OrbusNeich
業聚醫療

OrbusNeich Medical Group Holdings Limited
業聚醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6929)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Year-on-year change
	2024	2023	
	US$'000	*US$'000*	
Operating results			
Revenue	**164,097**	153,865	+6.6%
Cost of sales	**(49,630)**	(47,367)	+4.8%
Gross profit	**114,467**	106,498	+7.5%
Profit before income tax	**42,407**	49,628	−14.6%
Profit for the year attributable to owners of the Company	**39,717**	45,073	−11.9%
Basic earnings per share (US cents)	**4.81**	5.45	−11.7%
Diluted earnings per share (US cents)	**4.81**	5.41	−11.1%
Profitability			
Gross profit margin(1)	**69.8%**	69.2%	+0.6% points
Net profit margin(2)	**24.2%**	29.3%	−5.1% points

Notes:

(1) Calculated by dividing gross profit by revenue.

(2) Calculated by dividing profit for the year attributable to owners of the Company by revenue.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended December 31, 2024

	Note	**2024** *US$'000*	2023 *US$'000*
Revenue	3	**164,097**	153,865
Cost of sales	6	**(49,630)**	(47,367)
Gross profit		**114,467**	106,498
Other income — net	4	**430**	2,125
Other (losses)/gains — net	5	**(2,591)**	589
Selling and distribution expenses	6	**(37,414)**	(35,931)
General and administrative expenses	6	**(25,283)**	(18,909)
Research and development expenses	6	**(17,045)**	(14,379)
Impairment losses on financial assets		**(352)**	(54)
Operating profit		**32,212**	39,939
Finance income	7	**11,921**	10,666
Finance costs	7	**(219)**	(142)
Finance income — net		**11,702**	10,524
Share of loss of investment in a joint venture		**(1,507)**	(835)
Profit before income tax		**42,407**	49,628
Income tax expense	8	**(2,560)**	(4,555)
Profit for the year		**39,847**	45,073
Attributable to:			
Owners of the Company		**39,717**	45,073
Non-controlling interests		**130**	—
		39,847	45,073
Profit attributable to owners of the Company		**39,717**	45,073
Earnings per share	9	**US cents**	US cents
Basic		**4.81**	5.45
Diluted		**4.81**	5.41

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2024

	Note	**2024**	2023
		US$'000	*US$'000*
Profit for the year		**39,847**	45,073
Other comprehensive (loss)/income:			
Item that will not be subsequently reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**120**	3
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		**(3,878)**	309
Other comprehensive (loss)/income for the year, net of tax		**(3,758)**	312
Total comprehensive income for the year		**36,089**	45,385
Attributable to:			
Owners of the Company		**36,006**	45,385
Non-controlling interests		**83**	—
		36,089	45,385

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
as at December 31, 2024

	Note	**2024**	2023
		US$'000	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**21,197**	13,011
Right-of-use assets		**6,404**	5,455
Deferred income tax assets		**5,307**	3,541
Financial assets at fair value through profit or loss		**1,300**	1,618
Intangible assets		**9,755**	9,560
Goodwill		**10,205**	12,959
Interest in a joint venture		**13,613**	13,920
Deposits and prepayments		**1,772**	2,117
Total non-current assets		**69,553**	62,181
Current assets			
Inventories		**56,329**	41,426
Trade receivables	10	**41,679**	37,966
Deposits, prepayments and other receivables		**12,180**	11,659
Amounts due from non-controlling interests		**—**	46
Amounts due from a joint venture		**1,595**	640
Tax recoverable		**1,084**	447
Cash and bank balances		**248,590**	255,779
Total current assets		**361,457**	347,963
Total assets		**431,010**	410,144

	Note	**2024**	2023
		US$'000	*US$'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**414**	414
Other reserves		**431,652**	446,693
Accumulated losses		**(38,757)**	(78,707)
Attributable to the owners of the Company		**393,309**	368,400
Non-controlling interests		**1,068**	1,018
Total equity		**394,377**	369,418
LIABILITIES			
Non-current liabilities			
Lease liabilities		**2,417**	1,356
Retirement benefit obligations		**2,623**	2,779
Deferred income tax liabilities		**870**	967
Total non-current liabilities		**5,910**	5,102
Current liabilities			
Trade payables	11	**6,840**	4,815
Accruals and other payables		**19,720**	15,704
Financial liability at fair value through profit or loss		**—**	4,975
Amount due to a joint venture		**58**	194
Current income tax liabilities		**2,321**	3,831
Lease liabilities		**1,784**	1,870
Bank borrowing		**—**	4,235
Total current liabilities		**30,723**	35,624
Total liabilities		**36,633**	40,726
Total equity and liabilities		**431,010**	410,144

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

OrbusNeich Medical Group Holdings Limited (the "**Company**") is a limited liability company incorporated and domiciled in the Cayman Islands. The address of its registered office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "**Group**"), are principally engaged in the manufacturing, trading, sales and marketing of medical devices/instruments used for the treatment of coronary and peripheral vascular diseases.

The immediate and ultimate holding company is Harmony Tree Limited, a company incorporated in the British Virgin Islands with limited liability. The ultimate controlling shareholders of the Group are Mr. David CHIEN and Ms. Kwai Ching Denise LAU, spouse of Mr. David CHIEN (the "**Controlling Shareholders**").

The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong ("**HKSE**") on December 23, 2022.

These consolidated financial statements are presented in thousands of United States Dollar ("**US$'000**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 7, 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**") and disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong). The consolidated financial statements have been prepared under the historical cost basis, except for financial assets and liabilities at fair value through profit or loss or other comprehensive income, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management of the Group to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing January 1, 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.1.2 New and amended standards and interpretation not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

		Effective for accounting year beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	January 1, 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of Assets between an investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new and amended standards as and when they become effective. Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 introduces new requirements for presentation within the consolidated statement of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to HKAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards. HKFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position.

The directors of the Company have performed preliminary assessment and do not anticipate any significant impact on the Group's financial position and results of operations upon adopting these new and amended standards to existing HKFRS.

3 REVENUE AND SEGMENT INFORMATION

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Executive Directors of the Company that make strategic decisions.

The CODM considers the business from a product perspective which is manufacturing, trading, sales and marketing of medical devices/instruments used for the treatment of coronary artery diseases. The CODM regularly reviews the financial information of the Group which is the same as the consolidated financial statements of the Group, for the purposes of allocating resources and assessing its performance, so only one operating segment of the Group and, no separate segmental analysis is presented in these consolidated financial statements.

