



沛嘉医疗
PEIJIA MEDICAL

沛嘉醫療有限公司

Peijia Medical Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9996





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Yi ZHANG (*Chairman and Chief Executive Officer*)

Mrs. Ping Ye ZHANG

Ms. Hong YE

Non-executive Directors

Mr. Jifeng GUAN

Mr. Fei CHEN

Mr. Jun YANG

Independent Non-executive Directors

Dr. Stephen Newman OESTERLE

Mr. Robert Ralph PARKS

Mr. Wai Ming YIP

Mr. Huacheng WEI

AUDIT COMMITTEE

Mr. Wai Ming YIP (*Chairman*)

Mr. Jifeng GUAN

Mr. Robert Ralph PARKS

Mr. Huacheng WEI

REMUNERATION COMMITTEE

Mr. Robert Ralph PARKS (*Chairman*)

Dr. Stephen Newman OESTERLE

Mr. Huacheng WEI

NOMINATION COMMITTEE

Dr. Yi ZHANG (*Chairman*)

Ms. Hong YE (*appointed on June 30, 2025*)

Mr. Fei CHEN (*resigned on June 30, 2025*)

Dr. Stephen Newman OESTERLE

Mr. Wai Ming YIP

Mr. Huacheng WEI

REGISTERED OFFICE

Floor 4, Willow House

Cricket Square

Grand Cayman, KY1-9010

Cayman Islands

CORPORATE HEADQUARTERS

No. 18 Yangjiajian Road

Suzhou Industrial Park, Suzhou

Jiangsu Province

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

COMPANY SECRETARY

Ms. Hing Ling CHAU (*FCS, FCG*)

AUTHORIZED REPRESENTATIVES

Ms. Hong YE

Ms. Hing Ling CHAU (*FCS, FCG*)

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants and

Registered Public Interest Entity Auditor



LEGAL ADVISER

As to Hong Kong and United States laws:
O'Melveny & Myers

COMPLIANCE ADVISER

Maxa Capital Limited

PRINCIPAL SHARE REGISTRAR

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman, KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

9996

COMPANY'S WEBSITE

www.peijiamedical.com

LISTING DATE

May 15, 2020

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-to-period change
	2025	2024	
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	353,380	301,203	17.3%
Selling and distribution expenses	(145,070)	(151,565)	-4.3%
Administrative expenses	(62,745)	(62,625)	0.2%
Research and development expenses	(115,636)	(100,484)	15.1%
Segment loss	(75,828)	(95,809)	-20.9%
Including: segment profit			
of Neurointerventional Business	40,903	28,716	42.4%
Loss for the period	(71,178)	(71,283)	-0.1%

	As at	As at	Period-to-period change
	June 30,	December 31,	
	2025	2024	
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Bank balances, cash and term deposits	611,769	707,775	-13.6%

BUSINESS HIGHLIGHTS

Guided by “Dedication with Passion, Devotion for Life”, the Group continued to revolutionize the standard of care for valvular heart diseases and cerebrovascular diseases during the Reporting Period.

The Group generated revenue of RMB353.4 million in the Reporting Period, representing an increase of 17.3% compared to the same period in 2024. Revenue composition remained stable, with 45.7% from sales of TAVR-related products and 54.3% from sales of neurointerventional products (2024 H1: 43.3% and 56.7%, respectively). The sustainable revenue growth was primarily attributable to the robust sales growth in both the Transcatheter Valve Therapeutic Business and Neurointerventional Business.

Revenue from sales of TAVR-related products in the Reporting Period increased by 24.0% period-to-period to RMB161.6 million, mainly driven by the Group’s further market share gains in China’s transfemoral TAVR market and a product mix shifting to newly launched premium products. During the Reporting Period, the total terminal implantation volume surpassed 2,050 units, a period-to-period increase of approximately 18.8%, once again outpacing market growth.

Revenue from sales of neurointerventional products in the Reporting Period increased 12.2% period-to-period to RMB191.8 million. The key drivers include: (i) deepening market penetration of the existing products, including DCwire® Micro Guidewire, Tethys AS® Aspiration Catheter and Fastunnel® Delivery Balloon Dilatation Catheter and (ii) the successful launch of the newly approved YonFlow® Flow Diverting Stent.

