

06 JUL, 2026

TrueHealth | 02697.HK

Leading puncture robot manufacturer + organ perfusion platform, opening up a new frontier in minimally invasive intervention and organ repair in China

STOCK RATING

BUY

TARGET PRICE

HK\$ 448.80

TrueHealth (02697.HK) is China's first high-end medical equipment company covering all three robotic technology pathways of "puncture + ablation + organ preservation," spanning minimally invasive interventional oncology and organ transplantation. Its four core percutaneous puncture robots (TH-S1, TH-S, TH-S Pro, TH-SA) hold NMPA Class III registration for lung and abdominal procedures and are positioned across different hospital tiers, forming a comprehensive product ladder. Its microwave ablation robots, TH-X MW and TH-X HMW, are approved for percutaneous ablation of liver tumours, with TH-X MW further approved for lung tumour treatment. In parallel, the Group is developing organ perfusion and assessment systems for kidney and multi-organ preservation, targeting clinical trial initiation between 2027 and 2031.

Earnings and valuation drivers: Near-term earnings growth should be driven by rising installations and consumables uptake for puncture and ablation robots, supported by an expanding distributor network and growing direct tendering capability. One-off equipment revenue layered with recurring consumables and maintenance income should drive top-line growth and operating cash flow, aided by the wider rollout of surgical robot pricing and reimbursement policies across provinces. Based on our discussions with management, 2026 order demand for puncture robots is tracking well above 2025 levels and is deliverable near-term. Medium-term upside hinges on organ perfusion trial and regulatory progress, which could unlock a scalable commercial model addressing China's severe organ-supply shortfall; pre-registration demand for research use may also support small-batch sales ahead of approval.

Valuation and recommendation: We initiate coverage with a "Buy" rating and target price of HK\$ 448.80, reflecting an attractive risk-reward profile. We believe TrueHealth's technology and leadership in puncture and ablation robotics position it to build a sustainable, high-margin, high-repeat-purchase model in China's minimally invasive intervention market, while its organ perfusion platform offers meaningful medium-to-long-term upside optionality.

Key risks: i) slower-than-expected commercialization and hospital procurement, affecting installation and consumables ramp-up; ii) delayed rollout of surgical robot fee codes and reimbursement policy, dampening hospital purchasing willingness; iii) intensifying competition as peers (including Edge Medical and other domestic/overseas players) expand capacity and indications; iv) delays in R&D pipeline milestones, particularly for the organ preservation system.

INITIATION

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TrueHealth (02697.HK)

Stock Rating (Previous Rating) **BUY (-)**
Target Price (Previous TP) **HK\$ 448.80 (-)**

Current Price HK\$ 387.20

52-Week Range HK\$ -

Market cap. (HKD, bn) HK\$ 13.8

RMB, mn	25 (A)	26 (E)	27 (E)	28 (E)
Revenue	12.2	58.3	175.2	263.9
Gross Profit	9.3	47.4	138.8	210.6
Gross Margin	76.3%	81.3%	79.2%	79.8%
Profit Attr.	(90.1)	(101.9)	(46.1)	(28.5)

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Business Overview

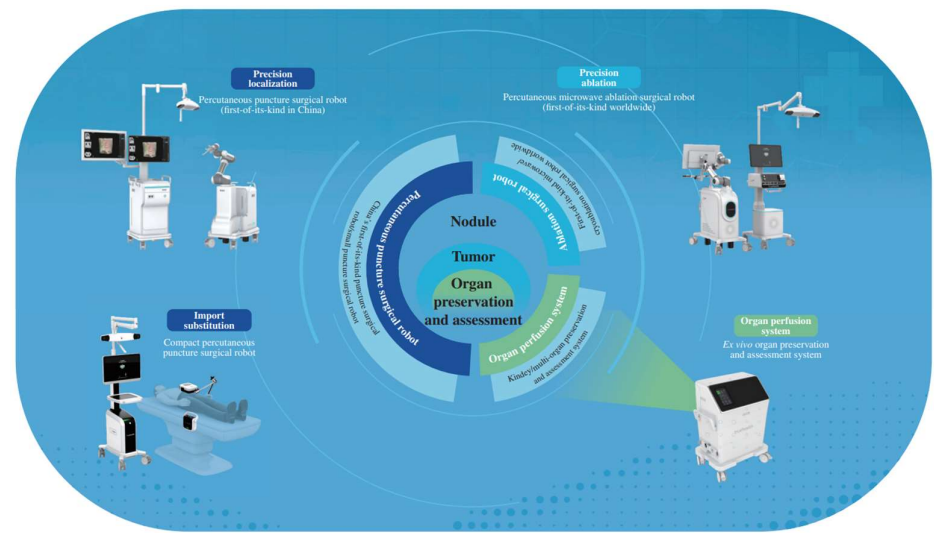
TrueHealth is a high-end medical equipment company specializing in percutaneous diagnostic and therapeutic procedures and organ repair, focusing on high-barrier applications such as minimally invasive interventional oncology and organ transplantation. Its products include percutaneous puncture robots and percutaneous microwave ablation robots, extending to in vitro organ preservation and assessment systems. The Group has developed an integrated solution spanning tumour diagnosis, treatment and organ support, creating what we believe is China's first comprehensive product portfolio that simultaneously covers the three robotic technology pathways of "puncture + ablation + organ preservation".

Fig: Product portfolio of TrueHealth

Category	Products	Indications/R&D description	Registration classification	Design development	Design validation	Clinical trial ^a	Registration and approval	Authority and Jurisdiction	Approval date	Upcoming milestone	Owner of global rights or not	Source
Percutaneous puncture surgical robot	Core Product	TH-S1 model puncture positioning for lung and abdominal organs	III					NMPA, China	May 2022	–	Yes	internally-developed
		TH-S model puncture positioning for lung and abdominal organs	IIa					Notified Body, the EU ^b	–	CE marking Q4 2026	Yes	internally-developed
		TH-S Pro model puncture positioning for interperitoneal lesions ^c	III					NMPA, China	–	registration application Q4 2026	Yes	internally-developed
	Key product	TH-SA model puncture positioning for lung and abdominal organs	III					NMPA, China	June 2023	–	Yes	internally-developed
		TH-P Elite, TH-P, TH-P PLUS puncture positioning for lung and abdominal organs	III					NMPA, China	December 2024	–	Yes	internally-developed
		TH-X MW (microwave ablation) puncture and microwave ablation of liver tumors	III					NMPA, China	December 2024	–	Yes	internally-developed
Percutaneous ablation surgical robot	Key product	TH-X MW (microwave ablation) puncture and microwave ablation of liver tumors	III					NMPA, China	September 2024	–	Yes	internally-developed
		TH-X IDW (microwave ablation) puncture and microwave ablation of liver tumors	III					NMPA, China	November 2025	–	Yes	internally-developed
		MW150 (microwave) microwave ablation of liver tumors	III					NMPA, China	August 2025	–	Yes	internally-developed
	Approved/commercialized product/indication	TH-X Cryo (cryoablation) cryoablation of solid tumors	III					NMPA, China	–	design validation H1 2027	Yes	internally-developed
Organ perfusion system	Approved/commercialized product/indication	TH-LS KI300 normothermic preservation and function assessment of kidney	III					NMPA, China	–	clinical trial 2023	Yes	internally-developed
		TH-LS LU100 normothermic preservation and function assessment of multiple organs	III					NMPA, China	–	clinical trial H1 2027	Yes	internally-developed

Source: Company Data

Fig: Complete minimally invasive oncology solution of TrueHealth



Source: Company Data

Percutaneous puncture surgical robot

Percutaneous puncture surgery refers to a procedure in which a doctor, guided by imaging techniques such as CT or ultrasound, inserts a needle directly through the skin to a lesion within the body to perform operations such as biopsy sampling, ablation needle positioning or the implantation of radioactive particles. As the entire procedure is carried out without the need for an incision, it is also known as “minimally invasive puncture”. The key challenges of traditional manual puncture lie in: i) a high degree of reliance on the surgeon’s experience and hand stability, leading to low precision and difficulty in standardization, necessitating repeated needle repositioning. In complex scenarios involving deep, small lesions or anatomically complex areas near blood vessels, such errors may increase the risk of complications such as tissue injury, bleeding, and pneumothorax; ii) physiological factors such as respiratory movement cause intraoperative target movement, necessitating multiple scans to confirm the lesion’s location and needle entry position, subjecting them to higher radiation doses.

TrueHealth’s TH-S series has been designed to address these pain points. Through 3D image reconstruction, automatic lesion recognition and dynamic robotic arm navigation, the system can complete path planning for multiple lesions following a single pre-operative CT scan. During surgery, it guides the robotic arm to improve puncture accuracy from the millimeter level to the sub-millimeter level, effectively minimizing the risk of complications, reducing the number of needle repositioning attempts, shortening surgical duration and minimizing radiation exposure, whilst standardized diagnosis and treatment also help reduce the learning curve for clinicians.

The Group has a total of four core products in the field of percutaneous puncture surgical robots (including the TH-S1, TH-S, TH-S Pro and TH-SA), whilst the remaining products comprise the miniaturized TH-P series of instruments.

Fig: TrueHealth percutaneous puncture surgical robot

Model	Target customers	Customer demands	Major features	Approval Date	Commercialization
TH-S1	National medical centers and regional medical centers	Product reliability, stability, and evidence-based support	Six-axis robotic arm, respiratory tracking, AI lesion segmentation, 3D image reconstruction	2022 (lung and abdomen) (CE certification application for lung and abdominal puncture procedures submitted in Jan 2026)	Commercialized
TH-S	Provincial Grade III hospitals	Adoption of new technologies, business expansion, and academic leadership within the province	Added a foot switch and touchscreen to optimize the physician's user experience	Jun 2023 (lung and abdomen)	Commercialized
TH-S Pro	Prefecture-level Grade III hospitals	Comprehensive disciplinary development with a limited budget	Added laser positioning, multi-planar reconstruction and automated report generation functions, but some features are available only as optional add-on	Dec 2024 (lung and abdomen)	Commercialized
TH-SA	Hospitals with high demands for space	High demand for space efficiency caused by costly renovation and expansion	More compact, enhanced mobility and flexibility, suitable for small operating theatres	Dec 2025 (lung and abdomen)	Commercialized
TH-P Series (Elite/P/Plus)	County-level hospitals and specialized biopsy settings		Miniaturized device with dedicated single-use disposals like a target puncture guide, and a CT angle-positioning guide for target localization	Dec 2024 (lung and abdomen)	Commercialized

■ High-end product - TH-S1

- Product structure: Consists of a master control cart, surgical navigation software, an optical tracking system, a robotic arm cart, and other navigation positioning tools

Primary module and functions:

