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北京市春立正達醫療器械股份有限公司

**Beijing Chunlizhengda Medical Instruments Co., Ltd.\***

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

**(Stock Code: 1858)**

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

The board of directors (the “**Board**”) of Beijing Chunlizhengda Medical Instruments Co., Ltd.\* (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025. The results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Accounting Standards of the People’s Republic of China (the “**PRC**” or “**China**”).

\* *For identification purposes only*

## CONSOLIDATED BALANCE SHEET OF THE GROUP

Item	<i>Notes</i>	As at 31 December 2025 RMB	As at 31 December 2024 RMB
<b>Current assets:</b>			
Monetary funds		1,409,120,983.52	1,139,778,517.24
Held-for-trading financial assets		811,246,684.93	745,797,775.34
Financial assets at fair value through profit and loss		—	—
Derivative financial assets		—	—
Notes receivables		4,253,186.08	160,052,600.00
Accounts receivable	2	225,456,558.88	218,658,632.35
Prepayment		4,851,870.27	2,993,330.49
Other receivables		222,608.48	177,919.45
Including: Interests receivable		—	—
Dividends receivable		—	—
Inventories		535,925,459.39	550,842,677.89
Contract assets		—	—
Assets held-for-sale		—	—
Non-current assets due within one year		—	—
Other current assets		20,422,698.85	22,179,673.24
<b>Total current assets</b>		<b>3,011,500,050.40</b>	<b>2,840,481,126.00</b>
<b>Non-current assets:</b>			
Debt investments		—	—
Available-for-sale financial assets		—	—
Other debt investments		—	—
Held-to-maturity investments		—	—
Long-term receivables		—	—
Long-term equity investments		—	—
Other investments in equity instruments		—	—
Other non-current financial assets		—	—
Investment property		—	—
Fixed assets		354,149,308.67	311,008,174.74
Construction in progress		129,329,592.01	156,777,773.93
Productive biological assets		—	—
Oil & gas assets		—	—
Right-of-use assets		3,840,500.22	1,017,028.37
Intangible assets		119,787,805.08	127,569,991.24
Development expenditures		—	—
Goodwill		—	—
Long-term prepayments		—	—
Deferred income tax assets		30,336,378.81	26,113,029.08
Other non-current assets		12,191,225.94	2,767,859.62
<b>Total non-current assets</b>		<b>649,634,810.73</b>	<b>625,253,856.98</b>
<b>Total assets</b>		<b>3,661,134,861.13</b>	<b>3,465,734,982.98</b>

Item	<i>Notes</i>	As at 31 December 2025 RMB	As at 31 December 2024 RMB
<b>Current liabilities:</b>			
Short-term borrowings		–	–
Held-for-trading financial liabilities		–	–
Financial liabilities at fair value through profit and loss		–	–
Derivative financial liabilities		–	–
Notes payable		–	–
Accounts payable	3	160,772,940.21	227,845,174.60
Advances received		–	–
Contract liabilities		82,166,218.34	128,563,190.58
Employee remuneration payable		68,607,725.23	52,272,626.41
Taxes payable		26,060,319.15	6,656,073.81
Other payables		181,961,490.77	69,459,231.16
Including: Interests payable		–	–
Dividends payable		80,260,246.29	–
Liabilities held-for-sale		–	–
Non-current liabilities due within one year		2,677,095.45	682,121.00
Other current liabilities		56,357,165.80	61,266,897.36
<b>Total current liabilities</b>		<b>578,602,954.95</b>	<b>546,745,314.92</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		–	–
Bonds payable		–	–
Including: Preferred shares		–	–
Perpetual bonds		–	–
Lease liabilities		598,047.04	184,315.07
Long-term payables		–	–
Long-term employee remuneration payable		–	–
Estimated liabilities		–	–
Deferred gains		82,494,938.18	86,749,559.54
Deferred income tax liabilities		12,446,459.51	10,711,656.65
Other non-current liabilities		–	–
<b>Total non-current liabilities</b>		<b>95,539,444.73</b>	<b>97,645,531.26</b>
<b>Total liabilities</b>		<b>674,142,399.68</b>	<b>644,390,846.18</b>

<b>Item</b>	<i>Notes</i>	<b>As at 31 December 2025 RMB</b>	<b>As at 31 December 2024 RMB</b>
<b>Shareholders' equity:</b>			
Share capital	4	<b>383,568,500.00</b>	383,568,500.00
Other equity instruments			
Including: Preferred shares		–	–
Perpetual bonds		–	–
Capital reserve	5	<b>1,044,799,419.83</b>	1,044,799,419.83
Less: Treasury shares		<b>20,008,021.82</b>	12,018,864.19
Other comprehensive income		–	–
Specific reserve		–	–
Surplus reserve	6	<b>225,066,727.32</b>	195,115,661.94
Undistributed profits	7	<b>1,352,041,210.82</b>	1,208,437,565.70
Total interests attributable to shareholders of the parent company		<b>2,985,467,836.15</b>	2,819,902,283.28
Minority interests		<b>1,524,625.30</b>	1,441,853.52
<b>Total shareholders' equity</b>		<b>2,986,992,461.45</b>	2,821,344,136.80
<b>Total liabilities and shareholders' equity</b>		<b>3,661,134,861.13</b>	3,465,734,982.98
<b>Net current assets</b>		<b>2,432,897,095.45</b>	2,293,735,811.08
<b>Total assets less current liabilities</b>		<b>3,082,531,906.18</b>	2,918,989,668.06

## CONSOLIDATED INCOME STATEMENT OF THE GROUP

Item	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>RMB</i>	<i>RMB</i>
<b>I. Revenue</b>	8	<b>1,045,766,405.34</b>	805,857,022.19
Less: Operating costs	8	<b>355,128,323.72</b>	268,952,851.12
Taxes and surcharge		<b>10,178,302.28</b>	7,723,578.58
Selling expenses		<b>198,182,667.23</b>	240,247,102.81
Administrative expenses		<b>52,257,644.14</b>	45,290,473.71
Research and development expenses		<b>118,503,200.20</b>	133,096,848.59
Financial expenses		<b>(11,396,352.36)</b>	(17,067,794.63)
Including: Interest expenses		<b>39,150.21</b>	44,939.07
Interest proceeds		<b>15,278,391.56</b>	16,309,711.03
Add: Other gains		<b>11,210,787.30</b>	20,609,609.96
		<hr/>	<hr/>
Investment income/(losses)		<b>6,315,413.45</b>	10,980,482.17
Including: Investment income from associates and joint ventures		-	-
Gains/(losses) from derecognition of financial assets measured at amortized cost		-	-
Gain/(losses) on net exposure hedges		-	-
Gain/(losses) from changes of fair value		<b>8,742,663.00</b>	9,434,830.14
Impairment loss of credit		<b>(9,700,984.89)</b>	(4,186,610.52)
Impairment loss of assets		<b>(37,239,267.09)</b>	(33,776,793.41)
Gains/(losses) on disposal of assets		<b>3,848.03</b>	39,213.61
		<hr/>	<hr/>
<b>II. Operating profit/(losses)</b>		<b>302,245,079.93</b>	130,714,693.96
Add: Non-operating income		<b>204,535.55</b>	987,389.36
Less: Non-operating expenses		<b>737,901.89</b>	102,914.25
		<hr/>	<hr/>