With expanded economies of scale and lean management initiatives to optimize costs and efficiency, the Group significantly improved its operational performance. The expense ratios of both segments were significantly optimized. As a result, Neurointerventional Business segment profit increased 42.4% period-to-period to RMB40.9 million, while the segment loss of the Transcatheter Valve Therapeutic Business narrowed 35.3% to RMB76.1 million. Excluding the total loss of the corresponding entities of the Future Technology Business, the Group’s net loss for the period was RMB30.7 million, representing a period-to-period narrowing of 52.4%.

We relentlessly drove the widespread adoption and penetration of TAVR procedures and steadily advanced toward our goal of becoming China’s foremost TAVR brand.

During the Reporting Period, we maintained our steadfast commitment to advancing TAVR technology adoption in China through comprehensive market education initiatives. Our professional sales and marketing team systematically promoted standardized techniques and innovative treatment protocols leveraging international and domestic academic conferences, the proprietary online education platform *Yijia Academy*, and offline multidimensional training programs. This integrated approach has successfully facilitated the translation of advanced technologies into clinical practice and expanding wider access to underserved regional markets. As a result, our TAVR products were placed in over 70 new hospitals, with total coverage reaching over 720 medical institutions in China as of June 30, 2025.

Business Highlights

Following the successive NMPA approvals of our upgraded TAVR products in 2024 — including the AV21 low-profile specification, enhanced TaurusOne®, and next-generation 3D-steerable TaurusMax™ — we now offer a comprehensive commercial TAVR portfolio encompassing TaurusOne®, TaurusElite® and TaurusMax™. This full-spectrum lineup delivers complete sizing options and tiered pricing gradients. Our stratified product portfolio maintains stable overall average ex-factory price and profit margin while expanding accessibility for diverse markets and patients. During the Reporting Period, our premium TaurusMax™ received positive clinical feedback, with physicians commending its breakthrough 3D-steering technology. We are confident that this diversified, tiered product strategy will solidify our leadership in the transfemoral TAVR marketplace.

Enhanced operational efficiency drove marked improvement in expense ratios across the Transcatheter Valve Therapeutic Business, contributing to a substantial narrowing of its segment loss by 35.3%.

Benefiting from the enhanced sales force productivity, effective expense control under the rationalization of industry competition and savings from refined operations, selling and distribution expenses for the Transcatheter Valve Therapeutic Business were RMB100.0 million, representing a period-to-period decrease of 8.3%. The segment achieved first-ever commercial profit of RMB29.1 million. With further expansion of the revenue scale, the segment selling and distribution expense ratio decreased significantly by 21.8 percentage points to 61.9%.

With the completion of three major registration clinical trials, partially offset by the accelerated progress in the HighLife® TSMVR system registration clinical trial, segment research and development expenses decreased 17.2% period-to-period to RMB54.2 million. The research and development expense ratio stood at 33.5%, a decrease of 16.7 percentage points period-to-period.

The Group-wide expense reduction initiatives implemented across all departments partially counterbalanced the higher depreciation expenses of the new headquarters building, resulting in a marginal period-to-period increase of 2.8% in segment administrative expenses to RMB51.0 million. The administrative expense ratio was 31.5%, down 6.6 percentage points period-to-period.

Consequently, the segment loss narrowed substantially by 35.3% to RMB76.1 million. The Transcatheter Valve Therapeutic Business is steadily advancing towards its breakeven target.

Three core pipeline products entered the final sprint phase for registration applications; continuous breakthroughs in multiple innovative technologies solidified our industry leadership.

During the Reporting Period, we successfully completed the one-year patient follow-ups for the registration clinical trials of three pipeline products: the transfemoral AR TAVR system TaurusTrio™, the durability-enhanced AS TAVR system TaurusNXT®, and the mitral valve TEER system GeminiOne®. One-year follow-up data for all three programs has been publicly presented at major academic conferences, demonstrating excellent safety and efficacy outcomes. In April 2025, the NMPA officially accepted the registration application for TaurusTrio™. We will also submit registration applications for TaurusNXT® and GeminiOne® to the NMPA in the coming months. The three products are expected to receive registration approval sequentially between late 2025 and mid-2026. In preparation for these launches — particularly for TaurusTrio™, the AR valve with favorable competitive positioning — the Group has allocated sufficient resources to manufacturing, marketing and sales preparation, ensuring full readiness for their market launch.

