further improved our talent pool.

Manufacturing

In 2023, we rent a new premises which located in Beijing for the purposes of research, development, testing and manufacturing of medical devices. For details, please refer to the announcement issued by the Company dated March 13, 2023. As of December 31, 2024, our production facility in Beijing has an aggregate gross floor area of approximately 30,800 sq.m., and our production facility in Shenzhen has an aggregate gross floor area of approximately 6,220 sq.m.. As of December 31, 2024, our facility was primarily used for the production of our balloon catheter products (including DCB and PTA products), power-sourced devices and products candidates.

The production capacity, actual production volume and utilization rate for our commercialized balloon catheter products in our manufacturing facility for the Reporting Period is 997,130, 465,792, and 46.7%, respectively. We conduct all the manufacturing process of our balloon catheter products in-house.

Sales and Marketing

Currently, we primarily sell and market our Core Products, AcoArt Orchid® & Dhalia® and AcoArt Tulip® & Litos®, and our venous intervention, vascular access and other products. We also sell AcoArt Orchid® and AcoArt Tulip® & Litos® in several overseas countries. For the Reporting Period, we generated approximately RMB320.3 million and approximately RMB213.7 million from the sales of our Core Products and our venous intervention, vascular access and other products, respectively, representing a year-on-year decrease of approximately 1.0% and a year-on-year increase approximately 42.2%, respectively, and a substantial portion of such revenue is generated from our sales in China. As our current products and product candidates receive more marketing approvals in countries and regions outside China, we expect to generate more sales from overseas markets.

We use a combination of our in-house sales and marketing team, our connections with hospitals and a network of independent distributors to sell our products in China. As of December 31, 2024, we had a strong sales and marketing team with extensive experience in China, thus laying the foundation for the commercialization of our products. Our in-house sales and marketing team tracks and analyzes applicable local laws and regulations and government policies as well as market data of our products in order to formulate national and regional marketing strategies more effectively.

We employ a strategic marketing model to promote and sell our products. Under this model, we promote our products to hospitals in China through academic marketing, by establishing research and clinical collaboration and training relationships with hospitals and by leveraging our network with KOLs.

Intellectual Property Rights

We have built a comprehensive intellectual property portfolio in China and overseas to protect our technologies, inventions and know-how and ensure our future success with commercializing our products. As at December 31, 2024, we had 57 registered patents and 162 registered trademarks, as well as 42 pending patent applications and 30 pending trademark applications in China and overseas. There is no material legal impediment for us to obtain the approvals for these pending patents and trademarks.

Continuing Connected Transactions

On July 20, 2023 (after trading hours), the Company and BSG entered into the Master Collaboration Agreement to govern the collaboration between the Parties on the commercialization of the products of the Parties from time to time. On July 20, 2023 (after trading hours), the Company and BSG entered into the Master Service Agreement to govern the mutual provision of R&D Supporting Services and CSO Services from time to time. BSG is the Controlling Shareholder of the Company holding approximately 65.0% of the issued share capital of the Company. Therefore, BSG is a connected person of the Company under the Listing Rules, and the transactions contemplated under each of the Framework Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the Framework Agreements were duly passed by the Shareholders as ordinary resolutions in the extraordinary general meeting held on August 11, 2023.

For capitalized terms and details, please refer to the announcements of the Company dated July 20, 2023 and August 11, 2023, and the circular of the Company dated July 28, 2023.

Following the signing of the Master Collaboration Agreement and the Master Service Agreement, our cooperation with BSC has entered the phase of practical implementation. Pursuant to the Framework Agreements, both parties have entered into distribution agreements for peripheral DCB products (including AcoArt Orchid®, AcoArt Tulip® and AcoArt Litos®) in the overseas markets in 2023. In 2024, both parties have begun to establish cooperation on the commercialization of multiple peripheral and coronary products in Hong Kong and Taiwan. In the mainland China market, distribution agreements have been entered into for coronary products, which enabled BSC to commence the sale of our products domestically. In the future, we intend to introduce a broader range of products for launch in the market, thereby expanding our collaboration with BSC. Furthermore, we are currently progressing with the overseas registration of various products. In 2024, our Group and BSC initiated a collaborative partnership in R&D, focusing on the co-development of products whereby our Group is tasked with the research, development, and regulatory approval of these products. Upon market launch, BSC will hold the commercialization rights for these products.