Item	Notes	Year ended 31 December	
		2025	2024
		RMB	RMB
<b>III. Total profit/(losses)</b>		<b>301,711,713.59</b>	131,599,169.07
Less: Income tax expenses	9	<u>29,086,594.22</u>	<u>6,937,885.57</u>
<b>IV. Net profit/(losses)</b>		<b>272,625,119.37</b>	124,661,283.50
(I) Categorized by continuity of operations:			
1. Net profit/(losses) attributable to continuing operations		<b>272,625,119.37</b>	124,661,283.50
2. Net profit/(losses) attributable to ceased operations		<u>—</u>	<u>—</u>
(II) Categorized by ownership:			
1. Net profit/(losses) attributable to the shareholders of the parent company		<b>272,542,347.59</b>	124,988,009.59
2. Minority profit/(losses)		<u>82,771.78</u>	<u>(326,726.09)</u>
<b>V. Net other comprehensive income after tax</b>			
Net other comprehensive income after tax attributable to the shareholders of the parent company		—	—
Net other comprehensive income after tax attributable to minority shareholders		<u>—</u>	<u>—</u>
<b>VI. Total comprehensive income</b>		<b>272,625,119.37</b>	124,661,283.50
Total comprehensive income attributable to the shareholders of the parent company		<b>272,542,347.59</b>	124,988,009.59
Total comprehensive income attributable to minority shareholders		<u>82,771.78</u>	<u>(326,726.09)</u>
<b>VII. Earnings per share</b>			
(I) Basic earnings per share	10	<b>0.71</b>	0.33
(II) Diluted earnings per share	10	<u>0.71</u>	<u>0.33</u>

## NOTES:

### 1 GENERAL

#### History and development

Beijing Chunlizhengda Medical Instruments Co., Ltd.\* (hereinafter referred to as the “**Company**”) was established as a limited liability company in the People’s Republic of China (the “**PRC**”) on 12 February 1998.

The H shares of the Company have been listed and traded on the Hong Kong Stock Exchange since 11 March 2015 under the stock short name “Chunli Medical” and stock code 01858.HK; and the A shares of the Company have been listed and traded on the Science and Technology Innovation Board of the Shanghai Stock Exchange since 30 December 2021 under the stock short name “Chunli Medical” and stock code 688236.SH.

The Company operates in the medical device industry, and is mainly engaged in the research and development, production and sales of medical device products for joints, spine and sports medicine.

#### Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis and included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance which for the year ended 31 December 2025 continued to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit” set out in sections 76 to 87 of Schedule 11 of the Hong Kong Companies Ordinance.

The financial statements have been prepared in accordance with the Company’s accounting policies which conformed to the Accounting Standards for Business Enterprises in the PRC (the “**ASBE**”) issued by the Ministry of Finance of the PRC (the “**MOF**”), the related specific standards, the Accounting Standards for Business Enterprises Application Guidance, the PRC Accounting Standards Bulletins and other relevant regulations (hereinafter referred to as the “China Accounting Standards for Business Enterprises”, the “**CASBE**”).

In preparing the financial statements of the Company for the year ended 31 December 2025, the Group has adopted all of the new and revised CASBE issued by the MOF that are effective as of 31 December 2025.

In December 2025, the MOF issued the “Notice on the Publication of ‘Interpretation No. 18 on ASBE’”, which clarified the accounting treatment for quality assurance deposits under the assurance category that do not constitute a single performance obligation should be in accordance with “ASBE No. 13 — Contingencies”, and the relevant amounts should be included in operating costs and presented as an estimated liability based on liquidity while recognizing the estimated liability. The change in accounting policy has no effect to the financial statement of the Company.

## 2 ACCOUNTS RECEIVABLE

Item		Individually significant and for which provision is individually assessed	Provision made for bad debts by portfolios	Credit risk group	Sub-total	Not individually significant but for which provision is individually assessed	Total
As at 31 December 2024							
Carrying amount	Amount (RMB)	<u>-</u>	<u>275,718,462.95</u>	<u>275,718,462.95</u>	<u>275,718,462.95</u>	<u>-</u>	<u>275,718,462.95</u>
	Percentage (%)	<u>-</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>-</u>	<u>100.00</u>
Provision	Amount (RMB)	<u>-</u>	<u>57,059,830.60</u>	<u>57,059,830.60</u>	<u>57,059,830.60</u>	<u>-</u>	<u>57,059,830.60</u>
	Percentage (%)	<u>-</u>	<u>20.69</u>	<u>20.69</u>	<u>20.69</u>	<u>-</u>	<u>20.69</u>
Net amount		<u>-</u>	<u>218,658,632.35</u>	<u>218,658,632.35</u>	<u>218,658,632.35</u>	<u>-</u>	<u>218,658,632.35</u>
As at 31 December 2025							
Carrying amount	Amount (RMB)	<u>-</u>	<u>289,530,327.48</u>	<u>289,530,327.48</u>	<u>289,530,327.48</u>	<u>-</u>	<u>289,530,327.48</u>
	Percentage (%)	<u>-</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>-</u>	<u>100.00</u>
Provision	Amount (RMB)	<u>-</u>	<u>64,073,768.60</u>	<u>64,073,768.60</u>	<u>64,073,768.60</u>	<u>-</u>	<u>64,073,768.60</u>
	Percentage (%)	<u>-</u>	<u>22.13</u>	<u>22.13</u>	<u>22.13</u>	<u>-</u>	<u>22.13</u>
Net amount		<u>-</u>	<u>225,456,558.88</u>	<u>225,456,558.88</u>	<u>225,456,558.88</u>	<u>-</u>	<u>225,456,558.88</u>

Credit risk characteristics group:

Aging	As at 31 December 2025			As at 31 December 2024		
	Carrying amount	Percentage	Provision amount	Carrying amount	Percentage	Provision amount
	<i>RMB</i>	%	<i>RMB</i>	<i>RMB</i>	%	<i>RMB</i>
Within 1 year	204,620,812.90	70.67	10,231,040.64	173,836,833.35	63.05	8,691,841.66
1 to 2 years	23,082,781.57	7.97	3,462,417.23	47,231,963.69	17.13	7,084,794.56
2 to 3 years	22,892,844.58	7.91	11,446,422.30	26,732,943.08	9.70	13,366,471.55
More than 3 years	38,933,888.43	13.45	38,933,888.43	27,916,722.83	10.12	27,916,722.83
Total	<u>289,530,327.48</u>	<u>100.00</u>	<u>64,073,768.60</u>	<u>275,718,462.95</u>	<u>100.00</u>	<u>57,059,830.60</u>

*Note:* The aging analysis of accounts receivable is based on the month in which the amount actually occurs. The amount which occurs first has priority in settlement.

### 3 ACCOUNTS PAYABLE

Item	As at	As at
	31 December 2025	31 December 2024
	<i>RMB</i>	<i>RMB</i>
Acquired materials and others	131,660,213.78	188,993,975.19
Acquired machines equipment and engineering	<u>29,112,726.43</u>	<u>38,851,199.41</u>
Total	<u>160,772,940.21</u>	<u>227,845,174.60</u>

Aging analysis of accounts payable is as follows:

Item	As at	As at
	31 December 2025	31 December 2024
	<i>RMB</i>	<i>RMB</i>
Within 1 year (inclusive)	130,243,026.01	184,802,151.32
More than 1 year	<u>30,529,914.20</u>	<u>43,043,023.28</u>
Total	<u>160,772,940.21</u>	<u>227,845,174.60</u>

*Note:* The aging analysis of accounts payable is based on the month in which the amount actually occurs. The amount which occurs first has priority in settlement.