Modules	Functions
Intelligent Image Analysis and Puncture Planning System	✓ Primary interface
	✓ Import patients' data of plain CT scans or contrast-enhanced CT scans, automatically detecting and segmenting lesions in various target organs
	✓ Provide a detailed 3D anatomical road map
	✓ Enable real-time correlation between the operative field and preoperative images
Optical Navigation System	✓ The optical navigation camera utilizes near-infrared light to deliver real-time, sub-millimeter-level positioning and tracking capabilities
Robotic Arm Control System	✓ Feature a six-axis robotic arm
	✓ Support varied puncture angles and patient positions
Respiratory Tracking System	✓ Monitors a patient's respiratory motion in real time
	✓ Synchronize intraoperative images with preoperative CT scan images, thereby mitigating the impact of intraoperative respiratory drift on puncture accuracy

Source: Company Data, West Bull Securities

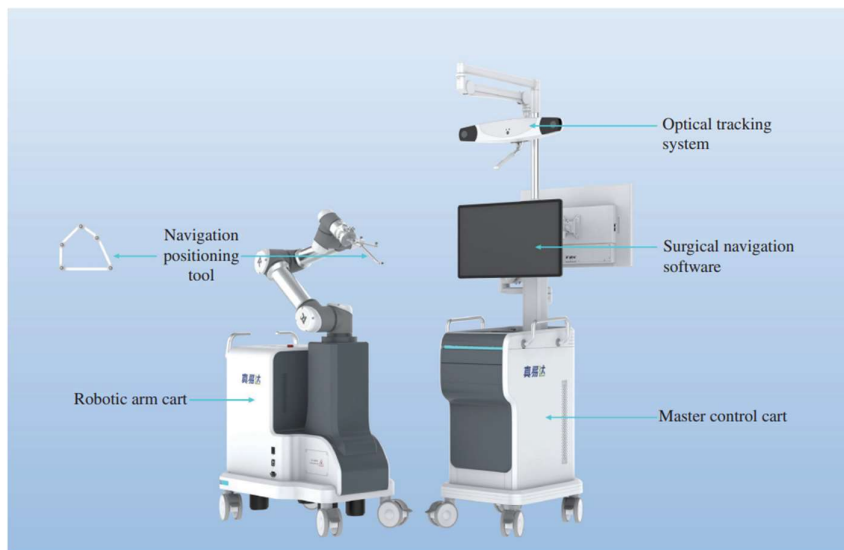
- Current applications cover precision percutaneous biopsy, tumour ablation precision puncture, preoperative positioning, and radioactive particle implantation. The Group plans to submit the NMPA registration application for the use in retroperitoneal lesions in Q4 2026, and we expect NMPA registration approval to follow in H2 2027.

Fig: Advantages over traditional surgery

Current Applications	Advantages over traditional surgery
Precision Percutaneous Biopsy	✓ Avoid unnecessary damage to non-target organs or tissue during the puncture procedures
Tumour Ablation Precision Puncture	✓ Protect surrounding healthy tissue
	✓ Reduce the occurrence of under-ablation or over-ablation
Preoperative Positioning	✓ Reduce the number of needle insertions
	✓ Lower the risk of complications such as infection and bleeding
Radioactive Particle Implantation	✓ Reduce surgical complexity

Source: Company Data, West Bull Securities

➤ Fig: TH-S1



Source: Company Data

Fig: TH-S



Source: Company Data

Fig: TH-SA



Source: Company Data

Fig: TH-S Pro



Source: Company Data

Fig: TH-P



Source: Company Data

Ablation surgical robot

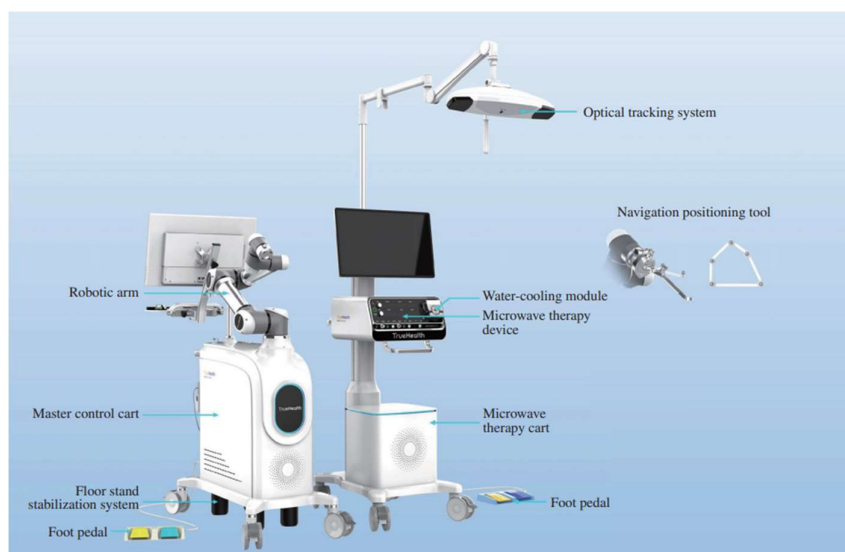
Microwave ablation is a minimally invasive treatment that uses microwave energy to heat and destroy tumour cells. It is generally applied in the treatment of liver tumour, lung nodules, and kidney tumour etc. The challenge with conventional microwave ablation lies in how to thoroughly eliminate the tumour whilst protecting surrounding healthy tissue and preserving organ function; consequently, it places high demands on imaging, navigation and energy control.

TrueHealth's percutaneous ablation surgical robot is a fully integrated solution that combines puncture navigation with microwave energy delivery on a single platform. TH-X MW features intelligent organ and lesion segmentation, intraoperative real-time 3D navigation, and predictive reference of the ablation energy field, improving needle placement accuracy, target coverage and reducing dependence on physician experience. TH-X MW and TH-X HMW are the key products of TrueHealth, both approved as Class III medical devices for the treatment of liver tumours, with TH-X MW further approved for lung tumour treatment in Apr 2026. Other products include MW150 and TH-X Cryo.

■ TH-X MW

- Product structure: master control cart with an integrated robotic arm, microwave therapy cart, and foot pedals

Fig: TH-X MW



Source: Company Data

- Major components and functions:

Components	Functions
Master control cart	✓ Integrated robotic arm
	✓ Position and stabilize instruments with high precision
	✓ Execute planned trajectories with fine adjustment
	✓ Record data throughout the surgical procedure
Microwave therapy cart	✓ Incorporate the microwave therapy device and an optical tracking system
	✓ Localize instruments and patient position in real time
	✓ Manage energy delivery to execute precise ablation
Foot pedals	✓ Safeguard critical functions such as energy start/stop
	✓ Reduce hand movement to maintain sterile technique

Source: Company Data, West Bull Securities

- The primary application is to provide image-guided navigational guidance for percutaneous needle placement and microwave ablation of solid liver tumours. The dual-source independent output models support simultaneous dual-needle ablation, allowing physicians to treat bilateral or multiple lesions at the same time

■ TH-X HMW

TH-X HMW introduces three major enhancements over TH-X MW, namely a laser pointer-integrated navigation tracking system, a multi-planar reconstruction function, and a surgical report export function. It is designed to streamline the ablation workflow and enhance documentation and post-operative review capabilities. The Group obtained a Class III medical device registration approval for TH-X HMW from the NMPA in Nov 2025.

Fig: The advantages of TH-X HMW over TH-X MW

Enhancements	Description
Laser pointer-integrated navigation tracking system	✓ Assist the physician to precisely position the master control cart and the robotic arm by monitoring the center point indicated by the laser pointer
Multi-planar reconstruction function	✓ Enable the conversion of 3D imaging data into 2D views
Surgical report export function	✓ Enable physicians to export and review images and the planned puncture path after ablation procedures

Source: Company Data, West Bull Securities

■ MW150

MW150, a standalone microwave ablation device, is designed to be used in conjunction TrueHealth's consumable microwave ablation needles. The Group obtained a Class III medical device registration approval for MW150 from the NMPA in Aug 2025.

■ TH-X Cryo

Cryoablation shows the ice ball in real time and helps achieve clear margins. TH-X Cryo, a cryoablation robot, is designed for the cryoablation of solid tumours. It can achieve patient discomfort minimization, ablation areas visualization, and surrounding tissue structures preservation. The Group plans to complete the development and submit the registration application in H2 2027.

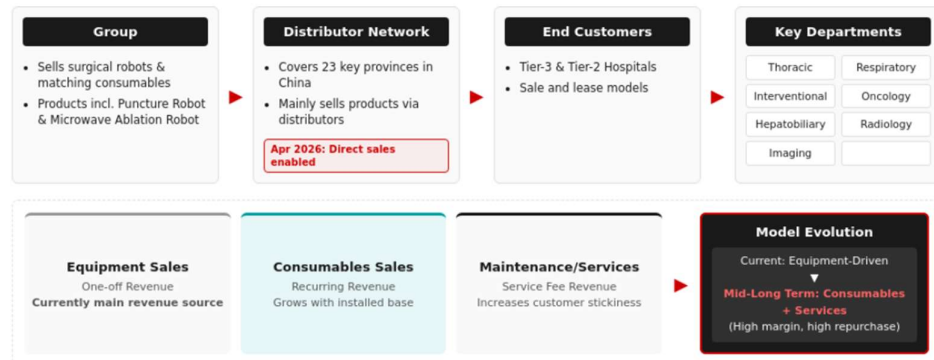
Ex Vivo organ preservation and assessment systems

Ex vivo machine perfusion (EVMP) is a method of ex vivo organ preservation primarily used in organ transplantation. It serves as an alternative to conventional static-cold storage, extending organ viability, enabling clinicians to monitor organ quality in real time, and potentially reducing damage caused by ischaemia-reperfusion injury. Generally, following removal, donor organs face issues such as hypoxia, the accumulation of metabolic waste and the decline in cellular function, all of which reduce organ quality. Traditional cold preservation can delay but cannot reverse this process, resulting in some potential donor organs being discarded due to failing to meet quality standards. By continuously providing oxygenation, nutrition and metabolic support to ex vivo organs at near-physiological or sub-physiological temperatures, whilst monitoring their functional parameters in real time, the ex vivo organ perfusion platform can extend the transplantable time window, improve organ utilization rates, and assess organ quality during perfusion to determine its suitability for transplantation.

TrueHealth's ex vivo platform uses normothermic machine perfusion, i.e., pumping warm, oxygenated fluid through the organ to mimic natural blood flow and maintain the organ. It can also operate at sub-normothermic (below-normal) temperatures. This ex vivo platform supports organ preservation, assessment and transportation outside the body under normothermic conditions, bridging diagnosis, intervention and transplant. The Group is developing two perfusion systems: TH-LS KI300 for kidney preservation and assessment, and TH-LS LU100 for multi-organ preservation and assessment, aiming to initiate clinical trials for TH-LS KI300 in the first half of 2031 and for TH-LS LU100 in the first half of 2027, respectively.