Re-designation of Director

With effect from June 12, 2024, Mr. Silvio Rudolf SCHAFFNER has been re-designated from an executive director and the chief operating officer of the Company to a non-executive Director.

For details, please refer to the announcement issued by the Company dated June 12, 2024.

Future Development

Our goal is to become a global leader that provides full-suite of interventional solutions for vascular diseases.

Leveraging the synergistic effects from our four core technologies, we will further expand our product offerings. To fuel our long-term growth, we continue to further expand our coverage in the domain of vascular interventional therapies. We have established a diversified product pipeline cover four therapeutic areas consisting of vascular surgery, cardiology, nephrology and neurology. We also plan to expand our product offerings from therapeutic devices, procedural devices to other ancillary devices for vascular interventional procedures in each of the four therapeutic areas. With a goal to solidify our leading position in the DCB market and enhance our competitiveness in other vascular interventional therapies, we plan to increase our investments in technological innovation to strengthen our research and development capabilities.

We will continue to advance a diversified development path, employing different marketing strategies tailored to varied market demands and product characteristics. For the Core Products, our objective is to sustainably increase the sales of products in hospitals where we have already been admitted. We will continue to implement and enhance a systematic DCB training program to expedite physician education and we will organize patient education activities to enhance the awareness of DCB among Chinese patients, thereby promoting our DCB products. As for venous intervention products (primarily including but not limited to Peripheral Aspiration System (AcoStream®), 2nd Gen Peripheral Aspiration System (2nd Generation AcoStream®) and Radiofrequency Ablation System (AcoArt Cedar®)), we will continue to expand hospital coverage, particularly targeting more lower-tier city hospitals. In addition, we will provide comprehensive training to physicians to elevate the treatment concepts and surgical proficiency. On July 20, 2023, we entered into the Framework Agreements with BSG, offering our products the opportunity to gain sales exposure in the global market, furthering the diversification of product revenue.

To enjoy early-mover advantage, we will rapidly advance the clinical development and commercialization of our late-staged product candidates. We expect to broaden our sales and expand our presence globally after entering into the Framework Agreements with BSG.

FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, all our revenue was generated from sales of medical devices. Sales of DCB products, our Core Products, have comprised the major portion of our revenue since its first commercialization in China in 2016. Our revenue primarily comprised of the sales of Core Products and venous intervention and vascular access products. We expect to increase our revenue by expanding the indications of our Core Products and enriching our venous intervention and vascular access products in the near future.

The Group's revenue for the year ended December 31, 2024 was approximately RMB534.0 million, representing an increase of approximately 12.7% compared to approximately RMB473.8 million for the year ended December 31, 2023. The increase was primarily attributable to the increase in the sales of venous intervention, vascular access and other products like Peripheral Aspiration System (AcoStream®) and Radiofrequency Ablation System (AcoArt Cedar®). It is noted that such number of surgeries performed with our medical devices recorded an increase compared to the year ended December 31, 2023. For the year ended December 31, 2024, revenue from sales of venous intervention, vascular access and other products accounted for approximately 40.0% of our total revenue, representing an increase of approximately 42.2%, as compared to approximately 31.7% for the year ended December 31, 2023.