Other clinical-stage products also achieved significant milestones:

HighLife® TSMVR System (Licensed-in): as of the date of this report, HighLife® is the most clinically advanced TMVR product in China. Leveraging global clinical data observations and early experience from its China registration clinical trial, we accelerated patient enrollment during the Reporting Period and expect to complete enrollment within 2026.

MonarQ TTVR® System (Global IP): the MonarQ TTVR® system initiated its Global Clinical Study during the Reporting Period, with the first implant successfully completed at Cedars Sinai Hospital in Los Angeles, CA, U.S. For further details, please refer to our announcement dated July 14, 2025.

ReachTactile™ robotic-assisted TAVR system (internally-developed): we completed the FIM study of ReachTactile™ with 5 patients during the Reporting Period. We will commence the registration clinical trial shortly.

The Lithotripsy Valvuloplasty System (internally-developed): the FIM study experience of applying the Lithotripsy Valvuloplasty technology in treating mitral stenosis with severe mitral annular or valvular calcification, was presented at the New York Valves Conference held in June 2025. The promising early safety and efficacy data underscore the significant potential of this platform technology in the untapped therapeutic area of mitral stenosis.

Business Highlights

New product scaling and lean management drove sustainable business growth; the Neurointerventional Business further expanded its profit scale.

Following the achievement of full-year profitability in 2024, the Neurointerventional Business has entered a new phase of mature development. Our comprehensive product portfolio continued to demonstrate robust performance, delivering sustained revenue growth, particularly driven by DCwire® Micro Guidewire and the newly launched YonFlow® Flow Diverting Stent.

During the Reporting Period, DCwire® Micro Guidewire — commercially launched in 2024 — significantly expanded its market share through exceptional product performance, with revenue increasing nearly 140% period-to-period. In July 2025, we formally submitted and secured acceptance of its 510(k) application to the U.S. FDA, with approval anticipated by year-end 2025 to facilitate overseas expansion. Meanwhile, YonFlow® Flow Diverting Stent (exclusively distributed) obtained the NMPA registration approval in April 2025. Our marketing and sales team responded immediately with accelerated market promotion and procurement listing efforts, achieving the first commercial implant in June 2025. As of the date of this report, we have completed the procurement listing of YonFlow® in over 20 provinces, secured supplementary listing in the provincial alliance VBP of vascular interventional consumables led by Hebei Province, and won the bid in Guangdong Provincial VBP for Flow Diverting Stents.

Regarding VBP, both our SacSpeed® Balloon Dilatation Catheter and Fastunnel® Delivery Balloon Dilatation Catheter won bids in Group A under Rule One in the provincial alliance VBP of vascular interventional consumables led by Hebei Province in January 2025. Their competitive bid positioning resulted in substantially increased contracted volume shares compared to historical levels — particularly for Fastunnel® with a near fourfold growth. The implementation of this VBP is currently underway province by province. While revenue for balloon dilatation catheters encountered headwinds due to proactive ex-factory price adjustments while delayed contracted volume realization during the Reporting Period, we maintain optimism that the volume-for-price trade-off upon full implementation will alleviate these pressures in the second half of 2025. Concurrently, our coil products — among the earliest VBP-adopted neurointerventional products — have entered their renewal phase. We successfully renewed our bid in the Jiangsu Provincial VBP for coils in July 2025 and are actively preparing for renewals in other provinces.

Operationally, lean production and supply chain consolidation partially offset VBP-related revenue pressures. The segment gross margin experienced a slight decline of 1.9 percentage points to 61.8% compared to the full-year 2024. Through further optimization of sales, research and development, operations and management models — coupled with enhanced resource integration — all major expense ratios experienced period-to-period reductions. Selling and distribution expense ratio, administrative expense ratio and research and development expense ratio, decreased by 1.3, 1.7, and 5.3 percentage points period-to-period, respectively. Segment profit increased by 42.4% period-to-period to RMB40.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We have established a leading medical technology platform dedicated to addressing high-growth interventional medical device markets in China and globally. Our products and product candidates target the vast, fast-growing and under-penetrated markets with high entry barriers, including transcatheter valve therapeutic medical device market and neurointerventional procedural medical device market.