The amounts provided to the CODM with respect to total assets and total liabilities are measured in a manner consistent with that in the consolidated balance sheet.

The revenue recognized during the year are as follows:

	2024	2023
	US$'000	*US$'000*
Sales of goods — at point in time	**164,097**	153,865

Geographical information

The Group is organized on a worldwide basis. The analysis of revenue by geographical area is as follows:

	Asia Pacific region, except Japan and the PRC ("APAC")	Europe, Middle East & Africa ("EMEA")	Japan	The PRC	United States	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Year ended December 31, 2024						
Revenue	**133,564**	**79,661**	**34,435**	**66,225**	**17,498**	**331,383**
Less: inter-segment revenue	**(81,323)**	**(40,427)**	**—**	**(45,536)**	**—**	**(167,286)**
Revenue from external customers	**52,241**	**39,234**	**34,435**	**20,689**	**17,498**	**164,097**
Year ended December 31, 2023						
Revenue	99,803	77,043	38,005	69,300	21,267	305,418
Less: inter-segment revenue	(63,446)	(40,681)	—	(47,426)	—	(151,553)
Revenue from external customers	36,357	36,362	38,005	21,874	21,267	153,865

The non-current assets information below is based on the location of assets other than financial instruments and deferred income tax assets.

	2024	2023
	US$'000	*US$'000*
APAC	**31,000**	31,944
EMEA	**6,237**	5,894
Japan	**757**	931
The PRC	**21,953**	14,645
United States	**2,243**	2,736
	62,190	56,150

Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Revenue is recognized when, or as, the control of the goods is transferred to the customer.

The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement. Revenue is recognized as follows:

(a) Sales of goods

The Group manufactures and sells medical instruments in vascular therapies. Revenue from sales are recognized when control of the products has transferred to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. There are two major channels of sales: (i) Distributor sales and (ii) Direct sales.

(i) Distributor sales

Revenue are recognized at point in time when control has been transferred to the customers, and either the customers has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue are recognized when the products are dispatched from the Group's warehouse or shipped to the customer's designated locations. Revenue from these sales is recognized based on the price specified in the contract.

(ii) Direct sales

Direct sales represents consignment sales of goods to private and public hospitals. Revenue are recognized at point in time when control has been transferred to customers, that is, at the time when the customer has actually consumed the goods.

4 OTHER INCOME — NET

	2024	2023
	US$'000	*US$'000*
Government grants *(Note)*	**277**	1,854
Others	**153**	271
	430	2,125

Note: Government grants mainly comprise subsidies received from the Government of the Hong Kong Special Administrative Region and various local governments in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants.

Deferred and presentation of government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized within "Other income — net" in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are recognized as deferred income in consolidated statement of profit or loss on a systematic basis over the useful life of the asset.

5 OTHER (LOSSES)/GAINS — NET

	2024	2023
	US$'000	*US$'000*
Net foreign exchange losses	**(714)**	(357)
Losses on disposals of property, plant and equipment	**(6)**	(54)
Gains on disposals of financial assets at fair value through profit or loss	**5**	5
Fair value changes in financial assets at fair value through profit or loss	**(286)**	971
(Loss)/gain on lease modifications	**(33)**	14
Impairment of goodwill	**(1,570)**	—
Others	**13**	10
	(2,591)	589

6 EXPENSES BY NATURE

	2024	2023
	US$'000	*US$'000*
Cost of inventories recognized as expense (including write-down of inventories to net realizable value)	**27,119**	27,290
Employee benefit expenses	**59,069**	53,298
Depreciation of property, plant and equipment	**2,077**	1,790
Depreciation of right-of-use assets	**2,059**	1,831
Amortization of intangible assets	**1,164**	584
Short-term lease expense in respect of office premises	**1,383**	923
Royalty expenses	**3,167**	3,127
Auditor's remuneration	**377**	462
Marketing and advertising expenses	**5,667**	4,868
Legal and professional fees	**2,876**	2,636
Clinical trial expenses	**712**	690
Travel and entertainment expenses	**4,444**	4,367
Testing material expenses	**2,241**	2,202
Commission expenses	**1,115**	1,426
Delivery and warehouse charge	**3,010**	2,511
Transportation expenses	**402**	481
Telecommunication expenses	**307**	262
Insurance expenses	**1,429**	603
Other expenses	**10,754**	7,235
	129,372	116,586

7 FINANCE INCOME — NET

	2024	2023
	US$'000	*US$'000*
Finance income:		
— Interest income from bank deposits	**11,921**	10,106
— Interest income from financial assets at fair value through profit or loss	**—**	560
	11,921	10,666
Finance costs:		
— Interest expense on bank borrowing	**(101)**	(4)
— Interest expense on lease liabilities	**(117)**	(130)
— Others	**(1)**	(8)
	(219)	(142)
Finance income — net	**11,702**	10,524

Accounting policies of finance income and cost

Borrowing costs are recognized as an expense in the year in which they are incurred, except to the extent that they are capitalized when they are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

8 INCOME TAX EXPENSE

	2024	2023
	US$'000	*US$'000*
Current income tax:		
Current income tax on profits for the year	**4,320**	5,078
Under-provision in prior year	**106**	136
	4,426	5,214
Deferred income tax:		
Relating to the origination and reversal of temporary differences	**(1,866)**	(659)
	2,560	4,555

The Group is primarily subject to the Hong Kong profits tax, PRC corporate income tax ("**CIT**"), Japan corporate income tax, the Netherlands corporate income tax and Indonesia corporate income tax.

(a) Hong Kong profits tax

The applicable profits tax rate in Hong Kong is 16.5% (2023: 16.5%) for the year ended December 31, 2024.

(b) PRC corporate income tax

OrbusNeich Medical (Shenzhen) Company Limited ("**OrbusNeich Shenzhen**") is qualified as a National High and New Technology Enterprise ("**HNTE**") on December 11, 2020 with a validity of three years therefrom. On December 25, 2023, OrbusNeich Shenzhen successfully renewed its HNTE certificate for an additional three years. According to the CIT Law, the enterprise qualifying the HNTE status is entitled to the 15% reduced CIT rate subject to a record-filing to the in-charge tax bureau. OrbusNeich Shenzhen had completed the record-filing with Shenzhen local tax bureau. As such, the applicable CIT rate is 15% (2023: 15%) for the year ended December 31, 2024.

(c) Japan corporate income tax

The applicable corporate income tax in Japan is 33.58% (2023: 33.58%) for the year ended December 31, 2024.