The following table sets forth a breakdown of our revenue:

Revenue	**Year ended December 31, 2024**		Year ended December 31, 2023	
	RMB'000	***Proportion***	*RMB'000*	*Proportion*
Core Products	**320,302**	**60.0%**	323,536	68.3%
AcoArt Orchid® & Dhalia®	**267,042**	**50.0%**	274,586	58.0%
AcoArt Tulip® & Litos®	**53,260**	**10.0%**	48,950	10.3%
Venous intervention, vascular access and other products (*Note*)	**213,686**	**40.0%**	150,312	31.7%
Total	**533,988**	**100.0%**	473,848	100.0%

Note: The venous intervention, vascular access and other products primarily including but not limited to PTA balloon products, Peripheral Aspiration System (AcoStream®) and Radiofrequency Ablation System (AcoArt Cedar®).

Cost of Sales

The cost of sales primarily consists of staff costs, raw material costs, depreciation and amortization, utility costs and others.

The Group's cost of sales for the year ended December 31, 2024 was approximately RMB131.3 million, representing an increase of approximately 36.2% compared to approximately RMB96.4 million for the year ended December 31, 2023. The increase was primarily attributable to (i) increase of sales volume of Core products from both China market and Overseas market and (ii) the rapid growth of the sales volume of Peripheral Aspiration System (AcosTream®) and Radiofrequency Ablation System (AcoArt Cedar®) in China.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by approximately 6.7% from approximately RMB377.4 million for the year ended December 31, 2023 to approximately RMB402.7 million for the year ended December 31, 2024. Gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group decreased from approximately 79.6% for the year ended December 31, 2023 to approximately 75.4% for the year ended December 31, 2024, mainly due to (i) some products have been enrolled in volume-based procurement, which impacted the sales prices, (ii) an increase in sales volume of venous intervention, vascular access and other products which have relatively lower gross profit margin than Core Products, and (iii) an increase in sales volume of Core Products in overseas market with relatively lower sales prices, which in turn led to a decrease in overall gross profit margin.

Other Income

The Group recorded other income for the year ended December 31, 2024 of approximately RMB40.4 million, representing an increase of approximately 14.1% compared to approximately RMB35.4 million for the year ended December 31, 2023, primarily attributable to an increase in interest income from bank deposits.

Other Net Losses

The other net losses primarily consisted of net foreign exchange losses, net loss on disposal of property, plant and equipment and right-of-use assets, fair value change of financial assets measured at fair value and others.

The Group recorded other net losses for the year ended December 31, 2024 of approximately RMB4.8 million, compared to other net losses of approximately RMB16.6 million for the year ended December 31, 2023, which mainly due to (i) net foreign exchange loss for the year ended December 31, 2024 was approximately RMB0.2 million while the net foreign exchange losses of approximately RMB13.7 million for the year ended December 31, 2023, (ii) fair value change of financial assets measured at fair value for the year ended December 31, 2024 was a RMB2.9 million gain as compared with that for the year ended December 31, 2023 was a RMB2.8 million loss, (iii) there was a RMB7.7 million net loss on disposal of property, plant and equipment and termination of lease contracts for the year ended December 31, 2024, while the amount is RMB0.2 million for the year ended December 31, 2023.

Selling and Distribution Costs

The Group's selling and distribution costs for the year ended December 31, 2024 was approximately RMB92.8 million, representing a decrease of approximately 4.9% compared to approximately RMB97.5 million for the year ended December 31, 2023. The decrease was primarily attributable to the decrease in the number of sales staff and therefore a decrease in staff cost.

R&D Costs

The Group's R&D costs for the year ended December 31, 2024 was approximately RMB216.8 million, representing an increase of approximately 14.0% compared to approximately RMB190.1 million for the year ended December 31, 2023. The increase was primarily attributable to the increase in staff cost due to the increase number of R&D staff and the increased material and clinical trial cost.

The following table sets forth the components of our research and development expenses for the period indicated.

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses[Note]	**85,687**	**39.5%**	86,120	45.3%
Third-party contracting expenses and consultancy expenses	**65,970**	**30.5%**	49,658	26.1%
Material consumed	**45,970**	**21.2%**	38,418	20.2%
Depreciation and amortisation	**12,436**	**5.7%**	8,722	4.6%
Others	**6,710**	**3.1%**	7,152	3.8%
	216,773	**100.00%**	190,070	100.00%

Note: Employee benefits expense includes share-based compensation.