Products and Pipeline

As of the date of this report, our product across key business segments is as follows:

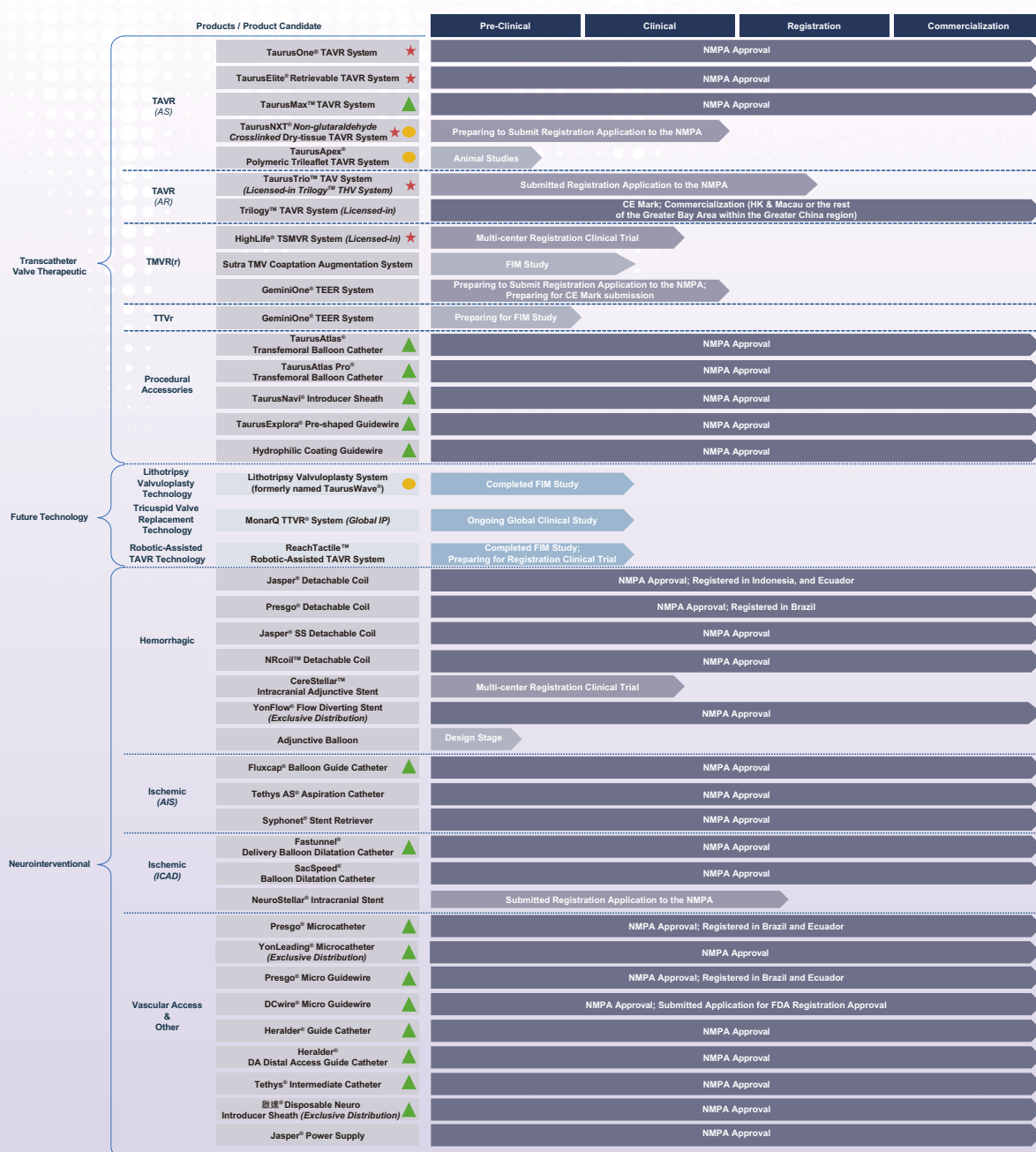
1. Transcatheter Valve Therapeutic Business: nine registered products and multiple product candidates in development.
2. Future Technology Business (a spin-off from Transcatheter Valve Therapeutic Business): three product candidates in development.
3. Neurointerventional Business: nineteen registered products and multiple product candidates in development.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Products and Pipeline (cont'd)

The development status of our product portfolio as of the date of this report is summarized in the chart below:



★ Among our products, these devices are accepted by the Special Review and Approval Procedure for Innovative Medical Devices of the NMPA.