#### 4 SHARE CAPITAL

	Year ended 31 December			
	2025		2024	
	<i>Number of shares</i>	<i>RMB</i>	<i>Number of shares</i>	<i>RMB</i>
Overseas-listed foreign shares (H Shares) in the ordinary shares with a nominal value of RMB1.00 each	95,140,500	95,140,500	95,140,500	95,140,500
Cancellation of overseas listed foreign shares (H Shares)	–	–	–	–
A Shares	<u>288,428,000</u>	<u>288,428,000</u>	<u>288,428,000</u>	<u>288,428,000</u>
	<u>383,568,500</u>	<u>383,568,500</u>	<u>383,568,500</u>	<u>383,568,500</u>

*Note:* The Company convened the 14th meeting of the fifth session of the Board of Directors of the Company on 17 June 2024, at which the “Resolution on Repurchase of Shares of the Company through Centralized Bidding Trading” was considered and approved, and agreed that the Company use its own funds to repurchase part of the issued RMB ordinary shares of the Company by means of centralized bidding trading through the trading system of the Shanghai Stock Exchange to implement employee stock ownership plan or equity incentive scheme. As of 12 June 2025, the Company had completed such repurchase and repurchased a total of 1,376,851 shares of the Company, representing 0.3590% of the total share capital of 383,568,500 shares, with the highest repurchase price of RMB17.20 per share, the lowest repurchase price of RMB12.09 per share and the average repurchase price of RMB14.53 per share, and the total amount of funds used amounted to RMB20,008,021.82 (stamp duty, brokerage fees and other transaction fees exclusive).

#### 5 CAPITAL RESERVE

Item	As at	As at
	31 December 2025	31 December 2024
	<i>RMB</i>	<i>RMB</i>
Capital premium	1,042,999,419.83	1,042,999,419.83
Other capital reserve	<u>1,800,000.00</u>	<u>1,800,000.00</u>
Total	<u>1,044,799,419.83</u>	<u>1,044,799,419.83</u>

## 6 SURPLUS RESERVE

<b>Item</b>	<b>As at 31 December 2025 RMB</b>	<b>As at 31 December 2024 RMB</b>
Statutory surplus reserve	<b><u>225,066,727.32</u></b>	<b><u>195,115,661.94</u></b>

As stipulated by the relevant laws and regulations for enterprises in the PRC, each of the entities comprising the Group is required to maintain a statutory reserve fund which is non-distributable. The appropriations to such reserve fund are made out of net profit after taxation of the statutory financial statements of the relevant PRC companies. The statutory surplus reserve can be used to make up prior year/period losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

## 7 RETAINED EARNINGS

<b>Item</b>	<b>As at 31 December 2025 RMB</b>	<b>As at 31 December 2024 RMB</b>
Closing balances of the preceding year	<b><u>1,208,437,565.70</u></b>	<b><u>1,267,513,008.25</u></b>
Opening balances of the current year	<b>1,208,437,565.70</b>	<b>1,267,513,008.25</b>
Add: Net profit attributable to the owners of the parent company for the period	<b>272,542,347.59</b>	<b>124,988,009.59</b>
Less: Transfer to statutory reserve fund	<b>29,951,065.38</b>	<b>13,529,736.68</b>
Declaration of dividend	<b>98,987,637.09</b>	<b>170,533,715.46</b>
Dividend of ordinary shares transferred to share capital	<b><u>—</u></b>	<b><u>—</u></b>
Closing balances of the current year	<b><u>1,352,041,210.82</u></b>	<b><u>1,208,437,565.70</u></b>

## 8 REVENUE AND OPERATING COSTS

Item	Year ended 31 December	
	2025	2024
	RMB	RMB
Revenue from principal operation	<b>1,044,967,000.64</b>	805,215,899.92
Revenue from other operations	<b>799,404.70</b>	641,122.27
	<b><u>1,045,766,405.34</u></b>	<u>805,857,022.19</u>
Costs of principal operation	<b>355,099,950.67</b>	268,574,927.84
Costs of other operations	<b>28,373.05</b>	377,923.28
	<b><u>355,128,323.72</u></b>	<u>268,952,851.12</u>

### Revenue and operating costs (classified by products)

Item	Year ended 31 December	
	2025	2024
	RMB	RMB
Revenue		
Revenue from principal operation:		
– Medical Surgical Implants	<b><u>1,044,967,000.64</u></b>	<u>805,215,899.92</u>
Operating costs		
Costs of for principal operation:		
– Medical Surgical Implants	<b><u>355,099,950.67</u></b>	<u>268,574,927.84</u>

### Revenue and cost of sales (classified by geographical areas)

The geographical areas of the revenue are based on the location of the customers at which the goods are delivered as follows:

Area	Year ended 31 December	
	2025	2024
	RMB	RMB
The PRC	<b>556,737,075.81</b>	451,882,916.32
Other than the PRC	<b>488,229,924.83</b>	353,332,983.60
	<b><u>1,044,967,000.64</u></b>	<u>805,215,899.92</u>
Total	<b><u>1,044,967,000.64</u></b>	<u>805,215,899.92</u>

## 9 INCOME TAX EXPENSES

Item	Year ended 31 December	
	2025	2024
	RMB	RMB
Current income tax calculated in accordance with relevant tax laws and regulations	31,575,141.09	4,037,673.65
Deferred income tax	<u>-2,488,546.87</u>	<u>2,900,211.92</u>
Total	<u>29,086,594.22</u>	<u>6,937,885.57</u>

### Applicable tax rate

Information of corporate income tax rates for different taxable entities as of 31 December 2025:

Name of Taxable Entity	Standard Corporate Income Tax Rate	Applicable Corporate Income Tax Rate
Beijing Chunlizhengda Medical Instruments Co., Ltd.* (北京市春立正達醫療器械股份有限公司)	25%	15%
Beijing Zhao Yi Te Medical Devices Co., Ltd.* (北京兆億特醫療器械有限公司)	25%	Income tax rates for small and micro enterprises
Hebei Chunli Hangnuo New Materials Technology Co., Ltd.* (河北春立航諾新材料科技有限公司)	25%	15%
Beijing Shiyue Changsheng Medical Devices Co., Ltd.* (北京實躍長盛醫療器械有限公司)	25%	Income tax rates for small and micro enterprises
Xingtai Langtai Benyuan Medical Devices Co., Ltd.* (邢台市琅泰本元醫療器械有限公司)	25%	Income tax rates for small and micro enterprises
Langtai Meikang Medical Devices Co., Ltd.* (琅泰美康醫療器械有限公司)	25%	Income tax rates for small and micro enterprises
Beijing Lechi Inspection Technology Co., Ltd.* (北京樂馳檢測技術有限公司)	25%	Income tax rates for small and micro enterprises
Surgimaster Surgical Co., Ltd. (舒捷醫療科技(蘇州)有限公司)	25%	Income tax rates for small and micro enterprises

Reconciliation of current income tax expenses to the accounting profit is as follows:

Item	Year ended 31 December	
	2025	2024
	RMB	RMB
Profit before tax	<b>301,711,713.59</b>	131,599,169.07
Income tax expenses based on statutory/applicable tax rate	<b>45,256,757.04</b>	19,739,875.36
Effect of different tax rate applicable to subsidiaries	<b>(551,067.02)</b>	1,228,162.04
Effect of prior income tax reconciliation	–	52,534.99
Effect of non-deductible costs, expenses and losses	<b>1,814,481.71</b>	1,650,529.37
Effect of using the deductible temporary differences or deductible losses of previously unrecognized deferred income tax assets	<b>(142,969.33)</b>	(7,934.62)
Effects of additional deduction of research and development costs and others	<b>(17,344,897.51)</b>	(18,665,497.80)
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	<b>117,233.15</b>	3,000,359.90
Additional deduction of the wages for employment of disabled persons	<b>(62,943.82)</b>	(60,143.67)
Income tax expenses	<b>29,086,594.22</b>	6,937,885.57

## 10 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent company, and the weighted average number of ordinary shares of 383,568,500 (2024: 383,568,500) shares in issue.