Commercialization Model

Fig: Commercialization model



Source: West Bull Securities

■ Sales model

The Group has established a distributor network across 23 key provinces in China and primarily sells products, including surgical robots and associated consumables, to these distributors, who in turn supply them to end customers such as hospitals through sales and leasing models. The Group is also developing its direct tendering capabilities and achieved its first direct procurement sale in Apr 2026.

The Group's current business model relies primarily on equipment sales as its main revenue driver, supplemented by revenue from associated consumables and repair/maintenance service fees. Equipment sales constitute one-off revenue, whilst consumables sales represent recurring revenue. The Group's objective is to gradually transition, as installation grows, to a high-margin, high-repeat-purchase-rate business model centered on consumables and services. With regard to consumables, the puncture robot requires specialized navigation and positioning consumables and is compatible with third-party consumables for puncture and ablation procedures; the microwave ablation robot, however, is an integrated solution and is not compatible with consumables from other manufacturers.

Fig: Simplified commercialization model

	Dedicated consumables	Compatible with third-party	Maintenance and repair services
Puncture robot	✓ Navigation and positioning consumables	✓ Navigation and positioning consumables, microwave ablation needles, etc.	✓
Microwave	✓ Navigation and positioning consumables, microwave ablation needles, etc.	✗	✓
Ablation Robots	consumables, microwave ablation needles, etc.		

Source: Company Data, West Bull Securities

■ Target customers

The Group's target customers are primarily end-users such as tertiary and secondary hospitals, intending to provide tailor-made product and service solutions to various clinical departments, including thoracic (cardiac) surgery, respiratory medicine, interventional medicine, oncology, hepatobiliary surgery, radiology and imaging departments.

Fig: Demands of target customers

End-customers	Demands
Tertiary hospitals	Clinical research and adoption of innovative technologies
Secondary hospitals	Learn and introduce proven technologies

Source: Company Data, West Bull Securities

Fig: Demands from different clinical departments

Clinical departments	Demands
Thoracic (cardiac) surgery	Preoperative positioning and energy ablation procedures
Respiratory medicine	Introduce new percutaneous minimally invasive techniques
Interventional medicine	Improve procedural efficiency
Oncology and hepatobiliary departments	Address complex and difficult cases
Radiology and imaging departments	Undertake cross-departmental procedures and develop sub-specialty expertise

Source: Company Data, West Bull Securities

Pricing

■ Pricing strategy

Key considerations include production costs, target profit margins, operational support and maintenance service costs, exchange rates, and changes in policies.

■ Product iteration

The Group seeks to maintain stable selling prices through optimization and product iterations. The iterative versions of the TH-S1 and TH-S are expected to receive registration approval from the NMPA in 2026.

■ National Reimbursement Drug List

The Group's products are not currently included as reimbursable items under China's national healthcare security scheme.

R&D teams and collaborations

- The R&D team comprises 71 members
- Lead collaborative research on the adoption of percutaneous puncture surgery robots for the surgeries of lungs and other soft tissues with Tianjin University, Beijing Institute of Technology, the Third Medical Centre of the General Hospital of the People's Liberation Army, and the First Affiliated Hospital of Guangzhou Medical University, and has established a clinical demonstration base
- Maintain a funded partnership with the Macao Polytechnic University to jointly advance the research and development of micro, intelligent, real-time navigation systems
- Collaborate with the University of Macau and Shanghai Jiao Tong University to advance the research and development of AI robotics technology
- Collaborate with Tsinghua University to develop intelligent 3D medical image registration and fusion technologies for human-robot collaboration

Production facilities and production capacity

- Zhuhai factory
 - 3,682m²
 - 2 production lines: one is dedicated to mass production, with an actual annual production capacity of 50 units; the other is used for product validation, process optimization, pilot production and quality control
 - The cleanroom is used for the production of medical consumables
 - Plans are in place to expand to 10,000m², to replace the optical navigation system with domestically developed solutions within three years, and to achieve full in-house autonomy for our robotic-arm lineup within five years

Global expansion plan

- Submitted the application for CE marking in Jan 2026, enabling the entry into Europe and other markets that recognize EU standards
- Get access to the European Union and Portuguese-speaking countries by leveraging the Macau's China-Portuguese platform for regulatory alignment and market
- Plan to establish Macau as the center for technology showcases and clinical training, paving the way for entry into Lusophone markets, including Brazil

Company Background

TrueHealth was established in 2018 and, in 2023, relocated to the Hengqin Guangdong-Macao In-depth Cooperation Zone with the support of the Hengqin Government and the Hong Kong and Macao Affairs Office of the Central Committee of the Communist Party of China. The Group has consistently focused on the research, development and commercialization of robotic systems for percutaneous puncture and ablation procedures.

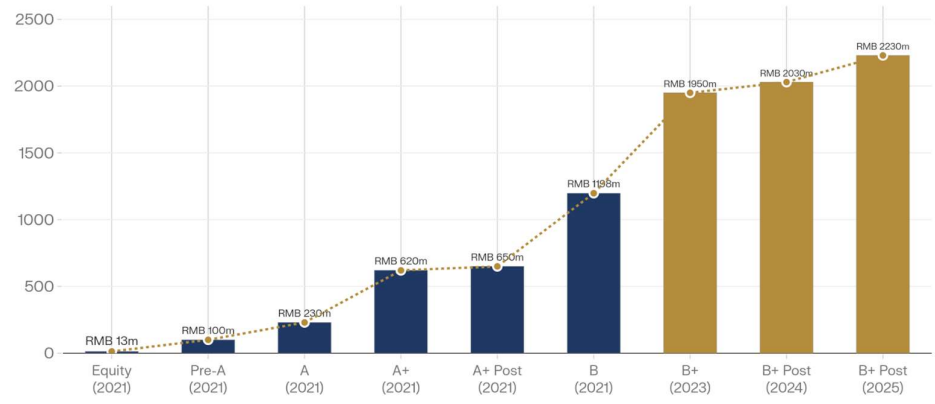
Figure: Milestones of the Group's Key Products

	TH-S1	TH-S	TH-S Pro	TH-SA
2018	Project launch			
2019		Project launch		
2020	Submission of registration application			
2021	Registration approved			
2022		Submit registration application		
2023		Registration approved	Project approved	
2024	Launch product upgrade		Submission of registration application; registration approval granted in the same year	Project launch
2025	Submit an application for a variation to the registration	Initiate product upgrade and submit application for registration amendment	Initiate product upgrade and submit an application for a variation to the registration	Submit registration application; registration approved in the same year
2026	Amendment application approved	Amendment application approved		

Source: Company Data, West Bull Securities

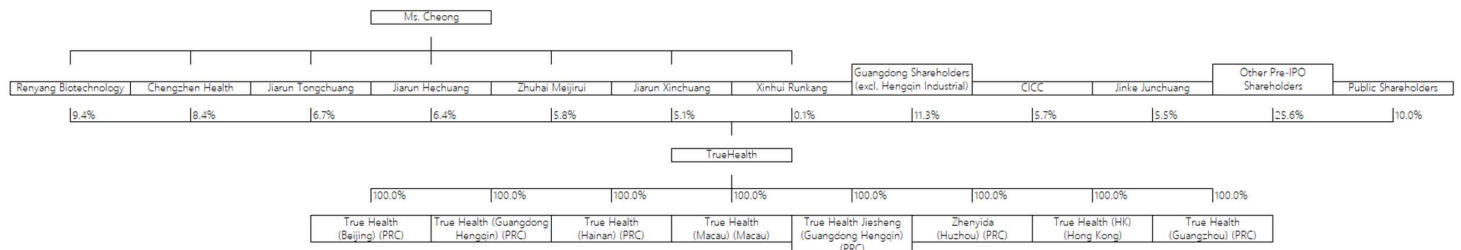
In Dec 2025, the Group initially submitted its listing application to the Hong Kong Stock Exchange on a confidential basis; in May 2026, it publicly disclosed its prospectus, formally launching the IPO process on the Hong Kong Main Board. The Group was officially listed on the Hong Kong Stock Exchange at the end of June 2026, under stock code 02697.HK. The listing price was HK\$ 126.20 per share, with an implied market capitalization of approximately HK\$ 4.5bn, and the net proceeds from the listing amounted to approximately HK\$ 380mn.

Fig: TrueHealth's pre-IPO financing and post-investment valuation



Source: Company Data, West Bull Securities

Fig: Post-listing shareholding structure



Source: Company Data, West Bull Securities

Fig: Use of Proceeds

Use of Proceeds	Details	Proportion
R&D activities and commercialization of core products	Continuous R&D of core products, including:	68.7%
	➤ Indication expansion, and the registrational clinical trial commenced in Nov 2025	
	➤ Completion of clinical trials for our 5G remote-surgery module with a planned registration submission in H2 2028	
	➤ Finalization of CT/MRI-ultra ultrasound multimodal image fusion capabilities targeted for staged approvals and rollouts in H2 2030	
	➤ Enhancement of product performance and functionality, localization of critical components, and advancement of intelligent control system research	
	Fund CE certification for TH-S1, followed by phased overseas registrations for TH-S1 in Saudi Arabia, Brazil, and other target markets	0.2%
	Commercialization of core products, including:	5.6%
	➤ Establish marketing centers in Beijing, Shanghai, Guangzhou, Wuhan, Chengdu	
	➤ Set up training programs with hospitals on the implementation of our percutaneous puncture robots	
R&D activities and commercialization of key products	R&D of TH-X MW, including a real-world evidence clinical study	6.6%
	Accelerate the commercialization of key products:	3.3%
	➤ Establish marketing centers in key cities in China	
	➤ Conduct advanced function verification and clinical feedback collection with hospitals with respect to our microwave ablation robots	
R&D activities of other product candidates and related patent filings and portfolio expansion	R&D of cryoablation robot, and the Group plans to complete research and verification of the cryoablation robot in H2 2027	3.1%
	R&D of organ preservation and assessment systems	2.9%
Expansion of production capacity	Acquisition of equipment, including 6 articulated arm coordinate measuring machines, 1 dedicated production testing equipment for ablation needles, 1 purified water system, and 4 customized molds for disposables	0.3%
	Expansion of the production team	1.7%
Working capital and other general corporate purposes		7.6%