▲ Among our products, these devices are exempted from clinical trial requirements in accordance with the Catalogue of Medical Device Exempted from Clinical Trials (免於臨床評價醫療器械目錄) promulgated by the NMPA, as amended.

● Among our products, these devices utilized our platform technologies. For more details of the platform technologies, please see page 17.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Transcatheter Valve Therapeutic Products and Product Candidates

Our Transcatheter Valve Therapeutic Business focuses on treating the most prevalent heart valve diseases, including AS, AR, MR and TR, via transcatheter approaches.

We have a comprehensive portfolio of commercialized and pipeline products. For the Reporting Period, our revenue generated from the sales of transcatheter valve therapeutic products amounted to RMB161.6 million, representing an increase of 24.0% from approximately RMB130.3 million recorded for the six months ended June 30, 2024.

Transcatheter Aortic Valve Replacement and Repair Products and Product Candidates

TaurusOne® — First-Generation TAVR System

TaurusOne® is our internally developed first-generation TAVR product, and is designed to treat severe calcific AS using catheter-based approach. The product consists of a PAV, a delivery catheter system and a loading system. The PAV includes bovine pericardial leaflets, a nitinol frame, and a sealing skirt to prevent paravalvular leakage. Compared to porcine pericardial leaflets, bovine pericardial leaflets are generally more durable and perform better in terms of hemodynamic profile. The clinical trial of TaurusOne® was the first ever TAVR product registration clinical trial completed entirely by Chinese physicians. It is also the first domestic TAVR product whose clinical results were published in the top quartile research journal. We received the NMPA approval for the registration application of TaurusOne® in April 2021 and commercialized the product in May 2021.

In April 2024, the NMPA approved a new TaurusOne® AV21 specification, specifically designed to accommodate the smaller annulus anatomy of Chinese patients. In addition, we optimized the performance of the delivery catheter system by adding a TAV marker to enhanced visualization and adding a retrieving and repositioning function to the handle. These upgrades received NMPA approval in December 2024.

TaurusElite® — Second-Generation Retrievable TAVR System

TaurusElite® is our internally developed second-generation retrievable TAVR product. TaurusElite® has a valve design similar to that of TaurusOne® but features a key upgrade to its delivery catheter system — allowing physicians to retrieve and reposition the PAV during placement, addressing one of the key challenges. This also improves the success rate of TAVR procedures and the long-term benefits to patients, which will ultimately promote wider clinical adoption. Furthermore, the design consists of inner and outer tubes that further enhance the pushability and flexibility of the delivery catheter system, and effectively deal with the challenges posed by the complex anatomy of the aortic arch and horizontal aorta. The TaurusElite® delivery catheter system is also available in an inline sheath model to meet the diverse needs of doctors and treat patients with complicated vascular anatomy. As of the date of this report, TaurusElite® remains as the record-breaking domestic retrievable TAVR product in terms of approval time.

We received the NMPA approval for the registration application of TaurusElite® in June 2021 and commercialized the product in July 2021. In April 2024, the NMPA approved a new TaurusElite® AV21 specification, specifically designed to accommodate the smaller annulus anatomy of Chinese patients.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Transcatheter Aortic Valve Replacement and Repair Products and Product Candidates (cont'd)

TaurusMax™ — New Iteration Steerable TAVR System

TaurusMax™ TAVR System is an iteration of TaurusElite®. The enhanced visualization with three metal radiopaque TAV markers enables precise positioning of the implantation depth and assists in commissural alignment. Deflection catheter helps valve cross the aortic arch and the calcified leaflets easily in challenging anatomy, and improve valve coaxiality. We received the NMPA approval for the registration application of TaurusMax™ in August 2024 and commercialized the product in February 2025.

In addition to the products mentioned above, we also received the NMPA approvals for the registration application of a number of procedural accessories, including TaurusAtlas® Transfemoral Balloon Catheter, and TaurusAtlas Pro® Transfemoral Balloon Catheter, TaurusNavi® Introducer Sheath and TaurusExplora® Pre-shaped Guidewire. These are important accessories to help physicians perform the TAVR procedures using Taurus-series products.