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2024 was approximately RMB64.9 million, representing a decrease of approximately 22.6% compared to approximately RMB83.8 million for the year ended December 31, 2023. The decrease was primarily attributable to (i) decreased depreciation and amortization expenses due to the new lease of plants and buildings in both Beijing and Shenzhen transferred to function areas after renovation completed and put into use and (ii) decreased one-time consulting expenses for the voluntary partial cash offer and connected transaction.

Finance Costs

The Group's finance costs for the year ended December 31, 2024 was approximately RMB11.5 million, representing an increase of approximately 15.5% compared to approximately RMB10.0 million for the year ended December 31, 2023. The increase was primarily attributable to the increased interest expense.

Income Tax

The Group's income tax expenses for the year ended December 31, 2024 was approximately RMB321,000, compared to the income tax credit of approximately RMB35,000 for the year ended December 31, 2023. The increase was primarily attributable to the withholding income tax.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis, and makes timely adjustments to it in light of changes in economic conditions. To maintain or realign our capital structure, the Group may raise capital by way of bank loans or issuance of equity or convertible bonds.

Liquidity and Financial Resources

The Group's cash and cash equivalents, time deposits and financial assets measured at amortised cost as at December 31, 2024 were approximately RMB864.2 million, representing a decrease of approximately 1.7% compared to approximately RMB879.2 million as at December 31, 2023. The decrease was primarily attributable to the increase in operating and capital expenditures.

We rely on capital contributions by our shareholders and also generate cash from our sales revenue of existing commercialized products, including Core Products and venous intervention and vascular access products. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of existing commercialized products and by launching new products, as a result of the broader market acceptance of our existing products and our continued efforts in marketing and expansion.

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

Borrowings and Gearing Ratio

As at December 31, 2024, the Group's total borrowings are interest-bearing bank borrowings which were RMB10.0 million, same as at December 31, 2023.

Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100%. As at December 31, 2024, the gearing ratio of the Group decreased to approximately 23.2% from approximately 24.3% as at December 31, 2023 mainly due to the decreased balances of lease liabilities.

Net Current Assets

As at December 31, 2024, the Group's net current assets was approximately RMB1,075.8 million, representing a decrease of approximately 1.7% compared to net current assets of approximately RMB1,094.9 million as at December 31, 2023, which was mainly due to the increase of trade liabilities.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, trade receivables, other receivables, and trade and other payables are dominated in foreign currencies and are exposed to foreign currency risk. We had entered into some foreign currency forward contracts to reduce our exposure to fluctuation in foreign exchange rate, and as at December 31, 2024, all foreign currency forward contracts have been closed. These foreign currency forward contracts are not hedge accounted.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2024, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures (for the year ended December 31, 2023: nil).

Capital Expenditure

For the Reporting Period, the Group's total capital expenditure amounted to approximately RMB97.5 million, which was used in (i) purchase of plant and equipment and (ii) capitalized development project and (iii) purchase of intangible assets.

Charge on Assets

As at December 31, 2024, there was no charge on assets of the Group (for the year ended December 31, 2023: nil).

Contingent Liabilities

As at December 31, 2024, we did not have any contingent liabilities (for the year ended December 31, 2023: nil).

Employees and Remuneration Policies

As of December 31, 2024, we had 650 employees in total. Most of them are stationed in China.

In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three to five years.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and stock incentive plans to our employees especially key employees.

Future Investment Plans and Expected Funding

The Group will continue to expand its markets in the PRC and globally in order to tap its internal potential and maximize shareholders' interest. The Group will continue to push products development in our pipeline. The Group will continue to grow through self-development, mergers and acquisitions, and other means. We will employ a combination of financing channels to finance capital expenditures, including but not limited to internal funds and bank loans. Currently, the bank credit lines available to the Group are adequate.