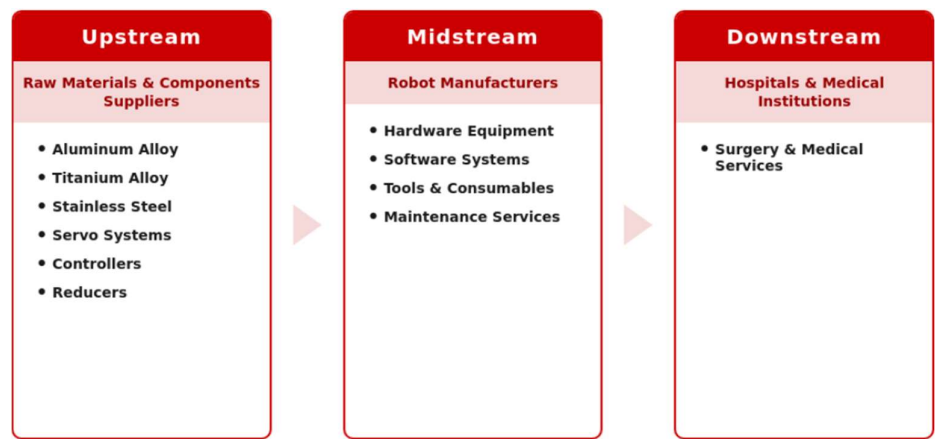
Source: Company Data, West Bull Securities

Industry Overview

Surgical robot industry chain and business model

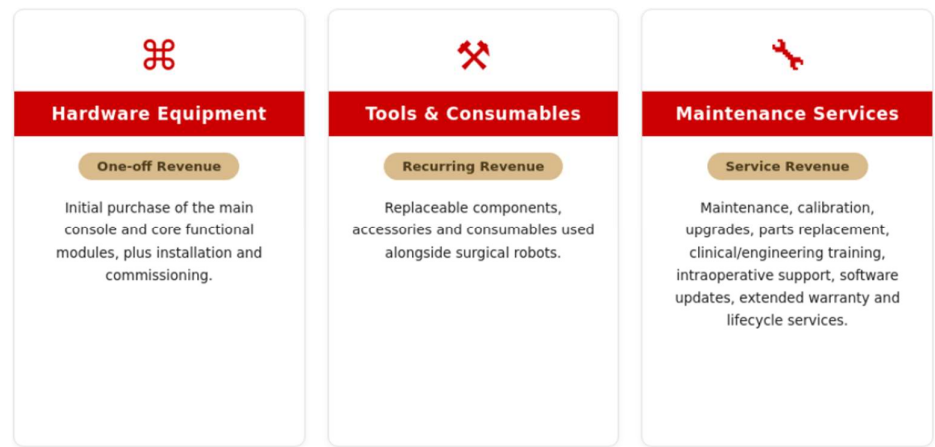
According to the industry consultant, the overall market size for surgical robots in China is estimated to be approximately RMB 9.4bn in 2025, and is projected to reach RMB 12.7bn in 2026. Percutaneous puncture and microwave ablation robots currently have a penetration rate of less than 0.1 %, indicating significant room for growth.

Fig: Surgical robot industry chain



Source: Company Data, Prospectus of Simpletouch Robot, West Bull Securities

Fig: Business models of surgical robotic companies



Source: Company Data, Prospectus of Simpletouch Robot, West Bull Securities

Market overview of the percutaneous puncture robot market

Percutaneous puncture surgical robots are designed for percutaneous procedures and are primarily intended to assist in obtaining tissue samples for diagnostic purposes. They enhance needle-path accuracy and support percutaneous operations through the process of identification, planning, guidance and placement.

■ Scope of application

Medical Oncology, General Surgery, Respiratory Medicine, Gastroenterology, Urology, Thoracic and Abdominal Surgery, Neurosurgery, Interventional Radiology, Radiology

■ Indications for percutaneous puncture surgical robots

Fig: Indications of percutaneous puncture surgical robots

Indications	Description	Challenges	Advantages
Pulmonary nodules	A puncture needle is inserted through the skin and chest wall into the pulmonary lesion	➤ Movement due to respiratory motion ➤ Multiple CT scans ➤ Frequent needle adjustments ➤ Complications such as pneumothorax and hemoptysis	➤ Plans the optimal puncture path ➤ Improves puncture success rate ➤ Reduces the risk of complications ➤ Minimizes radiation exposure
Liver tumours	A puncture needle is inserted through the upper abdominal cortex into the lesion for biopsy and localization	➤ Dense distribution of adjacent organs and blood vessels ➤ Steep learning curves ➤ Frequent needle adjustments ➤ Increased radiation exposure	➤ Accurately locates lesions ➤ Protects important structures such as blood vessels and nerves ➤ Shortens operation time ➤ Reduces bleeding and unnecessary damage
Pancreatic cysts			
Other masses			
Prostate cancer	A puncture needle is inserted through the rectal wall or perineum into the prostate to target the lesion	➤ Requires the cooperation of two or more physicians ➤ Uneven puncture ➤ Higher rate complications ➤ Certain rate of missed diagnoses	➤ Reduces puncture complexity ➤ Enhances doctors' puncture accuracy ➤ Increases the positive detection rate in patients ➤ Lowers missed and incorrect diagnoses ➤ Alleviate patient suffering
Retroperitoneal lesions	A percutaneous needle is advanced via a posterior paraspinal or flank retroperitoneal approach to target deep lesions	➤ Deep target, narrow window ➤ Close to major vessels, ureter, nerves ➤ Motion causes target shift and re-aiming	➤ 3D preplanning of safe corridor and entry ➤ Motion compensation and stable guidance ➤ Higher success and diagnostic yield ➤ Fewer complications, less time and radiation

Source: Company Data, Prospectus of Simpletouch Robot, West Bull Securities

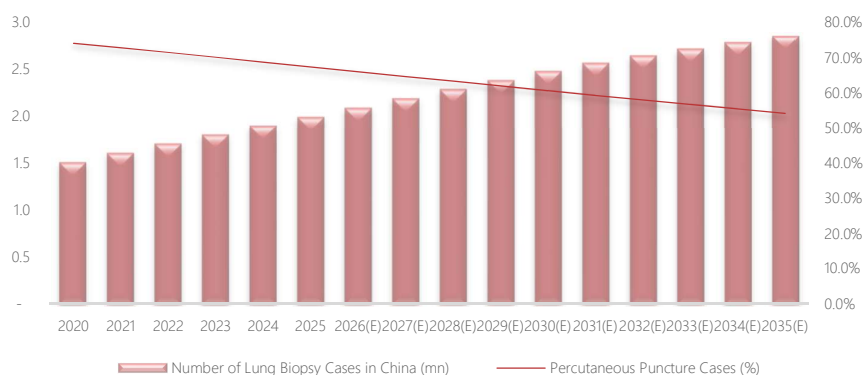
■ Comparison with traditional percutaneous puncture surgery

	Robotic Percutaneous Puncture Surgery	Traditional percutaneous puncture surgery
Accuracy and stability	➤ Accuracy of 3 – 5mm	➤ Accuracy of approximately 7 mm
Duration of the procedure	➤ 10 – 25 minutes ➤ Preset puncture path	➤ 25 – 40 minutes ➤ Requires repeated angle adjustments and re-scanning
Learning curve	➤ Shorter training cycles ➤ Reducing technical complexity and reliance on experience	➤ High entry barriers and reliance on doctors' experience ➤ High demands on the operator's skills
Post-operative complications	➤ <5% incidence of serious complications ➤ Minimal trauma, rapid recovery	➤ Approximately 10% incidence of serious complications

Source: Company Data, Prospectus of Simpletouch Robot, West Bull Securities

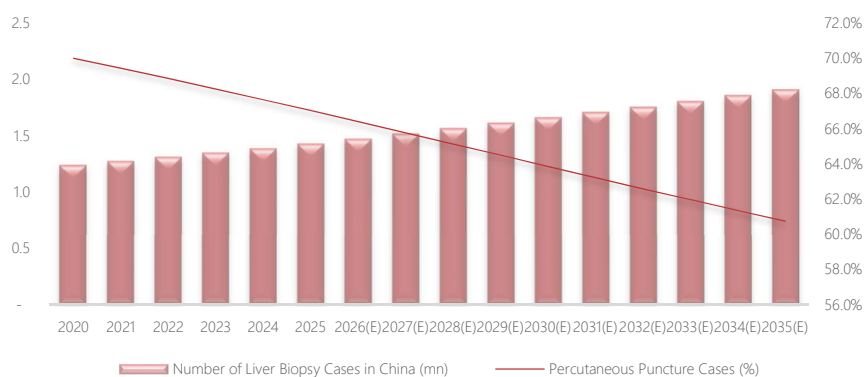
Market size

Fig: Number of Lung Biopsy Cases in China (mn) and Percutaneous Puncture Cases (%)



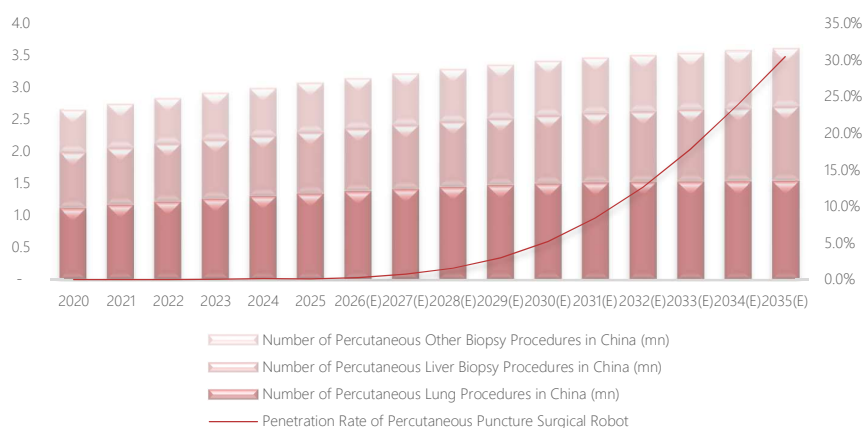
Source: Company Data, Industry Consultant, West Bull Securities

Fig: Number of Liver Biopsy Cases in China (mn) and Percutaneous Puncture Cases (%)



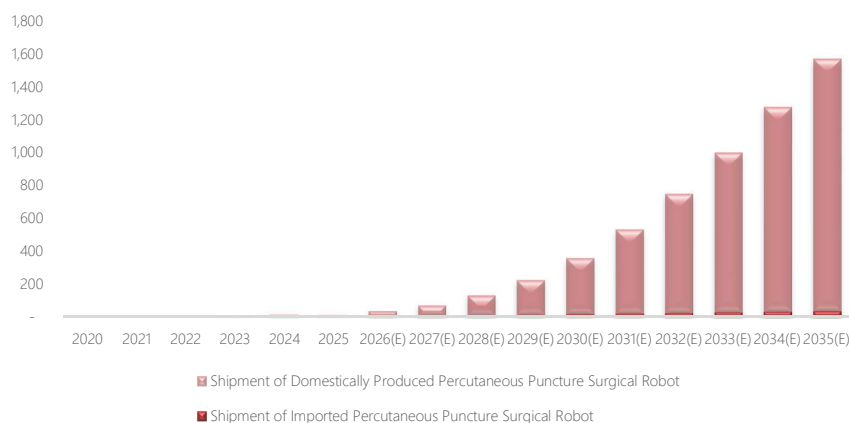
Source: Company Data, Industry Consultant, West Bull Securities