As of 31 December 2025, the Group had no potentially dilutive ordinary shares in issue.

### Profit

	Year ended 31 December	
	2025	2024
	(RMB)	(RMB)
Profits attributable to ordinary equity holders of the parent company for the purpose of calculating basic and diluted earnings per share	<u>272,542,347.59</u>	<u>124,988,009.59</u>

### Shares

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share	<u>383,568,500</u>	<u>383,568,500</u>

## 11 SEGMENT INFORMATION

The Group is mainly engaged in the manufacture and trading of surgical implants, instruments and related products. Based on the Group's internal organisational structure, management requirements and internal reporting policies, the operation of the Company constitutes one single reportable segment, i.e. manufacturing and trading of surgical implants, instruments and related products, which is under the provisions on segment information in business statements of the "ASBE No. 35 — Segment Reporting" and "Interpretation No. 3 on ASBE" and accordingly, no separate segment information is prepared.

## MANAGEMENT DISCUSSION AND ANALYSIS

The main products of the Company are orthopedic medical devices<sup>(note 1)</sup> and tissue repair products, including spine, trauma, joint, sports medicine and bone repair material implants, surgical instrumentation products, as well as platelet-rich plasma (PRP) preparation kits and closed wound negative pressure drainage kits. According to the Guidelines for the Industry Classification of Listed Companies (2012 Revision) issued by the China Securities Regulatory Commission, the industry in which the Company operates is “special equipment manufacturing industry” (classification code: C35). According to the Classification of Strategic Emerging Industries (2018), the Company falls under “4.2.2 Manufacture of Interventional Biomedical Materials and Equipment” in “4.2 Biomedical Engineering Industry”. According to “Industrial Classification for National Economic Activities” (《國民經濟行業分類》) (GB/T4754–2017), the industry in which the Company operates is “implantable (interventional) medical devices manufacturing” under “other medical equipment and instruments manufacturing” (classification code: C3589) in “medical instruments, equipment and instruments manufacturing” (classification code: C358).

The topic of health has become a global hotspot, with the continuous social and economic development, the increasing degree of population ageing, coupled with the gradual enhancement of awareness for healthcare. In this context, people’s demand for high-quality medical treatment is increasingly urgent, which has in turn effectively promoted the prosperous development of the global medical device market. In China, the healthcare reform continues to advance and medical devices have been included in medical care insurance coverage, which has significantly increased the market demand and patient’s acceptance for orthopedic implants<sup>(note 2)</sup>. Meanwhile, various favorable factors such as the accelerating progress of aging population, the continuous growth in healthcare expenditure and the continuous improvements in public healthcare infrastructure have jointly propelled the rapid growth of the orthopedic medical industry in the PRC.

*Note 1:* Orthopedic medical devices refer to medical devices that are used for orthopedic disease treatment and recovery, mainly including orthopedic medical implant instruments and orthopedic operation instruments.

*Note 2:* Orthopedic implants refer to medical device products that are used for replacing or as an adjuvant treatment for injured bones and skeleton and implanted into human bodies, including joint implants (such as knee joints, hip joints, shoulder joints and elbow joints), spine implants (such as lumbar cage), sports medicine implants (such as suture anchors, looped titanium plates and door-shaped anchor) and trauma implants (such as calcaneal plates and bone pegs), excluding dental fillings.

In 2025, China continued to promote the centralized procurement of high-value orthopedic consumables, which is an important initiative for continuous advancement of national healthcare and pharmaceutical reform. The Company had actively responded to this new trend, on the one hand, it continued to make efforts in innovation and research and development, firmly insisting to focus on the orthopedic business; on the other hand, the Company also continuously expanded its product lines, moving towards diversification.

The Company proactively implemented the national volume-based procurement policy by actively participating in the biddings of centralized procurement. In 2024, the Renewal in Centralized Volume-based Procurement for Artificial Joints was opened for bidding in Tianjin. The Company achieved great performance in the bid process, all the three product systems for hip joints as well as the total knee products of it have been successfully selected. The Company fully ensured a stable supply of selected products and ensured the stability and reliability of supplied products in terms of quality.

The Company attached great importance to the research and development, continued to conduct in-depth research of new materials, products, technologies and processes, and continued to demonstrate and invest in research and development projects. The Company had made strategic arrangements for the research and development of new materials such as magnesium alloy and PEEK. Besides, the Company also actively enhanced the research and development of products for new pipelines including surgical robots, sports medicine, PRP and oral cavity. Through these initiatives, the Company aims to continue to improve and diversify its product lines, and thereby comprehensively enhancing its competitiveness in the market.

While the Company had made comprehensive and in-depth strategic deployment in the field of high-value orthopedic consumables, it also actively sought expansion in orthopedic-related fields, vigorously searched for advanced technologies and excellent products, and continuously enriched its product reserves. Through this series of initiatives, the Company strives to further increase its market share and realize its long-term, stable and sustainable development in the medical field.

## **Comprehensive medical device registration certificates**

According to the domestic joint products registration index (國產關節類產品註冊檢索) of the National Medical Products Administration (“NMPA”), the Company is one of the domestic enterprises that hold the most comprehensive medical device registration certificates for joint prosthesis products in the PRC in terms of the number and type of certificates.

In the field of artificial joints, the Company has obtained registration certificates for products including hip joint prosthesis — bio-type femoral stem, proximal components of femoral stem, bio-type total knee prostheses, shoulder prostheses, and finger prostheses. The launch of these new products further enriches the categories of joint product lines and will promote a further increase of the market share of the Company’s artificial joint products.

In the field of spinal products, the Company has obtained registration certificates for products including spinal titanium cables, self-stabilizing lumbar cage, non-fused spinous process implants, and spinal plate fixation system. Obtaining the above-mentioned registration certificates for spinal products has enriched the spinal product line of the Company, further enhanced the Company’s market competitiveness in the spinal orthopedic industry.

In the field of sports medicine products, the Company has obtained registration certificates for products including PEEK knocking-type knot-free anchors, adjustable looped titanium plates, and PEEK suture anchors, which further enriched its sports medicine product line, marking the further improvement of its deployment in the field of sports medicine, and the comprehensive sports medicine product line facilitated the selection of clinical use.

In the field of trauma, the Company has actively conducted research and development of the products in the relevant field. As of 31 December 2025, the launch of various products of the Company’s trauma product series had been approved, including bone plate, intramedullary nail, external fixation frame, metal bone needle, hollow bone screws, and titanium mesh plate system which further complemented the orthopedic business product line of the Company.

In the field of stomatologic products, the Company has obtained the registration certificates for products including dental implanting system, abutment system, light-cured glass ionized valves and teeth whitening patch. This had further diversified the Company’s stomatologic product line and expanded its layout in the stomatologic product field. With the aim of building a comprehensive one-stop stomatologic ecosystem solution, the Company has planned comprehensive solutions in various stomatologic sub-sectors, namely orthodontics, planting, repair and maxillofacial surgery.

In the field of PRP products, as of 31 December 2025, the launch of the Company's PRP preparation kit and the medical centrifuge had been successively approved, of which the PRP preparation kit is the first fully automatic PRP preparation system in China. Medical centrifuge is active equipment, and the certification and successful launch of this product signified the Company's further expansion in the PRP-product matrix.