(d) The Netherlands corporate income tax

For the year ended December 31, 2024, Netherlands corporate income tax has been provided for at the rate of 24.6% (2023: 25.8%) on the estimated assessable profits of subsidiaries in the Netherlands.

(e) Indonesia corporate income tax

For the year ended December 31, 2024, Indonesia corporate income tax has been provided for at the rate of 22% (2023: 22%) on the estimated assessable profits of subsidiaries in Indonesia.

Accounting policies of current income tax

The income tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

9 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated based on the profit attributable to equity holders of the Company for the years ended December 31, 2024 and 2023 divided by the weighted average number of shares in issue during the year.

	2024	2023
Profit attributable to owners of the Company *(US$'000)*	**39,717**	45,073
Weighted average number of ordinary shares in issue *(thousand shares)*	**825,660**	827,767
Basic earnings per share *(US cents)*	**4.81**	5.45

During the year ended December 31, 2024, no (2023: 198,400) new shares for exercise of share option schemes were issued, which were accounted for on a time apportioned basis.

During the year ended December 31, 2024, 6,390,180 (2023: 945,500) shares were acquired by the Trustee of the share award schemes through purchase from the open market according to the instructions of the board of directors, at a total cost of approximately US$1,781,000 (2023: US$815,000). The re-acquired ordinary shares are excluded on a time apportioned basis from the calculation of the weighted average number of ordinary shares in issue.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, which consisted of share options and share awards for the year ended December 31, 2024 and share options for the year ended December 31, 2023.

The diluted earnings per share have been calculated as follows:

Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024	2023
Profit attributable to owners of the Company *(US$'000)*	**39,717**	45,073
Weighted average number of ordinary shares in issue *(thousand shares)*	**825,660**	827,767
Adjustments for:		
Weighted average number of share options *(thousand shares)*	**2**	5,195
Weighted average number of share awards *(thousand shares)*	**592**	—
Weighted average number of ordinary shares for diluted earnings per share *(thousand shares)*	**826,254**	832,962
Diluted earnings per share *(US cents)*	**4.81**	5.41

10 TRADE RECEIVABLES

	2024	2023
	US$'000	*US$'000*
Trade receivables *(Note)*	**42,687**	38,646
Loss allowance	**(1,008)**	(680)
Trade receivables, net	**41,679**	37,966

Note: The majority of the Group's sales are with credit terms of 30 to 180 days. The carrying amounts of trade receivables approximate their fair values.

The ageing analysis of the trade receivables based on invoice date, before provision for impairment, is as follows:

	2024	2023
	US$'000	*US$'000*
0 to 30 days	**23,485**	16,786
31 to 60 days	**7,542**	9,675
61 to 90 days	**4,753**	4,324
Over 90 days	**6,907**	7,861
	42,687	38,646

Movements in the loss allowance of trade receivables are as follows:

	2024	2023
	US$'000	*US$'000*
Beginning of year	**680**	1,742
Charged during the year	**352**	54
Trade-receivables written-off as uncollectible	**—**	(1,337)
Acquisitions of subsidiaries	**—**	201
Currency translation difference	**(24)**	20
End of year	**1,008**	680

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The carrying amounts of the Group's trade receivables, net are denominated in the following currencies:

	2024	2023
	US$'000	*US$'000*
US$	**9,223**	5,916
HK$	**4,189**	3,385
JPY	**8,547**	11,270
EUR	**4,659**	5,616
IDR	**5,977**	3,982
Other currencies	**9,084**	7,797
	41,679	37,966

Accounting policies of trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 to 180 days and therefore are all classified as current.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies and exposure to credit risk.

11 TRADE PAYABLES

	2024	2023
	US$'000	*US$'000*
Trade payables	**6,840**	4,815

The carrying amounts of trade payables approximate their fair values.

Credit terms granted by creditors generally range from 30 to 90 days.

The ageing analysis of the trade payables based on invoice date is as follows:

	2024	2023
	US$'000	*US$'000*
0 to 30 days	**2,772**	3,833
31 to 60 days	**1,664**	370
61 to 90 days	**1,360**	274
Over 90 days	**1,044**	338
	6,840	4,815

Trade payables are denominated in the following currencies:

	2024	2023
	US$'000	*US$'000*
US$	**5,011**	3,214
RMB	**400**	1,318
EUR	**310**	233
Other currencies	**1,119**	50
	6,840	4,815

Accounting policies of trade payables

The amount represents liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

12 DIVIDEND

No dividend has been paid by the Company for the year ended December 31, 2024. Dividend for the year ended December 31, 2023 of US$10,615,000 has been paid by the Company during the year.

A dividend in respect of the year ended December 31, 2024 of HK10 cents (approximately US1.28 cents) (2023: HK10 cents (approximately US1.28 cents)) per ordinary share, amounting to total dividend of HK$82,797,000 (approximately US$10,615,000) (2023: HK$82,797,000 (approximately US$10,615,000)), is to be approved at the 2024 annual general meeting of the Company. These financial statements do not reflect this dividend payable.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Introduction

We are a major global medical device manufacturer specializing in interventional devices for PCI and PTA procedures. Headquartered in Hong Kong, China, our Group sells its products in more than 70 countries and regions worldwide. It is also actively expanding into neurovascular intervention and structural heart disease. With an in-house R&D team boasting over 20 years of product development expertise, our Group has developed world-leading proprietary technologies.

Our diversified product portfolio covers all major treatment processes in PCI and PTA procedures. Our approved and marketed products are indicated for lesion access, lesion preparation, lesion therapy and lesion optimization, encompassing semi-compliant balloons and scoring balloons for pre-dilatation and lesion preparation, stents for implantation, non-compliant balloons for post-dilatation, and specialty catheters.

Overall Performance for FY2024

As the global disinflationary trend continued, the major central banks eased their monetary policies during the year. However, a slowdown in the pace of interest rate cuts in the US is keeping the USD relatively strong for longer, which has impacted the Group's non-US revenue.

Nevertheless, thanks to the recovery of sales in the US and continuous growth in the APAC market in the second half of the year, the Group recorded revenue of US$164.1 million, an increase of 6.6% year on year. Excluding the foreign exchange impact, the revenue growth rate would have been 8.7% year-on-year. In 2024, sales volume reached 1.7 million units, of which 1.5 million units were proprietary products, representing an increase of 4.8% year on year. Gross profit increased by 7.5% to approximately US$114.5 million.