Fig: Number of Percutaneous Biopsy Procedures in China (mn) and Penetration Rate



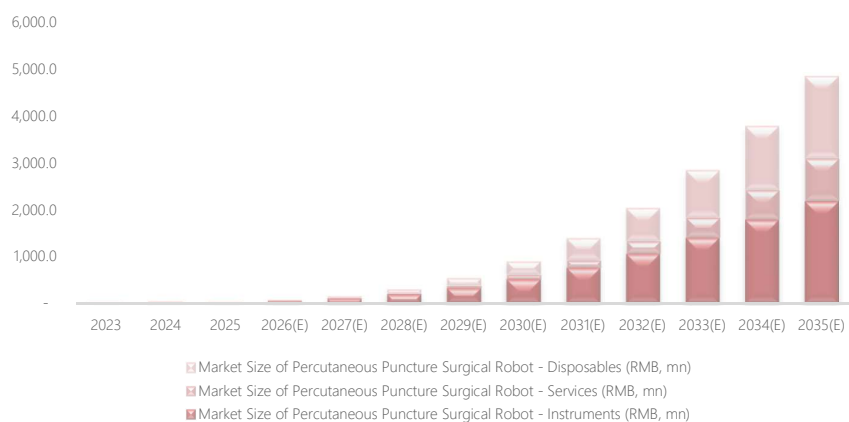
Source: Company Data, Industry Consultant, West Bull Securities

Fig: Shipment of Percutaneous Puncture Surgical Robot



Source: Company Data, Industry Consultant, West Bull Securities

Fig: Market Size of Percutaneous Puncture Surgical Robot (RMB, mn)



Source: Company Data, Industry Consultant, West Bull Securities

According to industry reports, the number of percutaneous lung biopsies and percutaneous liver biopsies in China in 2025 is projected to be approximately 1.34mn and 960k, respectively, representing the primary demand for percutaneous puncture procedures. In the same year, the penetration rate of percutaneous puncture surgery robots stood at just 0.1%. According to the forecasts provided by industry consultants, the penetration rate of percutaneous puncture surgery robots in China is expected to rise to 5.2 % by 2030 and reach 30% by 2035.

In 2025, the market size for percutaneous puncture surgery robots in China was approximately RMB 25.7m, with equipment sales accounting for the majority. By 2030, the market size is projected to grow rapidly to approximately RMB 890mn, with equipment sales falling to less than 60% of the total, whilst sales of consumables are expected to rise to over 30%. At the same time, the share of sales of consumables and service provision is expected to continue to rise.

■ Competitive landscape

Fig: List of percutaneous puncture robots approved by the NMPA in China

Registration Certificate Number	Company	Product Name	Indication
國械注准 20223010624	TrueHealth	TH-S1	Lung and abdomen
國械注准 20253012595	TrueHealth	TH-SA	Lung and abdomen
國械注准 20243012643	TrueHealth	TH-S Pro	Lung and abdomen
國械注准 20233010810	TrueHealth	TH-S	Lung and abdomen
國械注准 20243012455	TrueHealth	TH-P Elite 、TH-P 、TH-P Plus	Lung and abdomen
國械注准 20243010387	Simpletouch	RC120 、RC120-Ⅰ 、RC120-Ⅱ 、RC120-Ⅲ	Lung
國械注准 20263011087	WeiDe Precisely	WD-Lung-Navi Ⅰ b	Lung and abdomen
國械注准 20243011118	WeiDe Precisely	WD-Lung-Navi Ⅰ	Lung and abdomen
國械注准 20233011291	Tuodao	NP100	Lung and abdomen
國械注准 20243010229	Ariemedi	ARMD-PN-201	Lung and abdomen
國械注准 20243010922	Curawau	CR-NAV100	Lung and abdomen
國械注准 20243011560	EDDA	IQQA-Guide SI-ROBOT	Lung and abdomen
國械注准 20253010487	Zoye	ZY-TU-6	Lung and abdomen

Source: NMPA 、West Bull Securities

■ Market drivers and challenges

Fig: Drivers and challenges

Driving factors	Challenges
➢ The NHSA has issued the 《手術和治療輔助操作類醫療服務價格專案立項指南(試行)》，setting out regulations and guidance on the pricing of surgical robots. Several provinces have proposed new pricing regulations and guidance, with Hunan expected to be the first to implement them in September ➢ The continuous expansion of indications, simplification of surgical procedures and reduction of surgical risks are conducive to increasing willingness to adopt the technology ➢ Standardized training and operating procedures reduce the learning curve in the long term	➢ No nationally unified pricing framework for robot-assisted surgical services has yet been established, leading to uncertainty regarding hospitals' ability to bill for and recover costs associated with equipment and consumables ➢ Early adopters are primarily top-tier public hospitals; the procurement process involves multiple stages and is relatively time-consuming ➢ It takes time for doctors to undergo training ➢ It takes time to increase acceptance among hospitals and doctors

Sources: NHSA, company data, West Bull Securities

Market overview of percutaneous microwave ablation robots

Percutaneous microwave ablation robotic systems integrate navigation, percutaneous needle placement and microwave ablation energy delivery on a single platform. The integrated system first performs image-guided navigation and precise percutaneous puncture, then generates heat to raise tumour cells to cytotoxic temperatures and achieve local ablation. Currently, microwave ablation procedures are used for indications such as liver cancer, breast cancer, thyroid nodules and lung nodules. Generally speaking, percutaneous microwave ablation robots are typically classified according to the energy source adopted by the system, primarily including radiofrequency ablation robots, microwave ablation robots, cryoablation robots, irreversible electroporation ablation robots and laser ablation systems.

■ Scope of application

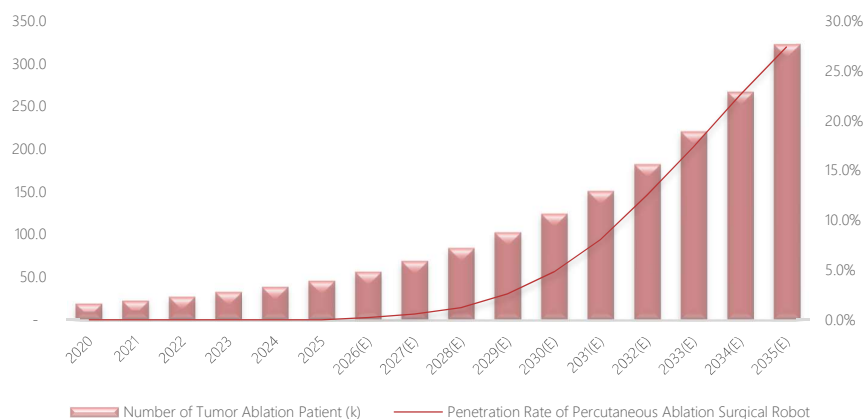
Medical Oncology, General Surgery, Respiratory Medicine, Gastroenterology, Urology, Thoracic and Abdominal Surgery, Interventional Radiology

■ Advantages of the percutaneous microwave ablation surgical robot

- The integrated system is capable of performing the entire ablation procedure, encompassing imaging, positioning, puncture, ablation and post-operative assessment
- The integrated system reduces reliance on the operator's experience and supports standardized operating procedures
- The integrated system aligns the actual ablation area with the target area, reducing the need for manual coordination between different devices
- The integrated system complies with the requirements for "precise execution of all surgical steps" or "completion of all key steps", and is expected to meet the criteria for the 手術機械臂輔助操作費(精準執行) under the 《手術和治療輔助操作類醫療服務價格項目立項指南(試行)》 issued by the NHSA

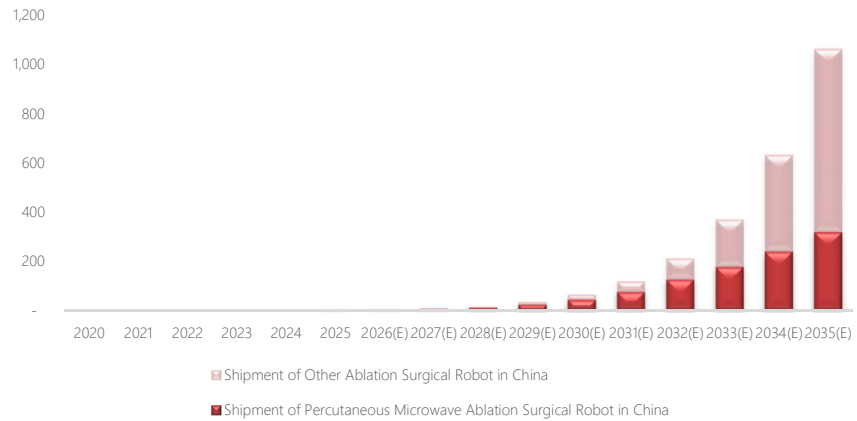
■ Market size

Fig: Number of Tumour Ablation Patient (k) and Penetration Rate



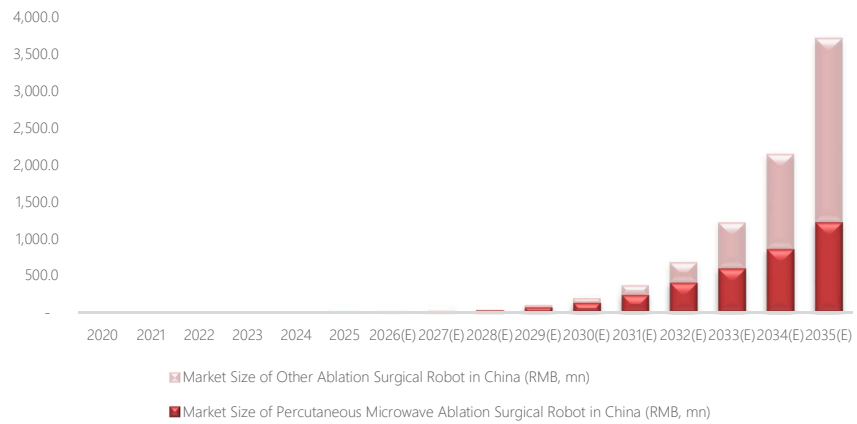
Source: Company Data, Industry Consultant, West Bull Securities