For the Reporting Period, the sales from TaurusElite® comprised the majority of our sales of the Transcatheter Valve Therapeutic Business.

TaurusNXT® — Third-Generation Non-glutaraldehyde Crosslinked Dry-tissue TAVR System

TaurusNXT® is our internally developed third-generation TAVR system, and has significantly different tissue and structure from TaurusOne® and TaurusElite®. TaurusNXT® incorporates our patented non-glutaraldehyde bio-tissue crosslinking technology that removes the main source of valve calcification, the primary cause of prosthetic valve degeneration. The technology is expected to greatly enhance the durability and biocompatibility of the PAV. Additionally, compared to the traditional dry tissue technology using glycerin, TaurusNXT® utilizes an ultra-low temperature vacuum freeze-drying technology to maintain the physical integrity of the valve tissue while allowing the PAV to be pre-loaded onto the delivery catheter system. The delivery catheter system of TaurusNXT® is both retrievable and steerable, making it much easier for physicians to guide the PAV to its target position, thereby further improving the safety of the procedure. As of the date of this report, we are preparing to submit the registration application of TaurusNXT® to the NMPA.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusNXT® SUCCESSFULLY.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Transcatheter Aortic Valve Replacement and Repair Products and Product Candidates (cont'd)

TaurusApex® — Polymeric Trileaflet TAVR System

TaurusApex® is our internally developed fourth-generation TAVR system featuring the polymeric trileaflet instead of biological tissue. By replacing bio-materials with high strength, stable and soft polymer materials, we are able to further improve durability and biocompatibility of the prosthetic valves. The leaflets of TaurusApex® adopt the multi-layer bionic composite braided structure which better mimics the features and hemodynamic performance of human's native valves. Polymeric trileaflet excels biological tissue in durability, tear resistance and wear resistance. As of the date of this report, we are conducting animal studies and associated long-term follow-up evaluation on TaurusApex®, with promising results.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusApex® SUCCESSFULLY.

TaurusTrio™ — Licensed-in JenaValve Trilogy™ THV System for AR Indication

We entered into a collaboration and license agreement, a service agreement and a stock purchase agreement with JenaValve, a U.S.-based medical device company, in December 2021. Pursuant to these agreements, JenaValve has granted us an exclusive license for the Trilogy™ THV System for the treatment of symptomatic, severe AR or symptomatic, severe AS. We are entitled to develop, manufacture, and commercialize the Trilogy™ THV System in the Greater China region, and JenaValve agreed to provide services, allowing us to leverage the value of the product within the region. For further details, please refer to our announcement dated January 14, 2022.

The Trilogy™ THV System is the first commercial transfemoral TAVR system to receive CE Mark approval for the treatment of both symptomatic, severe AR and symptomatic, severe AS worldwide. The system's proprietary locator can not only anchor without calcification but also ensure valve commissure alignment. Its design, which includes supra-annular prosthesis and large-open cells, also benefits long-term hemodynamic and future percutaneous coronary intervention. Its valve inflow end is designed with 24 high-density mesh holes to provide annular compliance and sealing. We have successfully completed the technology transfer and established local manufacturing of TaurusTrio™ TAV System in Suzhou, realizing technical consistency with Trilogy™ THV System.

On July 24, 2024, JenaValve has informed the Company that Edwards has agreed to acquire JenaValve by way of a merger (the “**Merger**”). Completion of the Merger is subject to the terms and conditions as described in the Merger agreement, including the satisfaction of customary conditions. The Merger shall not affect the Group's exclusive license with JenaValve or the Group's rights to develop and commercialize TaurusTrio™. After completion of the Merger, the Group will maintain the exclusive license to develop the THV System for AR and AS in the Greater China region. The Company believes that the Merger signifies confidence in the future prospects of treating AR with JenaValve's technology. For further details, please refer to our announcements dated July 25, 2024, July 26, 2024 and August 5, 2024.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Transcatheter Aortic Valve Replacement and Repair Products and Product Candidates (cont'd)

TaurusTrio™ — Licensed-in JenaValve Trilogy™ THV System for AR Indication (cont'd)

As of the date of this report, the Trilogy™ THV System has been successfully implanted in several cases in Hong Kong and Taiwan, China. For TaurusTrio™, the first compassionate use treatment was conducted in Hong Kong, China, in November 2024. In mainland China, the NMPA has confirmed to accept the registration application of TaurusTrio™ in April 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TaurusTrio™ SUCCESSFULLY.