In the field of surgical robots, the Company has obtained the registration certificates of uni-condyle knee joint replacement surgical navigation system. The advanced sensor control system and self-sensing power system are used for their strength including high precision, simple operation, trivial floor space, fewer disinfection steps and lower cost. The success in research and development of handheld orthopedic robots has improved surgical precision and promoted the progress of minimally invasive, intelligent and digitalized orthopedic surgery.

As of 31 December 2025, the Company held 223 medical device registration certificates and recordation certificates in the PRC, covering joint products, spinal products, sports medicine products, trauma, stomatologic products, PRP products and surgical robots. The various registration certificates further diversified the Company's product lines and expanded the Company's layout in the medical field to constantly meet the diversified market and clinical needs. This will strengthen the Company's comprehensive competitiveness and be conducive to further enhancing the Company's market expansion capability.

As for the international registration, as of 31 December 2025, the Company obtained registration certificates from multiple countries. All three product series of the hip, knee and spine of the Company successfully passed the CE annual system audit and supervision audit. In addition, the Company received the approval of FDA 510(K) in the US for its "Knee Prosthesis System" in 2024. The certificates not only serve as proof of the satisfactory performance of the product and its compliance with product safety requirements, but also demonstrate the Company's technical superiority at an international level. Obtaining these certificates is a guarantee for our increasing international sales and a manifestation of our strong competitiveness in the international market.

## **Diversified product portfolio**

As one of the first local enterprises engaged in the research and development and production of joint prosthesis products in the PRC, the Company has established a large portfolio of joint prosthesis products, spine products, trauma products and sports medicine products. Our joint prosthesis products cover the four major joints of the human body, being hip, knee, shoulder and elbow. Our spine products are a full range of spinal fixation and spinal fusion systems, including anterior and posterior cervical fixation series, anterior and posterior thoracolumbar fixation series, cervical fusion series and thoracolumbar fusion series. The Company's trauma products provide comprehensive solutions for repositioning, immobilizing and stabilizing various types of fractures, including bone splints, intramedullary nails, external fixation braces, and metal bone pins. The Company's sports medicine products include non-absorbable suture anchors, meniscus repair systems, titanium plates with tabs, PEEK suture anchors, PEEK interface screws, and other products that provide solutions for the four major joints of the human body, being hip, knee, shoulder and elbow, as well as the small joints of the hands, wrists and feet, etc., which enable us to formulate a solution with diversified product portfolio for clinically complex sports injuries. In addition, our joint prosthesis products are divided into standard joint prosthesis products and customized joint prosthesis products. Standard joint prosthesis products mainly include hip prosthesis products and knee prosthesis products, while customized joint prosthesis products are divided into two categories, i.e. traditional customized joint prosthesis products and customized (combination) joint prosthesis products. Customized joint prosthesis products are applicable to four major human joints and are specially designed and manufactured to meet clinical needs.

## **Strong research and development capabilities**

As G20 Innovation Leading Enterprise of "Thirteenth Five-Year Plan" and National High-tech Enterprise, the Company has scientific research platforms such as post-doctoral scientific research workstations and holds qualifications such as National Enterprise Technology Center and Beijing Artificial Joint Engineering Laboratory. The Company has undertaken government projects of Ministry of Science and Technology of the PRC, Beijing Municipal Commission of Science and Technology, Beijing Municipal Commission of Development and Reform, and Beijing Municipal Commission of Economy and Informatization for multiple times, with a number of products filling the gaps in the domestic market and enhancing the level of independent innovation of domestic medical devices.

The Company emphasizes the integration of production, learning, research and clinical application in terms of research and development. In its efforts to new product research and development as well as product improvement, the opinions from experts in related fields gained full absorption while the Company collaborated closely with experts to ensure that the products developed meet the market demand and fulfill the requirements of clinical practicability.

During the reporting period, the research and development projects of the Company recognized by the government include:

- 2025 AI Medical Instruments Innovation Open Competition Project of the Ministry of Industry and Information Technology and the National Medical Products Administration: “Development and Application of Lower Limb Walking Assistance Robots”; and
- 2025 Beijing Natural Science Foundation Project: “Research and Evaluation on Additive Manufacturing Optimization and Bioactive Coating Technology for Thoracolumbar Anterior Interbody Implants”.

Apart from the above research and development projects, the Company was awarded as an enterprise leading an individual field of the manufacturing industry at the National Level by the Ministry of Industry and Information Technology in 2024. The Company is the first and currently the only enterprise leading an individual field of the manufacturing industry that focuses on the main business of artificial joint prosthesis. It shows full affirmation from MIIT for the Company’s persistent innovation-driven, excellence-driven and continuous pursuit of excellence in the field of artificial joints over the long term.

As of 31 December 2025, the Company had obtained 744 domestic intellectual properties, including 191 invention patents, 530 utility model patents, 7 design patents and 16 software copyrights. The abundant patent licenses manifest the Company’s innovation ability and core competitiveness. In the 23rd China Patent Award announced by China National Intellectual Property Administration, the “New Axis Knee Joint Prosthesis” of the Company was awarded the Outstanding Award of the China Patent Award. China Patent Award is the highest national accolade in the field of intellectual property, and getting the award demonstrates the level of patent technology and innovation of the Company. It is also a recognition of the Company’s patent market transformative value, patent protection and patent management.

## **Advanced joint prosthesis products**

The Company is one of the earliest enterprises manufacturing advanced joint prosthesis products in the PRC.

The Company continuously innovated in research and development, with a number of products becoming the first or the sole in China, or filling the domestic gaps:

- In 2015, it obtained the medical device registration certificate of BIOLOX®delta fourth generation (the most widely used generation at present) ceramic joint prosthesis products, remarking the Company as the first enterprise to acquire the all-ceramic certificate in mainland China, and also the first to gain the refurbished ceramics in the PRC;
- It is the first enterprise in China to have both flexible platform uni-condyle and fixed platform uni-condyle products;
- It is the first enterprise to have patellofemoral joint products;
- It is the first enterprise to have the Vitamin E high cross-linked polyethylene hip and knee products;
- It is the first enterprise in China to have inverted shoulder joint products;
- It is the first enterprise in China to possess the fully automatic PRP manufacturing system; and
- It is the first and sole enterprise in China to have products with CVD technology such as porous tantalum metal femoral head reconstruction rods, tantalum metal filler blocks, hip joint prosthesis components, and porous tantalum metal interbody fusion devices, filling the domestic gaps.

In addition, the Company has also made arrangements for its joint robots and developed orthopedic surgical robots for hip replacement, total knee replacement, uni-condyle joint replacement and other product lines. Among them, the hip joint surgical robots are the first approved handheld orthopedic robots with autonomous sensing all over the world.

### **Extensive distribution and sales network**

The Company has built a wide and extensive distribution network covering all provinces, municipalities and autonomous regions in mainland China. Relying on this distribution network, the sales channels of the Company extend to numerous local hospitals. Currently, China is the primary market to which the products of the Company are sold, at the same time, the Company also actively expands overseas markets. Some products are exported to countries and regions in Asia, South America, Africa, Oceania and Europe under the brand name of “春立 Chunli” or through OEM.

## **FINANCIAL REVIEW**

### **Revenue**

The Company’s revenue was approximately RMB1,045.77 million for the year ended 31 December 2025, an increase of 29.77% as compared to approximately RMB805.86 million for the same period of last year, which was mainly attributable to the stable supply of products under centralized procurement and the continuous growth in sales volume during the reporting period, together with the continuous increase in export volume resulting from the steady advancement of the expansion in international markets by the Company.