Fig: Shipment of Ablation Surgical Robot in China



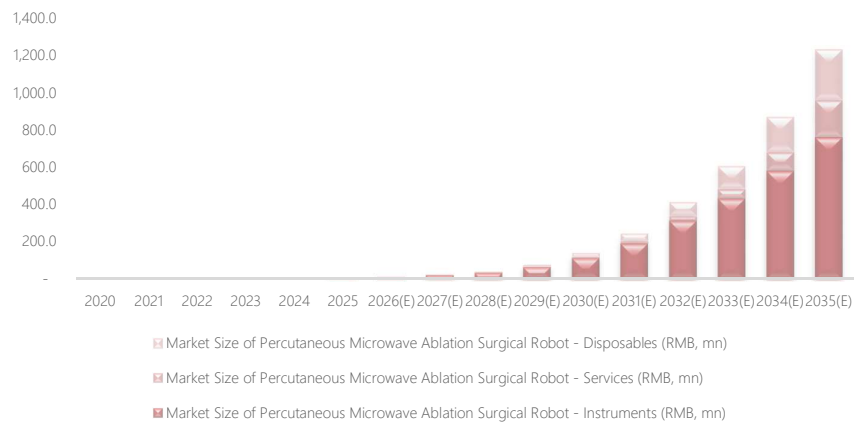
Source: Company Data, Industry Consultant, West Bull Securities

Fig: Market Size of Percutaneous Ablation Surgical Robot in China (RMB, mn)



Source: Company Data, Industry Consultant, West Bull Securities

Fig: Market Size of Percutaneous Microwave Ablation Surgical Robot (RMB, mn)



Source: Company Data, Industry Consultant, West Bull Securities

Market overview of organ preservation robots

Organ preservation robots are intelligent perfusion platforms designed for the ex vivo preservation, in-transit maintenance, and functional assessment of donor organs. These systems can operate at near-normothermic or sub-physiological temperatures, continuously monitoring key physiological indicators of the explanted organ, such as perfusion flow, oxygen delivery and metabolic status, and dynamically adjusting perfusate composition, temperature and pressure through algorithmic control to provide a microenvironment that approximates physiological conditions. Organ preservation robots are intended for the ex vivo preservation and functional maintenance of solid organs such as the liver and kidney, covering steps including storage, transport and viability assessment, with the aim of maintaining and improving the transplantability of marginal donor organs prior to surgery.

Fig: Pain points and needs in conventional organ preservation and transplantation

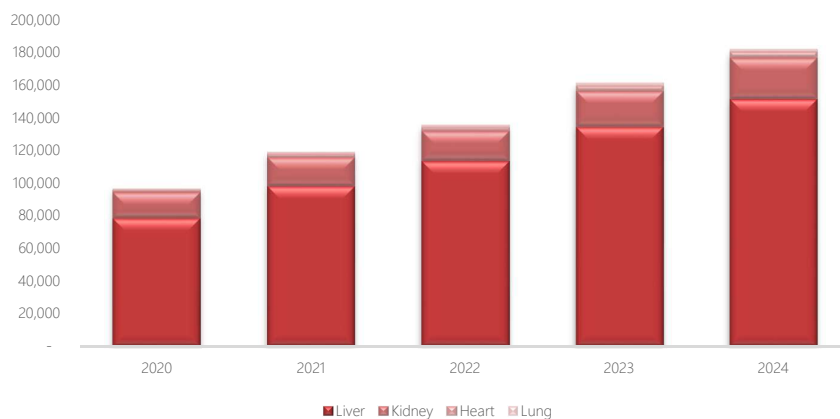
Pain points	Needs
➤ The number of patients waiting for organ transplant in China exceeds the actual volume of transplants performed	➤ Improve the quality of marginal donor organs to expand the overall organ supply
➤ Under conventional static cold storage, organs remain in a hypoxic state and experience progressive ischaemic injury. Current clinical guidelines generally recommend a maximum cold ischaemia time of 12–15 hours for donor livers, less than 24 hours for donor kidneys (perfusion preservation), less than 6 hours for donor hearts, and less than 9 hours for donor lungs	➤ Shorter ischaemia time (both warm and cold ischaemia) minimizes functional deterioration and preserves organ viability, reducing preservation time is critical to the organ functionality and viability
➤ Extended requirement for cold storage	➤ Ability to maintain organs at near-normothermic or sub-physiological temperatures, with continuous monitoring of perfusion and oxygenation status
➤ Absence of continuous, quantitative functional assessment	➤ End-to-end monitoring and dynamic evaluation with continuous recording of perfusion, viability, and functional parameters to determine organ suitability for transplantation

Source: Company Data, Industry Consultant, West Bull Securities

■ Market size

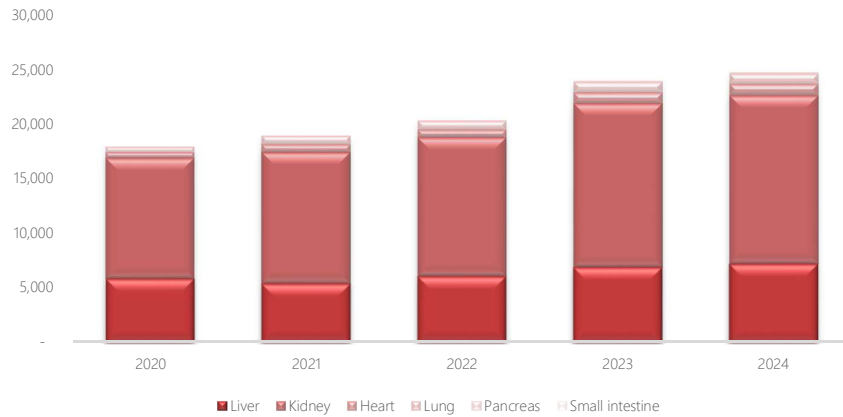
In 2014, the former National Health and Family Planning Commission and the Chinese Red Cross Society jointly established the China Human Organ Donation and Transplantation Committee, and from 2015 onwards, declared voluntary citizen donation to be the sole source of transplant organs. Subsequently, China issued 《中華人民共和國紅十字會法》, 《關於促進人體器官捐獻工作健康發展的意見》, 《關於加強人體器官捐獻人道關懷工作的意見》, 《人體器官移植診療科目登記管理辦法》, 《人體器官移植技術臨床應用管理規定》, 《中國公民逝世後器官捐獻工作流程》, 《人體器官捐獻和移植條例》, amongst others, to refine the system and mechanisms governing organ donation. According to data from the China Organ Donation Management Centre, as of 18 Jun 2026, the number of voluntary registrants exceeded 7.4mn, the total number of organ donations reached 67,000, and the total number of donated organs exceeded 200k.

Fig: Number of people waiting for organ transplants in China



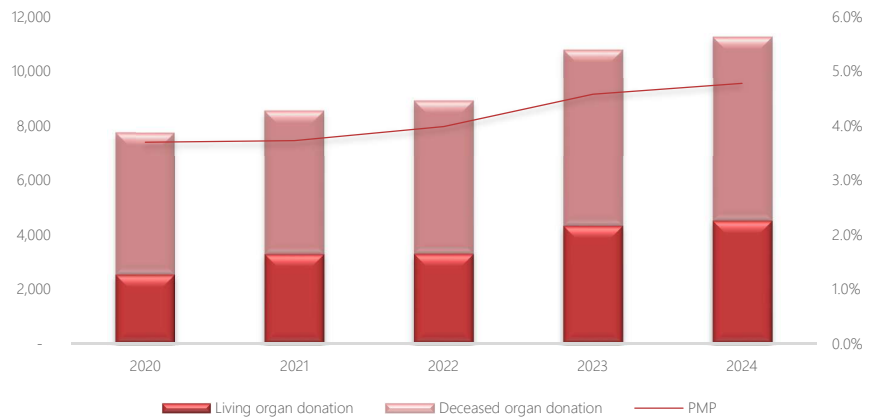
Source: 中國器官捐獻和移植發展報告, West Bull Securities

Fig: Number of organ transplants in China



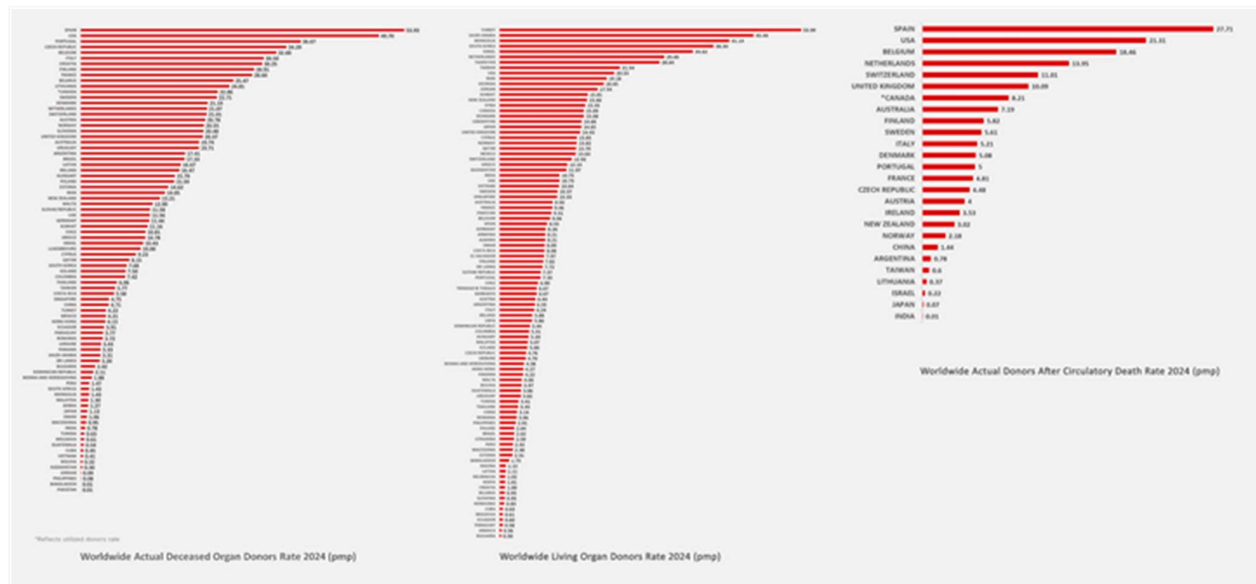
Source: 中國器官捐獻和移植發展報告, West Bull Securities

Fig: Number of organ donation in China



Source: 中國器官捐獻和移植發展報告, West Bull Securities

Fig: Global organ donation PMP



Source: IRODaT

Fig: Global participants in organ perfusion

Company	True Health	TransMedics	OrganOx	XVIVO	Singularity Medical
Region	Mainland China/Macau-funded	United States	United Kingdom	Sweden	Mainland China
Positioning	Multi-organ perfusion, repair and reuse / ex vivo life support platform	Multi-organ platform for organ care, assessment, transport and transplantation at normothermic temperature	Focus on liver perfusion at normothermic temperature	Organ preservation, assessment, transport and service platform	Ischaemia-free organ transplantation / organ medicine platform
Liver	✓	✓	✓	✓	✓
Lung	✓	✓		✓	
Heart	✓	✓			
Kidney	✓			✓	✓
Storage method	NMP	NMP	NMP	EVP/EVLP	NMP
Functional assessment	✓	✓	✓	✓	✓
Repair/Reuse	✓	✓	✓	✓	✓
Ischaemia-free transplantation					✓
Ex vivo	✓	✓	✓	✓	✓

Source: West Bull Securities

Investment Thesis

A comprehensive product portfolio encompassing “puncture + ablation + organ preservation”

■ Comprehensive product portfolio

TrueHealth’s product pipeline covers three areas: “Puncture + Ablation + Organ Preservation”

- The percutaneous puncture surgery robotics business comprises four core products, including TH-S1, TH-S, TH-S Pro and TH-SA. All of which have obtained NMPA Class III registration certificates for use in pulmonary and abdominal puncture procedures.
- The percutaneous ablation robot business comprises two percutaneous microwave ablation robots, the TH-X MW and TH-X HMW, both of which have been approved for percutaneous microwave ablation surgery for the treatment of liver tumours; in addition, TH-X MW has been approved for the ablation treatment of lung tumours. The TH-X Cryo cryoablation robot is expected to complete R&D and submit a registration application in H2 2027.
- The organ preservation business comprises two perfusion systems: the TH-LS KI300, used for kidney preservation and assessment, and the TH-LS LU100, used for multi-organ preservation and assessment. The aim is to commence clinical trials in H1 2031 and H1 2027, respectively. The former is designed for transport scenarios, whilst the latter focuses on preservation requirements. Furthermore, according to the Group’s financial report for the first half of 2025, it is also conducting R&D on limb perfusion systems.