During the year, the Group undertook significant consolidation work following the acquisition of the three businesses at the end of 2023, incurring additional operating expenses of US$9.5 million, which are crucial to supporting its future sustainable growth. Excluding these additional operating expenses, the total of selling and distribution expenses, general and administrative expenses and research and development expenses were flat year-on-year in 2024.

These factors led to a year-on-year decrease of 11.9% in profit for the year attributable to owners of the Company to US$39.7 million in 2024. Basic earnings per share for 2024 was US4.81 cents (2023: US5.45 cents). Core operating profit, which excludes share-based compensation, impairment of goodwill, recognition of deferred tax asset, fair value changes of USD commodity notes and finance income — net, was US$29.0 million, down 15.8% year-on-year.

Performance by Geographical Market

APAC

The APAC region was the Group's major revenue growth driver in 2024. Revenue from the APAC market amounted to US$52.2 million, representing a remarkable growth of 43.7% year-on-year. The impressive performance was attributable to external growth, totaling US$11.5 million, arising from the newly acquired distributors in Indonesia and South Korea, as well as the robust organic growth of 13.8% year-on-year driven by markets such as Malaysia, Singapore, Hong Kong, Vietnam and India. In particular, the latest generation of scoring balloon, Scoreflex TRIO, recorded a rapid rise in sales since its launch in Malaysia in early 2024.

EMEA

EMEA revenue showed steady growth of 7.9% year-on-year to US$39.2 million. The increase was mainly attributable to increased sales of the Group's proprietary balloon products in direct sales markets such as Germany and Spain, as well as in distribution markets including Czech Republic, Slovakia and United Kingdom. However, this was partially offset by the termination of a distribution agreement with Cardiovascular Systems, Inc. ("**CSI**") for atherectomy products (third-party products) following the acquisition of CSI by Abbott.

Japan

Revenue generated in Japan declined by 9.4% to US$34.4 million in 2024. This was mainly due to the continued depreciation of the JPY against the USD during the year, and the regular reduction in reimbursement price of products in the second half of the year.

The PRC

In the second half of the year, as the Beijing-Tianjin-Hebei "3+N" Alliance volume-based procurement ("**VBP**") was gradually rolled out in various provinces and the Group adopted a more proactive marketing strategy, the sales volume of Scoreflex gained momentum. As a result, the year-on-year decline in revenue generated from the PRC in 2024 decreased to 5.4% from 23.3% in the first half of the year. Reported revenue generated from the PRC was approximately US$20.7 million.

The US

For the US market, following active discussions with Abbott — the US distributor, on sales strategies, the revenue in the US gradually picked up in the second half of 2024. In particular, the sales volume of the high average selling price product, Scoreflex NC more than tripled in the second half of the year compared with the first half. This significantly narrowed the revenue decline from 40.9% in the first half of 2024 to 17.7% for the full year. Revenue from the US market reached US$17.5 million in 2024.

Sales and Marketing

In 2024, the Group continued to sell products through its extensive sales network covering more than 70 countries and regions worldwide. In particular, it has established direct sales forces in 12 countries and regions, including the PRC, Hong Kong, Macau, France, Germany, Monaco, Indonesia, Japan, Malaysia, Singapore, Spain, and Switzerland. As of December 31, 2024, the Group had a total of 266 sales and marketing personnel (as of December 31, 2023: 221) and 207 distributors (as of December 31, 2023: 234). During the year, direct sales and distributor sales contributed approximately US$94.8 million and US$69.3 million, respectively, accounting for 57.7% and 42.3% of the Group's total revenue.

To promote its diverse product portfolio, the Group continued to actively participate in major industry conferences and events. In 2024, it organized or participated in more than 80 seminars, workshops, conferences, and discussion panels worldwide, including global congresses such as MYLIVE in Malaysia, SwissCTO in Switzerland, and GulfPCR in UAE. As part of its ongoing initiatives, the Group continued to host its Physician Exchange Program ("**PEP**"), which aims to bring experienced cardiologists to various regions to share their expertise in complex chronic total occlusion ("**CTO**") procedures and their experience in applying the Group's products. In 2024, the Group hosted 13 PEP sessions in Malaysia, Singapore, Indonesia and Vietnam to educate physicians and showcase products.

Leveraging its robust sales network and brand name recognized by cardiologists, the Group seeks to collaborate with other medical device manufacturers offering endovascular intervention products that are complementary to its existing product portfolio. In Q4 2024, the Group entered into a distribution agreement with a Chinese manufacturer to distribute its intravascular ultrasound (IVUS) Catheter in Hong Kong and Macau from December 2024 onwards.

Product Development

The Group has consistently invested in a diverse range of R&D activities to constantly improve aspects such as product design, material treatment, manufacturing processes, etc. As of December 31, 2024, it owned more than 240 granted patents and published patent applications globally across key jurisdictions, including over 40 and 90 granted patents and published patent applications in the US and PRC, respectively. In recognition of its innovation, the Group was honored with the title of "State-level Technologically Advanced 'Little Giant' Enterprise" (「國家級專精特新『小巨人』」).

In 2024, the Group obtained NMPA approval for Teleport Neuro, FDA approval for Teleport XT, JADE PLUS 14/18/35 OTW, Sapphire Ultra and Sapphire NC Ultra, and CE Marks for Sapphire Ultra, Sapphire NC Ultra, Xtenza and Teleport XT. During the same period, it also submitted the NMPA registration application for its Teleport XT guiding catheter and Jade PTA Line Extension, and the PMDA registration application for Scoreflex QUAD and Teleport Glide. As of December 31, 2024, the Group had an aggregate of over 50 approved products, including 30 PMDA approved products, 40 CE marked products, 19 FDA cleared or approved products and 22 NMPA approved products. As of the reporting date, the Group has also obtained FDA approval for the COREPASS Modular Microcatheter targeting CTO lesions.

Following the acquisition of eucatech AG in November 2023, the Group has been actively registering eucaLimus (DES), Support C (coronary DCB) and VITUS (peripheral DCB) in various countries and regions. During 2024, registrations of one or more of the above-mentioned products have been completed in the Czech Republic, Italy, Malaysia, Saudi Arabia, Spain, Switzerland, UAE, and Vietnam, etc., while registration applications in Hong Kong, Indonesia and Singapore are pending approval. In addition, to renew the CE Mark of eucatech AG's products under the MDR regime, clinical registries have been initiated and internationally renowned key opinion leader (KOL) clinicians have been engaged to serve as lead principal investigators for these registries.