The revenue of our major products compared with that of the previous year is as follows:

<b>Product category</b>	<b>Year ended 31 December</b>		<b>Growth over corresponding period</b>
	<b>2025</b>	<b>2024</b>	
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	
Medical device products	<b>1,044,967</b>	805,216	29.77%
Other businesses	<b>799</b>	641	24.69%
<b>Total</b>	<b><u>1,045,766</u></b>	<b><u>805,857</u></b>	<b><u>29.77%</u></b>

## **Gross profit**

For the year ended 31 December 2025, the Company's gross profit was approximately RMB690.64 million, an increase of 28.63% from approximately RMB536.90 million for the same period of last year, which was mainly attributable to the increase in revenue.

## **Selling expenses**

For the year ended 31 December 2025, the Company's selling expenses were approximately RMB198.18 million, a decrease of 17.51% from approximately RMB240.25 million for the same period of last year, which was mainly attributable to the decrease in marketing expenses.

## **Research and development expenses**

For the year ended 31 December 2025, the Company's research and development expenses were approximately RMB118.50 million, a decrease of 10.97% from approximately RMB133.10 million for the same period of last year, which was mainly attributable to the Company's optimization of the management of the research and development to improve the relevant efficiency and the quality of results.

## **Impairment losses on credit**

For the year ended 31 December 2025, the Company's impairment losses on credit were approximately RMB9.70 million, an increase of 131.50% from approximately RMB4.19 million for the same period of last year, which was mainly attributable to the increase in the provision for impairment of trade receivables in accordance with the policy on bad debt provision for trade receivables.

## **Impairment losses on assets**

For the year ended 31 December 2025, the Company's impairment losses on assets were approximately RMB37.24 million, an increase of 10.24% from approximately RMB33.78 million for the same period of last year, which was mainly attributable to the provision for inventory impairment.

### **Income tax expenses**

For the year ended 31 December 2025, the Company's income tax expenses were approximately RMB29.01 million, an increase of 319.24% from approximately RMB6.94 million for the same period of last year, which was mainly attributable to the increase in relevant taxes as a result of the growth in revenue and profit.

### **Net profit**

For the year ended 31 December 2025, the Company achieved a net profit attributable to shareholders of the parent company of approximately RMB272.6 million, an increase of 118.69% from approximately RMB124.66 million for the same period of last year, which was mainly because during the reporting period, the Company's growth potential was constantly unlocked following the implementation of the centralized product procurement policy, and the Company steadily advanced its international operations, forming a synergy between domestic and international operations to enable robust revenue growth; meanwhile, the Company continuously optimized operational management and resource allocation, further enhancing operational efficiency and profitability, and therefore facilitating a solid performance growth.

### **Liquidity and capital resources**

The Company's monetary funds increased from approximately RMB1,139.78 million as of 31 December 2024 to approximately RMB1,409.12 million as of 31 December 2025.

The Company's principal sources of liquidity are generated from our operations. The Board is of the opinion that the Company has sufficient resources to support its management and to meet its foreseeable capital expenditure demands.

## Use of Proceeds from the Listing on the Science and Technology Innovation Board

Upon the approval of the listing committee of the Science and Technology Innovation Board of the Shanghai Stock Exchange and pursuant to the document for the approval of registration Zheng Jian Xu Ke (2021) No. 3702 (證件許可(2021) 3702號) issued by the China Securities Regulatory Commission, on 30 December 2021, the Company completed the A Share offering of 38,428,000 A Shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange at an issue price of RMB29.81 per share, raising gross proceeds of RMB1,145,538,680.00 through the A Share. After deducting the issue expenses of RMB78,410,387.77, the actual net proceeds from the A Share offering amounted to RMB1,067,128,292.23. The net proceeds from the initial public offering of A Shares have been and will be used in accordance with the uses described in the Company's A Share offering prospectus dated 14 December 2021 and the Company's announcement dated 30 August 2023.

Items	Proportion	Amount available (RMB'000)	Net (expenses)/	Outstanding	The date on which the project is ready for its intended useable condition
			interest income as of 31 December 2025 (RMB'000)	amount as of 31 December 2025 (RMB'000)	
Integrated construction project of orthopedic implant and ancillary materials	43.11%	460,000.00	436,441.55	23,558.45	December 2026
Research and development centre construction project	39.36%	420,000.00	390,864.90	29,135.10	December 2026
Marketing network construction project	1.87%	20,000.00	7,170.74	12,829.26	December 2026
Replenishment of working capital project	15.66%	167,128.29	167,058.94	69.35	N/A
Sub-total	100%	1,067,128.29	1,001,536.13	65,592.16	

## **Notes receivable**

The Company's notes receivable decreased from approximately RMB160.05 million as of 31 December 2024 to approximately RMB4.25 million as of 31 December 2025, which was mainly attributable to the decrease in notes received.

## **Inventories**

The Company's inventories decreased from approximately RMB550.84 million as of 31 December 2024 to approximately RMB535.93 million as at 31 December 2025. Inventories remained basically the same as compared with the same period of last year.

## **Fixed assets and construction in progress**

The Company's fixed assets and construction in progress increased from approximately RMB467.79 million as of 31 December 2024 to approximately RMB483.48 million as of 31 December 2025, which was mainly attributable to the increase in fixed assets.

## **Net current assets**

The Company's net current assets increased from approximately RMB2,293.74 million as of 31 December 2024 to approximately RMB2,432.90 million as of 31 December 2025.

## **Working capital and financial resources**

### *Cash flow analysis*

As of 31 December 2025, net cash inflow generated from operating activities for the year was approximately RMB404.84 million, which was mainly attributable to the increase in sales returns of the Company; the net cash outflow generated from investment activities was approximately RMB111.70 million, which was mainly due to a year-on-year decrease in the net recoveries of financial investments in 2025; the net cash outflow generated from financing activities was approximately RMB29.51 million, which was mainly due to the payment of cash dividends during the period; and the cash and cash equivalents increased by approximately RMB263.45 million as compared to the end of last year.

### *Capital expenditure*

The Company's capital expenditure was mainly used in the expansion of new production base and the acquisition of production facilities.

### *Contingent liabilities or guarantees*

As of 31 December 2025, the Company did not have any significant contingent liabilities or guarantees.

## **OTHER DISCLOSURES**

### **Significant Investments**

Pursuant to paragraph 32(4A) of Appendix D2 to the Listing Rules, the Company would like to provide information in respect of its significant investments with a value of 5% or more of the Group's total assets as at 31 December 2025 and its financial assets at fair value through profit or loss, which consisted of certain structured deposit products (the “**Structured Deposit Products**”) subscribed by the Group from Bank of Beijing.

The subscription of the structured deposit products by the Company is a reasonable and effective use of certain portion of its temporarily idle capitals out of proceeds from the public offering of A Shares and its internal resources, which is conducive to enhancing the Group's overall capital return, and in line with the Company's core objective of safeguarding its capital while ensuring liquidity.