Transcatheter Mitral Valve Replacement and Repair Product Candidates

HighLife® — Licensed-in TSMVR Product

In December 2020, we entered into an exclusive license agreement with HighLife SAS (“HighLife”), a French-based medical device company focusing on the development of a novel transseptal replacement system for treating MR. Pursuant to the agreement, we are entitled to, among other things, manufacture, develop, and commercialize the HighLife® TSMVR system in the Greater China region. Mr. Georg BÖRTLEIN, the founder of HighLife, is also the co-founder of CoreValve, Inc., a TAVR company which was acquired by Medtronic, Inc. in 2009.

The field of TMVR still faces many technical difficulties, including access to the target site, anchoring and the risk of paravalvular leakage, and LVOT obstruction. Most existing approaches are either transapical or anchoring using radial force. The HighLife® TSMVR system adopts the unique “Valve-in-Ring” concept, allowing it to self-center and self-align. This system separates the valve from its anchoring ring and delivers the two components through the femoral artery and femoral vein, respectively, through a simple three-step procedure. The 2-component design designed for mitral valve anatomy helps to mitigate the risk of paravalvular leakage and effectively reduces catheter size. The procedure can be successfully completed using teleproctoring support. The learning curve is relatively short, evidenced by significant reduction of procedure time by the same physician.

On June 3, 2024, HighLife has received an IDE approval from the U.S. FDA to initiate a US Pivotal Study for the HighLife® TSMVR solution in the United States. On April 7, 2025, HighLife announced that it had granted U.S. FDA Breakthrough Device Designation for the HighLife® TSMVR system. As of the date of this report, we are carrying out the multi-center registration clinical trial for the HighLife® TSMVR system.

On July 30, 2025, our internally developed Hydrophilic Coating Guidewire — specifically designed for the critical looping step in HighLife® procedures — received registration approval from the Jiangsu Provincial Medical Products Administration. Compared to similar products on the market, this product offers superior torque control, ultrasound visibility, and length compatibility. HighLife is currently conducting import registration for the product.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HighLife® SUCCESSFULLY.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Transcatheter Mitral Valve Replacement and Repair Product Candidates (cont'd)

GeminiOne® — TEER System

GeminiOne® is our internally developed TEER device, designed to treat mitral valve and tricuspid valve diseases. The product has a unique design, which enables a longer coaptation length while maintaining smaller implant size and delivery system. Other innovations include its independent leaflet grasp that reduces the complexity of the procedure, auto-locking mechanism that avoids repeated locking and unlocking during the procedure, as well as multi-angular detachment that copes with a wider range of anatomy.

As of the date of this report, we are preparing to submit the registration application of GeminiOne® to the NMPA. The global development of GeminiOne® is progressing in parallel. As of the date of this report, we have received the FDA approval for the IDE for the EFS trial of this product and also preparing for CE Mark submission.

In the meantime, we are also exploring the application of GeminiOne® TEER technology in treating tricuspid valve disease.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET GeminiOne® SUCCESSFULLY.

Sutra Hemi-valve — Transcatheter Mitral Valve Coaptation Augmentation System

In April 2021, we entered into a stock purchase agreement with Sutra Medical Inc. (“**Sutra**”), a U.S.-based medical device company that designs and develops transcatheter solutions to treat valvular heart diseases. Sutra’s key product candidate, Sutra Hemi-valve, is a transcatheter mitral valve therapeutic device that adopts a hybrid approach between valve replacement and repair technology. The device is designed to treat MR using a coaptation augmentation technology that targets only the posterior mitral valve leaflet. As of the date of this report, Sutra completed the first implantation in the FIM clinical trial of Sutra Hemi-valve. For further details, please refer to our announcement dated September 11, 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET Sutra Hemi-valve SUCCESSFULLY.