Meanwhile, the Group has continued to invest in new pipeline products such as the aspiration catheter, dual lumen catheter, peripheral scoring balloon and sheath. The registration applications for these products are expected to be submitted to various regulatory bodies in 2025.

Certain innovative products of the Group require clinical trials prior to registration application submission. During the year, patient enrollment for the Scoreflex TRIO clinical trial in the PRC was completed. The NMPA application was submitted in January 2025. In addition, the Group also initiated patient enrollment for the Sapphire 3 clinical trial in the US in Q4 2024, and the application for approval is expected to be submitted in Q1 2026. In line with the "leave nothing behind" trend, the Group is also investing in proprietary paclitaxel DCB, with clinical trials expected to commence in Q4 2025 in Japan.

Production Facilities

As of December 2024, annual production capacity reached approximately 2.0 million units of balloons and 60,000 units of stents. Product quality has always been the Group's top priority and is safeguarded by a strict quality management system. The Group's production facilities passed various audits during the year and maintained ISO 13485 certification. For example, eucatech AG passed the ISO 13485 re-certification audit in the second half of 2024.

Additionally, the Group's Shenzhen R&D and manufacturing site obtained ISO 14001 and ISO 45001 certifications in June 2024, demonstrating the Group's increasing emphasis on creating a green, safe and sustainable environment.

To meet the growing demand for our products in the medium term, the Group is constructing its largest R&D and manufacturing facility in Hangzhou, the PRC. Construction began in September 2024 and the new facility is expected to be operational in 2027, adding an annual production capacity of 2.4 million units of products upon commencement of production.

Joint Venture

During 2024, OrbusNeich P&F, a joint venture focusing on developing, manufacturing and commercialization of innovative structural heart products continued to push forward the TricValve clinical studies for two major Asian markets. The clinical trial in the PRC started in April 2024, while the PMDA clinical trial protocol approval in Japan is expected to be completed by the end of 2025.

In addition to TricValve, OrbusNeich P&F also has a comprehensive pipeline of structural heart interventional devices, including Vienna Aortic Valve, a TAVR product; Vienna Mitral Valve — Replacement, a TMVR product; Vienna Pulmonary Valve — replacement, a TPVR product; and balloon expandable valves, which are complementary additions to its series of self-expandable heart valve devices.

Outlook

Looking ahead to 2025, the Group expects the APAC and EMEA regions to continue to drive revenue growth, along with the continued recovery of the US market. In the PRC market, the Group's multiple generations of products allow it to engage in VBP with greater flexibility. Going forward, OrbusNeich will actively monitor and proactively respond to the latest VBP programs. Furthermore, the Group is well positioned to expand its product portfolio with the introduction of new offerings, including Teleport Glide and Scoreflex QUAD, initially targeting the Japanese market.

In recent years, regulatory changes in both domestic and international markets have posed challenges for medical device developers and manufacturers, particularly with the transition from the EU's MDD to MDR and the VBP initiatives in the PRC. The Group believes that this is an opportune time for mergers and acquisitions. As of December 31, 2024, it has cash and bank balances of US$248.6 million. This ample financial resource enables the Group to take advantage of industry consolidation opportunities and accelerate the enhancement of its technological reserves and product portfolio. Additionally, it is actively seeking suitable downstream businesses to further strengthen its overseas sales network.

The Group's robust sales network, consisting of 12 direct sales teams and various experienced distributors covering over 70 countries and regions, has attracted many manufacturers to collaborate with it. Therefore, in addition to expanding its existing product portfolio through acquisitions, it is actively negotiating with manufacturers to distribute high-quality and innovative products to further diversify its revenue streams.

As the Group continues to invest in strategic initiatives, it also recognizes the importance of delivering returns to its valued shareholders. After evaluating the Group's financial performance and future capital needs, the Board has proposed a final cash dividend of HK10 cents per share as a token of appreciation for the continued support of its shareholders.

FINANCIAL REVIEW

REVENUE

By business line

	2024	2023	**Change**	
	US$'000	*US$'000*	*US$'000*	*%*
Coronary interventional medical devices				
Scoring balloons	**58,218**	56,521	1,697	+3.0
Non-compliant balloons	**34,905**	28,685	6,220	+21.7
Semi-compliant balloons	**32,035**	30,188	1,847	+6.1
Stents	**10,767**	11,898	(1,131)	–9.5
Peripheral interventional medical devices				
Balloons	**12,449**	14,715	(2,266)	–15.4
Other medical accessories	**6,583**	5,925	658	+11.1
Third party products	**9,140**	5,933	3,207	+54.1
Total	**164,097**	153,865	10,232	+6.6

Our revenue increased by US$10.2 million from US$153.9 million for the year ended December 31, 2023 to US$164.1 million for the year ended December 31, 2024 as a result of the combined effect of (i) a US$6.2 million increase in revenue generated from our non-compliant balloons as a result of increase in sales volume of Sapphire II NC and Sapphire NC 24 in the APAC, EMEA and US markets; (ii) a US$1.8 million increase in revenue generated from our semi-compliant balloons as a result of increase in sales volume of Sapphire 3 in the APAC, EMEA markets; (iii) a US$1.7 million increase in revenue generated from our scoring balloons as a result of increase in sales volume of Scoreflex TRIO in the Singapore and Malaysia markets and Scoreflex NC in the APAC and EMEA markets, offset by the decrease in sales volume of Scoreflex in the PRC market and Scoreflex NC in the US market; and (iv) a US$3.2 million increase in revenue generated from the sales of third party products as a result of the acquisition of PT Revass in December 2023, which also distributed medical devices of other companies apart from our proprietary products, offset by a US$2.3 million decrease in revenue generated from our peripheral balloons as a result of decrease in sales volume of our JADE OTW in the US market and a US$1.1 million decrease in revenue generated from our coronary stents as a result of decrease in sales volume and average selling price of COMBO Plus in the Japan market.