All redeemed as of 31 December 2025:

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management (RMB0'000)	Commencement date of entrusted wealth management	Expiry date of entrusted wealth management	Capital Source	Annualised Yield	Actual Gains/(losses) (RMB0'000)	Actual recovery
Bank of Beijing — Daxing Sub-branch	Structured deposits	32,700.00	23 October 2024	27 February 2025	Internal funds	1.4% or 2.2%	339.10	Full Redemption
Bank of Beijing — Fang Zhuang Sub-branch	Structured deposits	17,200.00	28 October 2024	10 March 2025	Idle capital	1.4% or 2.2%	374.18	Full Redemption
Bank of Beijing — Fang Zhuang Sub-branch	Structured deposits	12,000.00	23 October 2024	27 February 2025	Internal funds	1.0% or 2.05%	10.65	Full Redemption
Bank of Beijing — Fang Zhuang Sub-branch	Structured deposits	12,500.00	23 October 2024	27 February 2025	Idle capital	1.3% or 2.57%	292.41	Full Redemption
China Construction Bank —Daxing Sub-branch	Structured deposits	25,000.00	2 April 2025	9 October 2025	Idle capital	1.3% or 2.4%	150.42	Full Redemption
Bank of Beijing — Fang Zhuang Sub-branch	Structured deposits	29,000.00	2 April 2025	13 October 2025	Idle capital	1.3% or 2.5%	107.31	Full Redemption
Bank of Beijing — Daxing Sub-branch	Structured deposits	32,000.00	2 April 2025	13 October 2025	Internal funds	1.3% or 2.5%	111.78	Full Redemption
SPD Bank	Structured deposits	8,500.00	9 October 2025	31 October 2025	Idle capital	1.0% or 2.7%	175.07	Full Redemption

## Unredeemed as of 31 December 2025:

Trustee	Name of product	Type of entrusted wealth management	Amount of entrusted wealth management (RMB0'000)	Fair value as at 31 December 2025 (RMB0'000)	Size of fair value relative to the Group's total assets	Commencement date of entrusted wealth management	Expiry date of entrusted wealth management	Capital Source	Money Flow	Annualised Yield	Actual recovery
Bank of Beijing — Fang Zhuang Sub-branch	EUR/USD Fixed-day Observation Interval Structured Deposits	Structured deposits	21,000.00	21,033.14	5.75%	13 November 2025	18 May 2026	Idle capital	Banking	1.2% or 1.90%	Undue, not redeemed at the end of the reporting period
Bank of Beijing — Fang Zhuang Sub-branch	EUR/USD Fixed-day Observation Interval Structured Deposits	Structured deposits	29,000.00	29,045.76	7.94%	13 November 2025	18 May 2026	Internal funds	Banking	1.2% or 1.90%	Undue, not redeemed at the end of the reporting period
Bank of Beijing — Daxing Sub-branch	EUR/USD Fixed-day Observation Interval Structured Deposits	Structured deposits	29,000.00	29,045.76	7.94%	13 November 2025	18 May 2026	Idle capital	Banking	1.2% or 1.90%	Undue, not redeemed at the end of the reporting period
			79,000.00	79,124.66	21.63%						

*Note:* Bank of Beijing is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 601169). Bank of Beijing (Fangzhuang Branch) and Bank of Beijing (Daxing Branch) are branches of Bank of Beijing. To the best of the directors' knowledge, information and belief having made all reasonable enquiry, Bank of Beijing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **SUBSEQUENT EVENTS**

From the end of the reporting period to the date of this announcement, the Group did not have any other significant events.

## **FUTURE PROSPECTS**

Looking forward, various favourable factors such as aging population, continuous increase in per capita income and enlarging scope of the medical insurance coverage will continue to sustain the rapid development of the healthcare market in the PRC, especially the orthopedic medical device industry. The Company believes that the demand of our products will continue to increase along with the growth of the PRC joint prosthesis market. In the long run, the Company aims to become a leading enterprise in the market with a full range of orthopedic medical device products and to become one of the internationally renowned orthopedic medical device manufacturers. The Company implements the following strategies:

### **Diversify our product series**

The Company will continue to optimize and modify its existing products, and keep abreast of the technology development of the joint prosthesis sector and invest more resources in the research and development of new products. The Company will strengthen production, operation and internal management, enhance its product innovation capacity and reinforce marketing promotion. The Company will develop new markets on the basis of consolidating existing markets consistently and strive to improve the market share of the related products. The Company will develop more products catering for patients' needs through the application of new materials and the improvement of production processes, in order to build a more comprehensive product series and to achieve product diversification. The Company has continued to lead the high-value orthopedic implant products in China and carried out innovative research and development of joints as main business to provide a more various and tailor-made product series for the Chinese people and to stay ahead in the domestic joint implants market. In addition, the Company has expanded and perfected the product line in the field of orthopedic, for instance, the orthopedic robots, spine, trauma and sports medicine products, and boosted the strategic layout in dentistry, and PRP products. Furthermore, the Company has also closely focused on the development of related new technologies, such as new bio-materials and drug-device combinations and other products. As maintaining its leading position in the domestic market, the Company has also improved its international business team building and increased investment in marketing promotion with a view to developing the international market.

The development of domestic orthopedic medical devices is moving towards customization, minimally invasiveness and intelligence approaches. With the development of China's national economy, there will be more demand domestically for customized products. The customized joint prosthesis products of the Company primarily include two categories: traditional customized joint prosthesis products and assembled customized joint prosthesis products. Traditional customized joint prosthesis products are designed and manufactured in accordance with the skeletal structure data of specific patients based on the needs of the patients. Assembled customized joint prosthesis products are designed and manufactured based on the statistical analysis of numbers of patients' clinical data and clinically assembled from off-the-shelf components of various specifications and sizes. Compared to traditional customized joint prosthesis products, assembled customized joint prosthesis can be manufactured and assembled in a shorter period of time to meet the needs of different patients, thus minimizing the delays in medical procedures.

The Company possesses a full range of customized joint technologies, including 3D printed osteotomy guide boards for the hip, knee, shoulder, elbow, spine, small joints of the extremities and maxillofacial positions, which are intended to be used for the position, guide and protection during osteotomies at the joint site. The 3D printed osteotomy guide boards can be highly compatible with the anatomical shape of the patients' bone tissue with its customized design and additive manufacturing and position and guide accurately during osteotomies, which can greatly reduce the time of osteotomy in joint surgery, minimize surgical errors and boost the surgery success rate and patient satisfaction to a significant extent. The Company believes that advanced, customized and individualized joint prosthesis products can generate higher profit margins. In recent years, the relevant regulations issued by the NMPA are also more conducive to the development of customized prostheses. The Company will take this opportunity to promote the rapid development of patents for customized and individualized products.

## **Strengthen the Company's innovation ability and increase the research and development resources**

In the future, the Company shall continue its focus on the research and development of standard joint prosthesis products, advanced customized and individualized joint prosthesis products, orthopedic robots, spinal products, trauma, sports medicine products, PRP products and dental products. The Company plans to establish a product research and development center at Daxing New Production Base, which is expected to consist of research and development centers on joint product, spinal product and orthopedic trauma product. Meanwhile, the Company would continue to recruit more research and development talents to join its research and development team and continue to increase its expenditure on the verification of the research and development projects. In addition, under the support of the post-doctoral scientific research workstation, National Enterprise Technology Centre\* (國家企業技術中心), Beijing Municipal Enterprise Technology Centre and Beijing Engineering Laboratory of Joint Prosthesis\* (人工關節北京市工程實驗室), the Company will focus on cultivating the research and development standards and innovation capabilities of research and development personnel, while continuously optimizing the allocation of research and development resources and iterating on corporate innovation mechanism. The Company can also make good use of the National Enterprise Technology Centre\* (國家企業技術中心) and post-doctoral scientific research workstation, etc. to strengthen cooperation with renowned medical institutions in the PRC in order to enhance its professional knowledge, technology and competitiveness.