■ Future commercialization strategies

TrueHealth’s comprehensive product portfolio underpins its commercialization plans for the coming years:

- Percutaneous puncture robots were commercialized in 2023
- According to our discussions with the Group, the new orders in 2026 are tracking at over 2x the 2025 level, and a significant bulk order is currently under negotiation, reflecting that the Group’s puncture robots are entering a phase of large-scale production
- The delivery of percutaneous microwave ablation robot commenced in 2025 and is expected to be fully commercialized in 2026 - 2027
- According to our research, the initial commercialization of the organ perfusion system will primarily serve R&D needs, and it is likely that small-batch orders will have been secured before regulatory approval. We expect the ex vivo organ preservation systems to commence commercialization around 2029, following completion of clinical trials and regulatory approvals, with demand primarily coming from organizations such as the Red Cross

■ Commercialization is imminent, meeting the needs of cash flow

TrueHealth has a strong need for cash inflow, with foreseeable expenses including annual operating costs exceeding RMB 100mn and significant R&D and clinical trial expenses (according to the use of the IPO proceeds, costs for clinical trials alone amount to nearly RMB 100mn), whilst also needing to clear the inventory of percutaneous puncture robots accumulated over the past two years. Among these, R&D and clinical trials are of paramount importance to the Group, as they will have a decisive impact on the future progress of product registration and commercialization.

The Group's net proceeds from IPO is more than HK\$ 300mn, which will only provide the Group with a buffer period of approximately two years. Given this, we believe the Group has strong incentives to commercialize its percutaneous puncture and microwave ablation robots rapidly to generate cash flow and support future development. Consequently, we believe the Group will be able to swiftly achieve large-scale sales.

A demand-driven product philosophy forms the foundation of the "device + consumables" commercialization model

■ Demand-driven product design

Based on our discussions with potential clients, the Group's product design philosophy involves building upon its proprietary technology and then refining the design through iterative adjustments in response to potential clients' needs and feedback. Consequently, the Group's products offer advantages in terms of operational efficiency and design, enabling them to meet the needs of potential clients. *According to feedback from one potential client who has already used the organ perfusion system: "Compared to the equipment we are currently using, TrueHealth's products offer significant advantages in terms of operational efficiency, they require fewer and less qualified operators, and are more cost-effective."*

Furthermore, based on our discussions with the Group's senior management, the Group's approach to product design goes beyond simply integrating technology and functionality. The Group generally takes demand, cost and production capacity into account, designing products according to specific requirements and focusing on achieving large-scale production. Consequently, the Group offers a wide range of product models across different sectors, with differentiated product designs and pricing strategies that meet diverse needs. Concerning percutaneous puncture machines, the TH-S1 and TH-S models are positioned for leading tertiary hospitals nationwide, whilst the TH-P series targets county-level hospitals.

- Demand-driven approach enhances user retention and forms the foundation of the “equipment + consumables” commercialization model

Based on our discussions with potential clients with a certain level of technical expertise, the distinction between TrueHealth’s products and its competitors, as well as traditional treatment methods, lies not only in the outcomes but also in the surgical process itself.

The willingness of both hospitals and doctors to adopt the technology is decisive to product penetration, a hospital’s willingness to adopt determines the sales volume of the equipment, whilst a doctor’s willingness to adopt determines the demand for consumables. Factors considered by both include optimization across multiple aspects such as surgical quality, risk, number of staff, efficiency and cost. We believe that demand-driven product design helps increase penetration and enhance user retention, laying the foundation for future consumables sales.

Opportunities and Challenges raised from policies

- Fee guidelines for the adoption of surgical robots

The NHSA has issued the 《手術和治療輔助操作類醫療服務價格專案立項指南(試行)》, which sets out regulations and guidance on the charging of the adoption of surgical robots. The Group’s percutaneous puncture surgical robot and percutaneous microwave ablation robot are expected to fall under Item 35, 「手術機械臂輔助操作費(參與執行)」, and Item 36, 「手術機械臂輔助操作費(精準執行)」, respectively. More certain charging standards will assist hospitals in assessing the cost-effectiveness of adopting surgical robots, thereby increasing their willingness to adopt such technology.

- China Healthcare Security

The Group’s products are not currently included in China Healthcare Security, but the inclusion could put pressure on the Group’s sales prices. Nevertheless, the Group’s current business strategy effectively mitigates the impact of such pressure:

- Products are mainly sold to distributors at discounted prices, mitigating the downward pressure
- It is currently enhancing its capacity for direct tendering

Enormous potential for organ preservation systems

Extracorporeal circulation or in vivo implantation are solutions for organ transplantation; the former is a transitional approach with lower risks, primarily designed to buy time for patients' organs recovery (e.g. the liver) or a more suitable organ for transplant. Perfusion systems play a vital role in both extracorporeal circulation and in vivo implantation. In i) extracorporeal circulation, they maintain arterial perfusion flow and monitor various parameters such as blood pressure, gas exchange and lactate levels; ii) in in vivo implantation, perfusion systems aid in organ assessment and repair, reduce ischaemia-induced damage and improve organ utilization rates. Furthermore, as organ ischaemia-reperfusion injury leads to lactic acid accumulation and the release of pro-inflammatory cytokines, which can easily result in early functional impairment and an increased risk of rejection, the perfusion system provides continuous oxygenation prior to implantation, improves metabolism, reduces the lactic acid load, minimises ischaemia-reperfusion injury, and thereby lowers the subsequent risk of immune amplification and rejection.

■ A product developed to alleviate the imbalance between organ supply and demand

In 2024, the annual number of organ transplants in China stood at only approximately 25,000, whilst the number of patients awaiting transplants was around 180,000. Organ donations numbered just over 10,000, with a PMP of only 4.8%, reflecting a severe imbalance between organ supply and demand in China. TrueHealth's organ preservation products can:

- Reduce the organ disposal rate through quantitative assessment
- Enable individual organs (such as the liver) to self-repair through perfusion, thereby improving organ utilization rates
- Buy time for patients (such as acute conditions like liver failure) through extracorporeal circulation

■ The next OrganOx?

China has continued to make breakthroughs in xenotransplantation in recent years:

- 2024: A team led by Professor Sun Beicheng from the First Affiliated Hospital of Anhui Medical University, in collaboration with a team led by Professor Wei Hongjiang from Yunnan Agricultural University, transplanted the liver of a 10-gene-edited pig into a 71-year-old patient with liver cancer, and the pig was sourced from Yunnan Agricultural University
- 2024: A team from Xijing Hospital, Air Force Medical University, led by Dou Kefeng, an Academician of the Chinese Academy of Sciences, transplanted a liver from a pig with 6 gene edits into a brain-dead patient
- 2025: A team of surgeons from Guangzhou Medical University transplanted a genetically modified pig's lung into a brain-dead human patient
- 2026: A team led by Professor Sun Xuyong at the Second Affiliated Hospital of Guangxi Medical University completed a combined transplant operation using gene-edited pigs, transplanting one complete liver and two kidneys from a 6-gene-edited pig into a 53-year-old brain-dead male patient

It is worth noting that the pigs used for surgery in 2024 come from Yunnan Agricultural University, where Professor Wei Hongjiang's team is dedicated to the R&D of donor pigs for xenotransplantation and has bred the first batch of domestically produced, specific-pathogen-free, 10-gene-edited pigs. Internationally, OrganOx and eGenesis specialize in organ perfusion and gene-edited pigs, respectively; their collaboration is complementary and enhances the feasibility of the extracorporeal circulation solution. Both TrueHealth and Yunnan Agricultural University are pioneers in organ perfusion and genetically edited pigs within China. They are expected to follow the model established by OrganOx and eGenesis if a collaboration is established, enabling them to rapidly provide transitional solutions to alleviate the imbalance between organ supply and demand.

Forecast & Valuation

Forecast

■ Revenue

We forecast that TrueHealth's:

- percutaneous puncture robot commences large-scale deliveries in 2026
- percutaneous ablation robot begins commercialization in 2026 – 2027
- Ex vivo organ preservation system commences commercialization in 2029

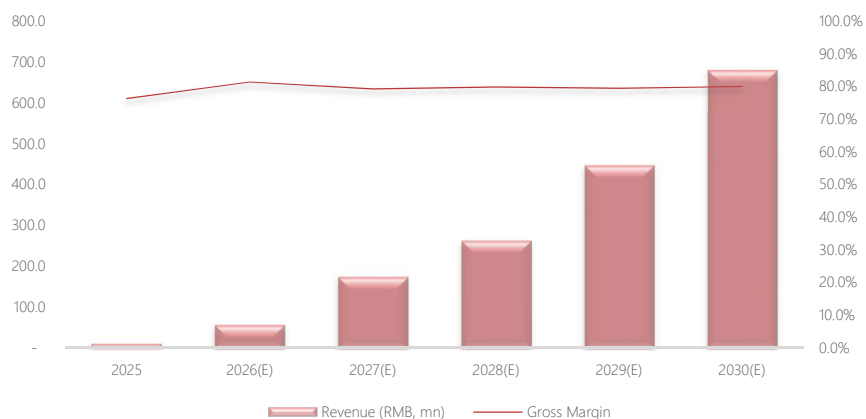
TrueHealth's revenue drivers are the number of installations across its three product lines, the annual procedure volume per device, and the penetration rate of consumables:

- Equipment revenue = Annual net new installations × ASP
- Consumables revenue = Cumulative installed base × Average consumption per unit × ASP
- Service revenue = Cumulative installed equipment × Average annual maintenance and service fees

Given the increase in orders for percutaneous puncture robots and the discussions currently underway regarding a major order, the Group is expected to generate significant revenue in the near term. We forecast that the Group will achieve total revenue of approximately RMB 58.3mn and RMB 175.2mn in 2026 and 2027, respectively, with sales of percutaneous puncture robot equipment constituting the primary source of revenue, whilst also establishing the Group as a key market player. Revenue from consumables and maintenance currently accounts for a relatively small proportion; however, as the installed base of surgical robots grows, demand for consumables and maintenance services required for surgical procedures will increase accordingly. In particular, the Group's integrated ablation robot requires specialized consumables, which will accelerate the commercialization of the "equipment + consumables" business model, a model that has already been validated by overseas companies. We estimate that this segment's share of total revenue will reach approximately 20% by 2030.