By geographical area

	2024	2023	**Change**	
	US$'000	*US$'000*	*US$'000*	*%*
APAC	**52,241**	36,357	15,884	+43.7
EMEA	**39,234**	36,362	2,872	+7.9
Japan	**34,435**	38,005	(3,570)	−9.4
The PRC	**20,689**	21,874	(1,185)	−5.4
United States	**17,498**	21,267	(3,769)	−17.7
Total	**164,097**	153,865	10,232	+6.6

Our revenue increased by US$10.2 million from US$153.9 million for the year ended December 31, 2023 to US$164.1 million for the year ended December 31, 2024, primarily due to: (i) a US$15.9 million increase in revenue generated from the APAC market, as a result of a) increase in sales volume and average selling price of Scoreflex TRIO scoring balloons and drug eluting balloons in Malaysia; b) increase in sales volume of COMBO Plus coronary stents, Scoreflex NC scoring balloons and the introduction of our drug eluting stent, eucaLimus, in Vietnam; and c) increase in sales from the Indonesia market as a result of the acquisition of PT Revass in December 2023; (ii) a US$2.9 million increase in revenue generated from the EMEA market, as a result of the increase in sales volume of our Sapphire 3 coronary balloons, Sapphire NC 24 coronary balloons and Scoreflex NC scoring balloons in direct sales markets such as Germany and Spain, as well as in countries like the Czech Republic, Slovakia and the United Kingdom, where we sold through distributors, offset by (i) a US$3.8 million decrease in revenue generated from the US market, mainly attributable to the decrease in sales volume of our Jade OTW peripheral balloons and Scoreflex NC scoring balloons, as a result of the integration work undertaken by Abbott following its acquisition of CSI in 2023 as well as the more restrictive insurance coverage policies on atherectomy devices, which also impacted Abbott's bundling sales strategy; (ii) a US$3.6 million decrease in revenue generated from the Japan market, as a result of the decrease in sales volume and average selling price of our COMBO Plus coronary stents, Scoreflex NC scoring balloons and

Sapphire NC 24 coronary balloons; (iii) a US$1.2 million decrease in revenue generated from the PRC market, as a result of the decrease in sales volume and average selling price of our Scoreflex scoring balloons.

The Group's revenue is exposed to currency risk from various currency exposures (including Japanese Yen, Indonesian Rupiah, Renminbi and Euro). During the year, the substantial appreciation of US dollar reduced our revenue by approximately US$3.2 million. Despite the strong US dollar impact, the Group's revenue for the year ended December 31, 2024 hit a record high of US$164.1 million, representing a 6.6% growth as compared to last year. If the foreign exchange impact was excluded, the revenue would grow by 8.7% as compared to 2023.

Cost of sales

For the year ended December 31, 2024, the Group's cost of sales was US$49.6 million, representing a 4.8% increase compared to US$47.4 million for the year ended December 31, 2023. Such increase was primarily attributable to the overall increase in sales volume.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 7.5% from US$106.5 million for the year ended December 31, 2023 to US$114.5 million for the same period of 2024. Such increase was primarily due to the increase in sales volume during the year.

Gross profit margin for the year ended December 31, 2024 and 2023 remained stable at 69.8% and 69.2% respectively.

Other income — net

Other income decreased by 79.8% from US$2.1 million for the year ended December 31, 2023 to US$0.4 million for the year ended December 31, 2024, primarily due to the decrease in government grants to support our R&D projects in the PRC from US$1.8 million for the year ended December 31, 2023 to US$0.3 million for the year ended December 31, 2024.

Other gains/(losses) — net

We recorded US$2.6 million of other losses for the year ended December 31, 2024, as compared to US$0.6 million of other gains for the year ended December 31, 2023, mainly due to the decrease in fair value gain of the commodity linked fixed rate note from US$1.2 million for the year ended December 31, 2023 to nil for the same period of 2024, as well as the impairment of goodwill of US$1.6 million in relation to the Group's acquisition of a subsidiary in 2023.

Selling and distribution expenses

Selling and distribution expenses increased by 4.1% from US$35.9 million for the year ended December 31, 2023 to US$37.4 million for the year ended December 31, 2024, primarily due to the acquisition of subsidiaries in 2023, which led to increase in employee benefit expenses as a result of the increase in headcount and increase in marketing and advertising expenses.

General and administrative expenses

General and administrative expenses increased by 33.7% from US$18.9 million for the year ended December 31, 2023 to US$25.3 million for the year ended December 31, 2024, primarily due to the increase in employee benefit expenses due to the increase in headcount as a result of acquisition of subsidiaries in December 2023 and overall salary increment.

Research and development expenses

Research and development expenses increased by 18.5% from US$14.4 million for the year ended December 31, 2023 to US$17.0 million for the same period of 2024, primarily due to the increase in service fee to contract research organizations in relation to our drug eluting balloon pipeline product.

Finance income — net

We recorded a net finance income of US$11.7 million for the year ended December 31, 2024, as compared to a net finance income of US$10.5 million for the same period in 2023, primarily due to the increase in interest income from fixed deposits from US$10.1 million for the year ended December 31, 2023 to US$11.9 million in the same period of 2024.

Share of loss of investment in a joint venture

Share of loss of investment in a joint venture increased by 80.5% from US$0.8 million for the year ended December 31, 2023 to US$1.5 million for the same period in 2024, primarily due to the increase in employee benefit expenses as a result of increase in headcount and overall salary increment, as well as the increase in clinical trial expenses for TricValve in the PRC.

Income tax expense

Income tax expense decreased from US$4.6 million for the year ended December 31, 2023 to US$2.6 million for the year ended December 31, 2024, primarily due to the decrease in profit before tax for the year ended December 31, 2024, as compared to the same period in 2023.

Effective income tax rates for the year ended December 31, 2024 and 2023 were 6.0% and 9.2%, respectively. Decrease in effective income tax rate was mainly because of the increase in bank interest income, which was not taxable, as well as the recognition of deferred tax assets in relation to certain unrecognized tax losses brought forward from prior years.

Profit for the year attributable to owners of the Company

As a result of the foregoing, our profit decreased by 11.9% from US$45.1 million for year ended December 31, 2023 to US$39.7 million for the year ended December 31, 2024, mainly due to (i) increase in operating expenses as a result of the acquisition of subsidiaries in December 2023; (ii) increase in research and development expenses in relation to the development of our drug eluting balloons; and (iii) decrease in government grants for R&D activities during the year ended December 31, 2024.

CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to asset ratio. The capital structure of the Group consists of shareholders' equity. Capital is managed so as to maximize the return to Shareholders while maintaining a capital base to allow the Group to operate effectively in the marketplace and sustain future development of the business.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly financed its operations with its own working capital (2023: working capital and equity funding).

As of December 31, 2024, the Group had US$248.6 million of cash and bank balances, as compared to US$255.8 million as of December 31, 2023. Such decrease was mainly attributable to the net cash outflow of US$19.0 million used in financing activities during the year, which was partially offset by the net cash inflow of US$13.1 million generated from operating activities.