SUBSEQUENT EVENTS

There was no significant event that took place after Reporting Period which requires additional disclosure or adjustment.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The net proceeds from the Global Offering and the full exercise of the over-allotment option, after deduction of the underwriting fees and commissions and expenses of the Company in connection with the Global Offering, were approximately RMB1,294.0 million. The Group has been applying and will apply such proceeds in a manner consistent with the intended use of proceeds as disclosed in the Prospectus.

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

Intended use of proceeds as stated in the Prospectus	**Percentage to total amount** *%*	**Net proceeds from the IPO** *RMB'000*	**Utilized amount during the Year of 2024** *RMB'000*	**Utilized amount as at December 31, 2024** *RMB'000*	**Unutilized amount as at December 31, 2024** *RMB'000*	**Expected timeline for unutilized amount**
Development and commercialization of our Core Products	32	414,067	118,780	337,931	76,136	Year 2025
Development and commercialization of other 24 Products	23	297,611	72,858	297,611	–	Year 2024
Expand our production capacity and strengthen our manufacturing capabilities	7	90,577	25,740	90,577	–	Year 2024
Expand our product portfolio through in-house research and development, collaboration, mergers	24	310,550	102,985	201,426	109,124	Year 2027
Working capital and other general corporate purposes	8	103,517	18,037	97,592	5,925	Year 2025
Repay the Loan	6	77,638	–	77,638	–	N/A
Total	**100**	**1,293,960**	**338,400**	**1,102,775**	**191,185**	

The Group will utilize the net proceeds in accordance with the intruded purposes as set out in the Prospectus. The Board is not aware of any material change to the planned use of the net proceeds as at the date of this annual results announcement.

OUTLOOK

Our goal is to become a global leader that provides full-suite of interventional solutions for vascular diseases.

In 2024, we obtained the NMPA approvals for seven of our products. Two products were approved in the field of vascular surgery: the Introducer Sheath Set (Acotrace) and the Delivery Catheter for Aspiration Catheter. Four products were approved in the field of cardiology, including the Coronary High-Pressure Dilatation Balloon (YIYAN), Coronary CTO Retrograde Micro-Catheter (Vericor-RS®), Cardiac Valve Balloon Dilation Catheter (RunFlow®), and the Paclitaxel-Eluting Coronary Balloon Dilatation Catheter (AcoArt Camellia®). Additionally, we received approval for the AV Scoring Balloon (Peridge®) in nephrology. These approvals have enhanced our product portfolio and expanded our market presence. We plan to adopt appropriate marketing and academic activities to promote our products among doctors and patients in China in order to broaden the doctor and patient base.

Leveraging the synergies of our four core technologies, we will further expand our product offerings. To fuel our long-term growth, we continue to further expand our coverage in the domain of vascular interventional therapies. We have established a diversified product pipeline cover four therapeutic areas consisting of vascular surgery, cardiology, nephrology and neurology. We also plan to expand our product offerings from therapeutic devices, procedural devices to other ancillary devices for vascular interventional procedures in each of the four therapeutic areas. BSC may also partner with the Company to identify new areas of product development not currently in one or both party's portfolio.

As our multiple products entered into their commercialization stages, our revenue composition gradually diversified. During the Reporting Period, the venous intervention, vascular access and other products achieved a revenue of approximately RMB213.7 million, accounting for approximately 40.0% of the total revenue. We will continue to broaden our sales through expanding our newly-launched products into hospitals in China as well as increasing our sales efforts to deepen the penetration in hospitals to which we currently sell products. As our international business development accelerated in 2024, we are of the view that the overseas business will further diversify the Company's sources of income and facilitate us to respond to market changes more flexibly.

To enjoy early-mover advantage, we will rapidly push forward the clinical development and commercialization of our late-staged product candidates. We will also broaden our sales and expand our presence globally, especially in Europe and the United States. To execute our global expansion strategy, we will continue to participate in international vascular intervention conferences and academic events, such as Leipzig Interventional Course (LINC), to further promote our products and brand name. On July 20, 2023, we entered into the Framework Agreements with BSG, offering our products the opportunity to gain sales exposure in the global market.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024.