## **Expand brand influence**

To further strengthen its brand, the Company will continue to implement strict supervision on product quality. At the same time, the Company will actively organize and participate in seminars for market practitioners including distributors and representatives from hospitals on orthopedic medical devices with well-known experts and professors in the industry from both the PRC and overseas to promote its products during such seminars. The Company will also strengthen the cooperation with different academic institutes, university scientific research teams and hospitals and organize academic seminars at different levels and in various aspects.

## **Talent development and incentives**

The Company will continue to adhere to its existing talent development policy while establishing a new training system for talent development and attracting high quality talents with competitive remuneration system. On the other hand, the Company has established an effective incentive and appraisal system to motivate the work initiative and enthusiasm of employees.

## **EMPLOYEE**

As at 31 December 2025, the Group had approximately a total of 1,078 employees, which included management, production, quality and monitoring staff, research and development personnel, sales and marketing staff and general and administration staff. For the year ended 2025, the total salaries and related costs paid to our employees were approximately RMB165.67 million. The Group enters into individual employment contracts with employees to cover matters such as salaries, bonus, employee benefits, contract term, duties, location of workplace, working hours, leave policies, labour protection, confidentiality, non-competition and grounds for termination, etc.

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

The Company convened the 14th meeting of the fifth session of the Board of Directors of the Company on 17 June 2024, at which the “Resolution on Repurchase of Shares of the Company through Centralized Bidding Trading” was considered and approved, and agreed that the Company use its own funds to repurchase part of the issued RMB ordinary shares of the Company by means of centralized bidding trading through the trading system of the Shanghai Stock Exchange for the purpose of implementing the employee stock ownership plan or equity incentive scheme. As of 12 June 2025, the Company had completed such repurchase and repurchased a total of 1,376,851 shares of the Company, representing 0.3590% of the total share capital of 383,568,500 shares, with the highest repurchase price of RMB17.20 per share, the lowest repurchase price of RMB12.09 per share and the average repurchase price of RMB14.53 per share, and the total amount of funds used amounted to RMB20,008,021.82 (stamp duty, brokerage fees and other transaction fees exclusive).

## 2025 FINAL DIVIDEND

The Company proposes to distribute a final dividend of RMB1.5 (tax inclusive) per 10 shares to all shareholders (31 December 2024: RMB0.49 (tax inclusive) per 10 shares). As of 31 December 2025, the total share capital of the Company was 383,568,500 shares, and after deducting the number of shares held by the A-share repurchase account of 1,376,851 shares, the actual number of shares participating in the profit distribution was 382,191,649 shares, and based on this calculation, a total of RMB57,328,747.35 (tax inclusive) was proposed to be paid out as final dividend. The amount of such final dividend accounts for 21.03% of the net profit attributable to ordinary shareholders of the listed company in the consolidated statement. As the Company had distributed the dividend of RMB80,260,246.29 for the first three quarters, the total amount of cash dividend for the year shall be RMB137,588,993.64 (tax inclusive), accounting for 50.48% of the net profit attributable to ordinary shareholders of the listed company in the consolidated statement. If the total share capital of the Company changes as a result of conversion of convertible bonds, share repurchase, share buyback and cancellation of share repurchase under share incentive scheme, share buyback and cancellation of share repurchase under major asset reorganization during the period from the date of disclosure of this announcement to the date of registration of the rights to implementation of the profit distribution, the Company intends to maintain the amount of the final dividend per share as it is and adjust the total amount of the distribution accordingly, and will make a separate announcement of the specific adjustments. The Company did not distribute bonus shares and carry out any capitalization of capital reserve in 2025. The above proposed profit distribution has been considered and approved at the 31st meeting of the fifth session of the Board of Directors of the Company and is subject to the approval of the general meeting of the Company for implementation.

The final dividend payable to the shareholders of H Shares will be paid in Hong Kong dollars, while the final dividend payable to the shareholders of A Shares will be paid in Renminbi. The applicable exchange rate shall be the mid-rate of the average exchange rate of the relevant foreign exchange published on the website of the People's Bank of China seven business days prior to the date of approval of the dividend. The final dividend is expected to be paid on or before 30 June 2026 to shareholders whose names appear on the register of members of the Company as at 1 June 2026 in respect of H Shares. The notice convening the annual general meeting will be published on the websites of the Stock Exchange and the Company. In case of any changes in the expected distribution dates and the closure period of the register of members of H Shares, the Company will make further announcements in respect to those changes in due course. The Company will publish a separate announcement on the Shanghai Stock Exchange regarding the payment of final dividend to shareholders of A Shares after the annual general meeting.

## **ANNUAL GENERAL MEETING**

The annual general meeting will be held on 26 May 2026. Shareholders of H Shares should read the details of the circular relating to the annual general meeting, the notice of the annual general meeting and the accompanying proxy form, which will be published on the websites of the Stock Exchange and the Company.

### **Closure of the register of members of H Shares for the shareholders of H Shares**

(1) *Entitlement to attend and vote at the annual general meeting*

In order to determine the shareholders who are entitled to attend and vote at the annual general meeting, the Company's register of members of H Shares will be closed from 20 May 2026 to 26 May 2026 (both days inclusive) during which period no transfer of H Shares will be effected. In order to be qualified to attend and vote at the annual general meeting, all the transfer documents of the Company's H Shares together with the relevant share certificates shall be lodged at the H Share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 19 May 2026 (being the business day before the first day of closure of the register of members of H Shares) for registration.

(2) *Entitlement to final dividend*

In order to determine the entitlement to the final dividend, the Company's register of members of H Shares will be closed from 1 June 2026 to 3 June 2026 (both days inclusive) during which period no transfer of H Shares will be effected. In order to be qualified for the final dividend, all the transfer documents of the Company's H Shares together with the relevant share certificates shall be lodged at the H Share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 29 May 2026 (being the business day before the first day of closure of the register of members of H Shares) for registration.

## **CORPORATE GOVERNANCE**

The Board has been committed to maintaining a high standard of corporate governance. The Board believes that, the high standard of corporate governance provides a framework for the Group to safeguard shareholder interest, enhance enterprise value, formulate its business strategy and policy, and is essential to enhancing the transparency and accountability. The Company has adopted the principles and code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Board considers that the Company has complied with all the code provisions contained in the Corporate Governance Code during the reporting period.

## **COMPLIANCE WITH MODEL CODE**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for directors’ and supervisors’ securities transactions. Having made specific enquiry with the directors and supervisors, all of the directors and supervisors confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2025.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

WUYIGE Certified Public Accountants LLP has reviewed these financial statements.

The Audit Committee of the Board has reviewed the Company’s consolidated financial statements for the year ended 31 December 2025, including the accounting principles and practices applied.

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

This results announcement is published on the Company's website ([www.clzd.com](http://www.clzd.com)) and the HKExnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

The Company's 2025 Annual Report containing all information required under the Listing Rules will be dispatched to the shareholders of the Company and will be published on the Company's website and the HKExnews website of the Stock Exchange in due course.

By order of the Board  
**Beijing Chunlizhengda Medical Instruments Co., Ltd.\***  
**Shi Wenling**  
*Chairman*

Beijing, the PRC, 30 March 2026

As at the date of this announcement, the executive directors of the Company are Ms. Shi Wenling, Mr. Shi Chunbao, Ms. Yue Shujun and Mr. Xie Fengbao; the non-executive director of the Company is Mr. Wang Xin; and the independent non-executive directors of the Company are Ms. Xu Hong, Mr. Weng Jie and Mr. Wong Tak Shing.

\* *For identification purposes only*