The Group recorded total current assets of approximately US$361.5 million as of December 31, 2024 (2023: approximately US$348.0 million) and total current liabilities of approximately US$30.7 million as of December 2024 (2023: approximately US$35.6 million). As of December 31, 2024, total current liabilities of the Group primarily included trade payables, consideration payable in relation to the Group's acquisition of a subsidiary as well as accruals and other payables amounting to approximately US$26.6

million (2023: approximately US$25.5 million). As of December 31, 2024, accruals and other payables mainly consisted of accruals for employee benefit expenses of US$6.9 million, consideration payable in relation to the Group's acquisition of a subsidiary of US$4.2 million and other tax payable of US$2.1 million and accruals for royalty expenses of US$0.6 million.

Trade receivables in terms of debtor turnover days for the year ended December 31, 2024 was 90 days (2023: 86 days), while trade payable in terms of creditor turnover days for the year ended December 31, 2024 was increased to 43 days (2023: 34 days).

Current ratio (calculated by dividing the total current assets by the total current liabilities) of the Group was approximately 11.8 times as of December 31, 2024 (2023: approximately 9.8 times).

NET CURRENT ASSETS

The Group's net current assets as of December 31, 2024 were US$330.7 million, representing an increase of 5.9% compared to net current assets of US$312.3 million as of December 31, 2023.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily from various currency exposures, primarily with respect to Japanese Yen, Indonesian Rupiah, Renminbi and Euro. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Group subsidiaries' functional currencies.

Our management manages the foreign exchange risks by performing regular review and monitoring our foreign exchange exposure. Our management has also set up a policy to require the subsidiaries of our Group to manage their foreign exchange risk against their functional currency.

For the year ended December 31, 2024, the Group recorded a net foreign exchange loss of US$0.7 million (2023: US$0.4 million).

CAPITAL EXPENDITURE

During the year ended December 31, 2024, the Group's total capital expenditures amounted to approximately US$12.9 million, which principally consisted of expenditures for the purchases of property, plant and equipment, intangible assets and right-of-use assets.

CHARGE ON ASSETS

As of December 31, 2024, the Group did not have any charge on assets.

TREASURY POLICY

The Directors will continue to follow the Group's prudent treasury policy to manage its financial resources, with the objective of maintaining its highly liquid position to ensure future growth opportunities would be captured when they arise.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Our Group's investment strategy for significant investments is to identify investment opportunities with growth potential that facilitate our expansion of product portfolio, strengthen our R&D capabilities, broaden our hospital coverage and increase our market penetration.

The Group intends to utilize the net proceeds raised from the Global Offering (as defined in the Prospectus) according to the plans set out in the section headed "Use of Proceeds from Listing" in this announcement.

There were no significant investments held with carrying amount accounting for more than 5% of the Group's total assets as of December 31, 2024, nor was there any plan authorized by the Board for other material investments or additions of capital assets as of the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as of December 31, 2024.

FINANCIAL INSTRUMENT

The Group did not have any outstanding hedge contracts or financial derivative instruments as of December 31, 2024.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, we employed a total of 1,331 employees.

The employee benefit expense, including Directors' remuneration, was approximately US$59.1 million for the year ended December 31, 2024, as compared to approximately US$53.3 million for the year ended December 31, 2023. The remuneration package of employees generally includes salary and bonus elements. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to statutory social insurance fund (including pension plans, medical insurance, work- related injury insurance, unemployment insurance and childbirth insurance) and housing provident fund as applicable in the jurisdictions in which the Group operates.

The Group invests in continuing education and training programs for the management staff and other employees to upgrade their skills and knowledge continuously. It provides its employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. It also assesses the employees based on their performance to determine their salary, promotion and career development.

In addition, the Company has adopted the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, the Share Award Scheme A and the Share Award Scheme B.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend out of Company's share premium account ("**2024 Final Dividend**") of HK10 cents (approximately US1.28 cents) per ordinary Share for the year ended December 31, 2024 (2023: HK10 cents) to the Shareholders whose names appear on the register of members of the Company on June 4, 2025. The final dividend, if approved by the Shareholders at the AGM to be held on May 27, 2025, will be payable on or around June 16, 2025.

USE OF PROCEEDS FROM LISTING

The table below sets forth the intended application of the net proceeds and actual usage up to December 31, 2024:

Intended application	Unutilized net proceeds as of December 31, 2023 *(US$ million)*	*(%)*	Utilized net proceeds from January 1, 2024 to December 31, 2024 *(US$ million)*	Unutilized net proceeds as of December 31, 2024 *(US$ million)*	Expected timetable for the use of unutilized net proceeds
For the development and commercialization of our pipeline products					
(i) for the ongoing R&D activities, clinical trial and product registration of our new coronary and peripheral balloon and catheter-based products;	0.9	2.4%	(0.9)	—	N/A
(ii) for the ongoing R&D activities for new generation of neuro interventional products; and	1.5	4.0%	(0.1)	1.4	By the end of 2025
(iii) to support the expansion of our R&D team in our Shenzhen facility	0.7	1.9%	(0.4)	0.3	By the end of 2025
For the expansion of our production capacities					
(i) to construct and renovate new facilities to be built on the land acquired in 2023 with area of approximately 20,000 sq.m; and	28.7	75.9%	(4.3)	24.4	By the end of 2026
(ii) to purchase new machinery and equipment for the new manufacturing site	4.2	11.0%	—	4.2	By the end of 2027
For working capital and other general corporate purposes	1.8	4.8%	(0.5)	1.3	By the end of 2027
Total	37.8	100.0%	(6.2)	31.6	

The expected timetable for utilizing the remaining proceeds is based on the best estimates of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company strives to maintain high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability.

During the Reporting Period, the Company had complied with all the applicable code provisions of the Corporate Governance Code, except as expressly described below.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. David CHIEN has been the Chairman and Chief Executive Officer of the Company. With extensive experience in the medical devices industry and having served in the Company since its establishment, Mr. David CHIEN has been in charge of overall strategic planning and policy execution of the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the Board and the senior management which comprises experienced and diverse individuals. The Board currently comprises three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors, and therefore has a strong independent element in its composition.