Concerning the commercialization of organ preservation systems, based on our research, the Group's organ perfusion system can be used for scientific research, there may be a certain level of demand before its registration, and small batch delivery can be realized.

Fig: Forecast of Revenue and Gross Margin



Source: West Bull Securities

■ Key catalysts for the next 6–24 months

- The continued growth in the installed base of percutaneous surgical robots is driving an increase in equipment and consumable revenue
- The progress of the TH-S1's registration for retroperitoneal lesions, and the timing of the TH-S1's CE certification
- The accumulation of clinical data for the percutaneous microwave ablation robots TH-X MW and TH-X HMW in the treatment of liver tumours, and the former has also been approved for lung tumour indications
- The timeline for submitting the registration application for the TH-X Cryo cryoablation robot in H2 2027, and the commencement of the first clinical trials
- Progress on the initiation of clinical trials for the organ preservation and assessment system, as well as trials and preliminary data conducted in collaboration with other institutions
- The implementation timeline of 《手術和治療輔助操作類醫療服務價格專案立項指南(試行)》
- Synergies between direct tendering and distribution models
- Overseas market expansion
- Potential strategic partnerships, technology licensing or capital partnerships

Valuation

We are initiating coverage of TrueHealth with a “Buy” rating and a target price of HK\$448.80, equivalent to a forward P/S ratio of 31.9x for 2029. We believe the current share price offers an attractive risk-reward profile. We believe that, leveraging its technology and leading position in the fields of percutaneous puncture and robotic microwave ablation, the Group is well-positioned to establish a sustainable business model characterized by high gross margins and high repeat-purchase-rate within China’s minimally invasive intervention market, whilst its ex vivo organ perfusion platform offers upside potential over the medium to long term.

As TrueHealth Medical is an innovative medical device company, it has not yet generated significant revenue, profit or positive operating cash flow. However, we anticipate that the Group will i) soon generate revenue from equipment sales; ii) the future “equipment + consumables” commercialization model has high visibility; iii) it will remain loss-making in the short term; and iv) free cash flow is unlikely to turn positive in the short term. Consequently, we have valued the Group using a DCF approach combined with a price-to-sales ratio, and have compared it with peer companies.

- There are currently no companies listed in Hong Kong that specialize in percutaneous puncture robots and percutaneous microwave ablation robots
- Simpletouch Robot is the only directly comparable company, and it filed its listing application on a confidential basis in Dec 2025. As of H1 2025, Simpletouch Robot’s RC120 had obtained Class III approval but had not yet generated commercial revenue. Its post-funding valuation in the 2025 Series B financing round exceeded RMB 3bn
- Intuitive is the leading overseas company specializing in puncture robots
- Comparable surgical robotics companies listed in Hong Kong include Edge Medical and MedBot
- Comparable companies in the organ preservation sector include the listed firms TransMedics and XVIVO, as well as the unlisted companies OrganOX and Singularity Medical

We have applied a long-term discount rate of 21.6% and a long-term growth rate of 3.0% to reflect the company’s early stage of commercialization, as well as the uncertainties surrounding product registration and hospital adoption. For surgical robots, we apply a premium price-to-sales multiple, reflecting that percutaneous puncture and microwave ablation are still in the early stages of penetration in China, whilst TrueHealth holds a clear lead in terms of indication expansion and product portfolio. Apart from approved indications and disclosed registration timelines, the Group’s R&D and commercialization timelines are based on management’s targets or our assumptions; there remains uncertainty regarding the actual timing of implementation, and these factors have been reflected in our discount rate.

Fig: Assumption of DCF valuation

Discounted Cash Flow	907.3mn	LT Debt-to-Equity Ratio	-
Discounted Terminal Value	13,783.9mn	BETA	1.5
PS for Surgical Robotics	32x	LT Risk-free Rate	3.0%
PS for Perfusion	8x	Risk Premium	18.6%
		LT Equity Cost	21.6%
		LT Debt Cost	-
		LT Debt Cost (After Tax)	-
		LT WACC	21.6%
		LT Growth Rate	3.0%

Source: West Bull Securities

Peers comparison

		Mkt. Cap.	P/E	Fw. P/E	P/B	P/S	Revenue	GM	ROE
		(HKD, mn)	(x)	(x)	(x)	(x)	(HKD, mn)	(%)	(%)
02675.HK	Edge Medical	17,303.0	(176.4)	-	13.0	34.3	504.5	66.0	(7.2)
02252.HK	MedBot	27,887.2	(100.9)	-	61.3	45.7	610.1	48.4	(72.5)
ISRG.US	Intuitive	1,183,460.1	50.6	-	8.6	14.3	78,322.8	66.0	16.7
TMDX.US	TransMedics	18,667.4	13.8	-	4.8	3.7	4,711.9	59.9	54.2
XVIVO.ST	XVIVO	716.9	350.5	-	4.2	1.1	660.2	73.8	1.2
Submitted	Simpletouch	-	-	-	-	-	-	-	-
application proof	Robot								
<i>Average</i>		<i>249,606.9</i>	<i>27.5</i>	<i>-</i>	<i>18.4</i>	<i>19.8</i>	<i>16,961.9</i>	<i>62.8</i>	<i>(1.5)</i>
02697.HK	TrueHealth	15,242.7	(152.8)	-	57.5	1,130.5	13.5	76.3	(49.4)

Source: Choice, West Bull Securities

Risk factors

- Commercialization and hospital procurement are progressing more slowly than expected
- Slower-than-expected implementation of 《手術和治療輔助操作類醫療服務價格專案立項指南(試行)》
- Inability to clear product inventory
- Uncertainties regarding product registration, clinical progress and regulatory matters
- High operating costs and tight cash flow
- Difficulties encountered in the scaling-up of production
- Competitors are accelerating production capacity and expanding indications, intensifying competition
- R&D and registration progress for organ preservation equipment are behind schedule

Financial Statement

PnL					Balance Sheet				
(RMB, mn)	2025 (A)	2026 (E)	2027 (E)	2028 (E)	(RMB, mn)	2025 (A)	2026 (E)	2027 (E)	2028 (E)
Revenue	12.2	58.3	175.2	263.9	PPE	13.1	9.9	19.6	35.1
YoY growth	580.0%	378.9%	200.4%	50.6%	Others	29.1	24.3	47.0	41.8
COGS	(2.9)	(10.9)	(36.4)	(53.3)	Non-current assets	42.2	34.2	66.6	76.9
Gross profit	9.3	47.4	138.8	210.6	Inventories	40.6	84.7	133.4	186.3
Other income	44.3	13.5	15.7	-	Trade receivables	3.4	12.2	26.4	25.0
Operating expenses	(143.2)	(162.5)	(199.5)	(238.4)	Cash & cash equivalents	182.4	373.7	228.6	124.6
Operating profit	(89.6)	(101.6)	(45.0)	(27.9)	Others	12.1	18.2	41.8	55.2
Finance expenses	(0.4)	(0.3)	(1.1)	(0.6)	Current assets	238.6	488.8	430.2	391.0
JV & Ass.	(0.2)	-	-	-	Total assets	280.8	523.1	496.8	467.9
Profit before tax	(90.1)	(101.9)	(46.1)	(28.5)	LT borrowings	-	-	-	-
Tax	-	-	-	-	Others	11.1	17.7	5.9	3.5
Net profit	(90.1)	(101.9)	(46.1)	(28.5)	Non-current liabilities	11.1	17.7	5.9	3.5
					Trade payables	2.8	2.6	15.4	10.9
					ST borrowings	-	-	-	-
					Others	27.4	28.4	47.3	53.6
					Current liabilities	30.1	31.0	62.6	64.5
					Total liabilities	41.3	48.7	68.5	68.0
					Non-controlling interests	-	-	-	-
					Controlling interests	239.6	474.4	428.3	399.8
					Total equities	239.6	474.4	428.3	399.8



Cash Flow

(RMB, mn)	2025 (A)	2026 (E)	2027 (E)	2028 (E)	Financial Ratio	2025 (A)	2026 (E)	2027 (E)	2028 (E)
Profit before tax	(90.1)	(101.9)	(46.1)	(28.5)	Gross margin	76.3%	81.3%	79.2%	79.8%
Finance expenses, net	0.4	0.3	1.1	0.6	Operating margin	-735.4%	-174.2%	-25.7%	-10.6%
D&A	6.3	5.0	5.2	9.1	Net profit margin	-740.0%	-174.7%	-26.3%	-10.8%
Others	5.2	1.4	16.6	16.4	Return on Equity	-49.4%	-28.5%	-10.2%	-6.9%
Change in working capital	(13.7)	(45.1)	(79.2)	(58.5)	Return on Assets	-41.3%	-25.4%	-9.0%	-5.9%
CFO	(91.9)	(140.2)	(102.3)	(60.8)	Current ratio	791.6%	1577.7%	686.6%	607.4%
					Quick ratio	656.8%	1286.8%	459.9%	296.5%
CAPEX	(3.7)	(0.5)	(14.8)	(24.5)	Cash ratio	605.3%	1205.9%	364.7%	193.0%
Others	1.4	(1.2)	(8.3)	(7.0)	Debt-to-Equity ratio	0.0%	0.0%	0.0%	0.0%
CFI	(2.3)	(1.7)	(23.1)	(31.5)	Net Debt-to-Equity ratio	-76.1%	-78.8%	-53.4%	-31.0%
					Inventory turnover days	3,943.0	2,100.2	1,094.1	1,093.7
Shares issuance	-	336.7	-	-	Receivable turnover days	51.4	49.0	40.2	35.5
Net borrowings	-	-	-	-	Payable turnover days	232.2	90.0	90.0	90.0
Interest paid	(0.1)	-	-	-					
Dividend paid	-	-	-	-					
Others	192.9	(3.5)	(19.7)	(11.7)					
CFF	192.8	333.2	(19.7)	(11.7)					
FCFE	(95.6)	(140.7)	(117.1)	(85.3)					
FCFF	(95.6)	(140.7)	(117.1)	(85.3)					

Source: Company data, West Bull Securities

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