CLOSURE OF THE REGISTER OF MEMBERS

The Company will hold its annual general meeting on Monday, June 30, 2025. The register of members of the Company will be closed from Wednesday, June 25, 2025 to Monday, June 30, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, June 24, 2025.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the Reporting Period, save for the following deviations. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. According to the current structure of the Board, the positions of the Chairperson and Chief Executive Officer of the Company are held by Ms. Jing LI.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of seven Directors, and the Board believes there is sufficient check and balance on the Board; (ii) Ms. Jing LI and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions of the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Ms. Jing LI is our principal founder, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Code provision F.1.1 of the CG Code provides that the issuer should have a policy on payment of dividends. As the Company expects to retain all future earnings for use in the operation and expansion of the business and does not have any dividend policy to declare or pay any dividends in the near future. The Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities or sold any treasury Shares (as defined under Listing Rules). As at December 31, 2024, the Company did not hold any treasury Shares (as defined under the Listing Rules).

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 24, 2025. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year which have been agreed by the Company's auditor, and is of the view that the Group's audited consolidated financial statements for the year are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made. The Audit Committee has also reviewed the annual results for the year.

PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.acotec.cn), and the 2024 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY

In this annual results announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"Audit Committee"	the audit committee of the Board
"AVF"	arteriovenous fistula, an abnormal connection between an artery and a vein, bypassing some capillaries. It is usually surgically created for hemodialysis treatments
"Board of Directors" or "Board"	the board of Directors
"BSC"	Boston Scientific Group plc, a Delaware corporation and a company listed on the New York Stock Exchange (Stock Code: BSX)
"BSG"	Boston Scientific Group plc, a public limited company incorporated under the laws of the Republic of Ireland and wholly-owned by BSC, which is the Controlling Shareholder of the Company
"BTK"	below-the-knee
"CAD"	coronary artery disease
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this annual results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "our Company", or "Acotec"	Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on December 3, 2020
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product"	AcoArt Orchid® & Dhalia® and AcoArt Tulip® & Litos®, the designated "core product" as defined under Chapter 18A of the Listing Rules
"DCB"	drug-coated balloon, an angioplasty balloon used in PCI procedures with anti-proliferation drug coated on its surface. The drug can inhibit smooth muscle cell proliferation and migration, thereby further reducing the chance of artery restenosis
"Director(s)"	the director(s) of the Company or any one of them
"FDA"	the U.S. Food and Drug Administration

"Global Offering"	the Hong Kong Public Offering and the International Offering each as defined in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"KOLs"	key opinion leaders, being renowned physicians that are able to influence their peers' medical practice
"IASB"	International Accounting Standards Board
"IDE"	investigational device exemption, an approval granted by the FDA that allows a medical device to be used in a clinical research study that involves human subjects or human specimens
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"LEAD"	lower extremity artery disease, the narrowing or blockage of leg arteries
"Listing"	the listing of the 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 (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"PAD"	peripheral artery disease, the narrowing or blockage of arteries outside the heart or brain
"Prospectus"	the prospectus of the Company dated August 12, 2021
"Reporting Period"	the year ended December 31, 2024
"RCT"	randomized controlled clinical trial, a study in which people are allocated at random (by chance alone) to receive one of several clinical interventions

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value of US$0.00001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"vasculogenic ED"	vasculogenic erectile dysfunction, the inability to achieve and maintain an erection due to defects in the blood flow
%	per cent

By order of the Board
Acotec Scientific Holdings Limited
Jing LI
Chairperson of the Board, Executive Director and Chief Executive Officer

Hong Kong, March 24, 2025

As at the date of this announcement, the executive Director is Ms. Jing LI, the non-executive Directors are Mr. Silvio Rudolf SCHAFFNER, Mr. Arthur Crosswell BUTCHER and Ms. June CHANG, and the independent non-executive Directors are Dr. Yuqi WANG, Ms. Hong NI and Ms. Kin Yee POON.