Pursuant to Code Provision C.5.1 of the Corporate Governance Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Reporting Period, only two regular board meetings were held to review and discuss the annual and interim results and operating performance, and to consider and approve the overall strategies and policies of the Company. Since the Company does not announce its quarterly results, the Board does not consider the holding of quarterly meetings necessary. However, the management has regularly updated the Board for the Group's business development with performance review through electronic means of communication and the Board also meets on other occasions when a Board-level decision on a particular matter is required. All the Board members are encouraged to express their opinions on the Company's matters, and there is a chat group where the Board members can discuss particular issues if they wish. The Board was consulted for every crucial decision and the written resolutions were also circulated to all the Directors to obtain the Board's consents. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Corporate Governance Code.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Policy regarding Dealing in the Securities of a Listed Company by Directors, Managers and Employees" (the "**Policy**") which incorporates the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the relevant employees. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Policy (and the Model Code) during the year ended December 31, 2024.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of Mr. Yip Keung CHAN, Mr. Ka Keung LAU *BBS, MH, JP* and Dr. Lai Fan Gloria TAM, with Mr. Yip Keung CHAN serving as the chairman. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process, and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the consolidated annual results for the year ended December 31, 2024) of the Group. The Audit Committee and the independent auditors considered that the consolidated annual results are in compliance with the applicable accounting standards, the Listing Rules and all other application legal requirements. Accordingly, the Audit Committee recommends the Board to approve the audited consolidated financial statements of the Group for the year ended December 31, 2024.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

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

During the year ended December 31, 2024, 639,180 shares were acquired by the Trustee of the share award schemes through purchase from the open market according to the instructions of the board of directors, at a total cost of approximately US$1,781,000.

Save as disclose above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2024.

SUFFICIENCY OF PUBLIC FLOAT

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

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this announcement, there is no other important event affecting the Group since December 31, 2024 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The AGM will be held on May 27, 2025. The notice of AGM and all other relevant documents will be published and despatched to the Shareholders in April 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, May 22, 2025 to Tuesday, May 27, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's 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, for registration not later than 4: 30 p.m. on Wednesday, May 21, 2025 (Hong Kong Time), being the last registration date.

(b) For the purpose of determining Shareholders who qualify for the final dividend, the register of members of the Company will be closed from Monday, June 2, 2025 to Wednesday, June 4, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's 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, for registration not later than 4: 30 p.m. on Friday, May 30, 2025 (Hong Kong Time), being the last registration date.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://orbusneich.com). The 2024 annual report of the Company will be dispatched to Shareholders in due course and available on the websites above at the same time.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board hereby announces that Mr. Ching Chung John CHOW ("**Mr. Chow**") has resigned as the Non-executive Director with effect from March 8, 2025 due to his intention to devote more time to his other personal and business commitments.

Mr. Chow has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company and the Stock Exchange.

The Board would like to express its gratitude to Mr. Chow for his invaluable contribution to the Company during his tenure.

DEFINITIONS

"AGM"	the annual general meeting of the Company
"APAC"	means the 17 countries/regions out of the 21 members of the Asia-Pacific Economic Cooperation (APEC) excluding the PRC, Japan, Russia and the United States
"associate"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"Company" or "OrbusNeich"	OrbusNeich Medical Group Holdings Limited, an exempted company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 6929)
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company or any one of them
"EMEA"	Europe, Middle East and Africa
"EUR"	Euros, the lawful currency of the member states of Eurozone
"FDA"	the Food and Drug Administration of the United States

"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
"IDR"	Indonesian Rupiah, the lawful currency of Indonesia
"Indonesia"	Republic of Indonesia
"JPY"	Japanese Yen, the lawful currency of Japan
"Listing"	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)
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) (formerly known as the China National Drug Administration and the China Food and Drug Administration)
"ONM Group Ltd."	OrbusNeich Medical Group Limited (業聚醫療集團有限公司), an exempted company incorporated in the Cayman Islands on June 8, 2017, formerly known as OrbusNeich Medical Group Limited (祥豐醫療集團有限公司), an indirect wholly owned subsidiary of the Company
"OrbusNeich P&F"	OrbusNeich P+F Company Limited, a company incorporated in the BVI on May 15, 2017, a joint venture indirectly owned as to 50% by the Company

"PCI"	percutaneous coronary intervention, a minimally invasive procedure to open narrowed coronary arteries to restore blood flow to the heart
"PMDA"	the Pharmaceuticals and Medical Devices Agency under Japan Ministry of Health, Labor and Welfare
"Post-IPO Share Option Scheme"	the share option scheme adopted by the Company on December 5, 2022 and amended on June 6, 2024
"PRC"	the People's Republic of China excluding, for the purposes of this announcement and geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Pre-IPO Share Option Scheme"	the share option scheme approved and adopted by ONM Group Ltd. on December 18, 2020 and assigned to the Company on September 21, 2021
"Prospectus"	the prospectus issued by the Company dated December 13, 2022
"PTA"	percutaneous transluminal angioplasty, a minimally invasive procedure to open a blocked vessel in the peripheral vasculature using a balloon catheter to restore blood flow to a limb or an organ
"R&D"	research and development
"Reporting Period"	the one-year period from January 1, 2024 to December 31, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share Award Scheme A"	the share award scheme adopted by the Company on March 8, 2023
"Share Award Scheme B"	the share award scheme adopted by the Company on May 16, 2023
"Share(s)"	ordinary share(s) in the share capital of the Company with the nominal value of US$0.0005 each
"Shareholder(s)"	holder(s) of Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"TAVR"	transcatheter aortic valve replacement, a minimally invasive procedure using a catheter-based technique to replace the diseased aortic valve with a new aortic valve
"TMVR"	transcatheter mitral valve replacement, a catheter-based technique to implant a new mitral valve in a minimally invasive procedure that does not involve open-chest surgery
"TPVR"	transcatheter pulmonary valve replacement, a catheter-based technique to implant a new pulmonary valve in a minimally invasive procedure that does not involve open-chest surgery
"U.S." or "US"	the United States of America
"US$"	United States dollar, the lawful currency of the U.S.
"%"	percent

By Order of the Board of
OrbusNeich Medical Group Holdings Limited
Mr. David CHIEN
Chairman, Executive Director and Chief Executive Officer

Hong Kong, March 7, 2025

As of the date of this announcement, the Board comprises Mr. David CHIEN, Ms. Kwai Ching Denise LAU and Mr. Wing Shing CHEN as Executive Directors; Mr. Ching Chung John CHOW, Mr. Ting San Peter Lionel LEUNG and Dr. Yi ZHOU as Non-Executive Directors; and Mr. Yip Keung CHAN, Mr. Ka Keung LAU BBS, MH, JP and Dr. Lai Fan Gloria TAM as Independent Non-executive Directors.