Future Technology Product Candidates

Our Future Technology Business was established in 2024 as a spin-off from the Transcatheter Valve Therapeutic Business. It focuses on delivering globally cutting-edge therapeutic solutions for a comprehensive range of heart valve diseases. All projects target unmet clinical needs in markets lacking mature treatment options. Currently, Future Technology Business has three product candidates, including Lithotripsy Valvuloplasty System, MonarQ TTVR® system, and ReachTactile™ robotic-assisted TAVR system. Each project is managed by an independent team and executed through dedicated subsidiaries within the Group, which maintain full autonomy in operations and financing. As of the date of this report, two projects have independently secured external financing.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Future Technology Product Candidates (cont'd)

Lithotripsy Valvuloplasty System

The Lithotripsy Valvuloplasty System (formerly named TaurusWave®) applies shockwave technology to remodel calcification on the valves. After the treatment, the mobility of the native valve is improved, leading to better hemodynamic performance. The system can be used as a stand-alone transcatheter aortic valve treatment or be used prior to TAVR, in order to alleviate valve stenosis. The FIM study for AS (10 patients) was successfully completed in the Second Affiliated Hospital Zhejiang University School of Medicine. Also, a separated entity SmartWave Medical was incorporated to further develop this platform technology for several applications and indications. FIM study for calcified mitral stenosis (10 patients) was successfully completed in Hong Kong's Prince of Wales Hospital.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LITHOTRIPSY VALVULOPLASTY SYSTEM SUCCESSFULLY.

MonarQ TTVR® system — Acquired TTVR Product

We entered into an IP acquisition agreement, a service agreement and a stock purchase agreement with inQB8 Medical Technologies, LLC ("inQB8"), a U.S.- based medical technology incubator, in May 2021, to explore innovative solutions for treating structural heart diseases. The transaction includes our acquisition of a TTVR technology, namely MonarQ TTVR® system, from inQB8, and for which inQB8 will continue to develop the device in partnership with us.

The MonarQ TTVR® system is an innovative option for treating TR. Such system has a unique biodynamic attachment system that utilizes and preserves the heart's natural motion to secure the implant to the native leaflets, distribute systolic loads, and minimize paravalvular leaks over a wide range of annulus sizes.

In September 2024, we received the U.S. FDA IDE approval for EFS which serve as part of the MDR CE submission. As of the date of this report, the Global Clinical Study of MonarQ TTVR® system is currently underway with the first implant successfully completed in June 2025. Please refer to the announcement of the Company date July 14, 2025 for further details.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET MonarQ™ SUCCESSFULLY.

ReachTactile™ — Advancing Robotic-Assisted TAVR System

ReachTactile™, our internally developed robotic-assisted TAVR system, offers an innovative, cost-effective solution for transcatheter valve replacement or repair therapies. It targets the rapidly growing TAVR market in China and globally, addressing technical challenges during the procedure and the shortage of expert cardiologists capable to conduct a transcatheter valve replacement or repair procedure.

The mobile, modular design of ReachTactile™ fits conventional catheter rooms, allowing a single cardiologist to operate multiple devices with sub-millimeter precision. A force-sensing mechanism provides real-time tactile feedback, aiding navigation in complex vascular conditions. The Master Unit-Slave Unit architecture allows cardiologists to reduce radiation exposure and other occupational diseases. Meanwhile, remote control capabilities via ethernet enable long-distance operations and training.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Future Technology Product Candidates (cont'd)

ReachTactile™ — Advancing Robotic-Assisted TAVR System (cont'd)

As of the date of this report, we have completed the FIM study for ReachTactile™ and are preparing to launch the registration clinical trial.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ReachTactile™ SUCCESSFULLY.

Platform Technologies

We are committed to constantly exploring platform technologies that can be applied to a variety of therapies. As of the date of this report, we have three patented platform technologies, namely *Non-glutaraldehyde Crosslinked* Dry-tissue Technology, Polymeric Trileaflet Technology and Lithotripsy Valvuloplasty Technology.

Non-glutaraldehyde Crosslinked Dry-tissue Technology and Polymeric Trileaflet Technology are currently utilized in our third-generation TAVR product, TaurusNXT®, and our fourth-generation TAVR product, TaurusApex®. These technologies can also be utilized with other TAVR, TMVR or TTVR product candidates.

Lithotripsy Valvuloplasty Technology, currently utilized in the Lithotripsy Valvuloplasty System, is a non-implant solution to treat valve stenosis by remodeling the severe calcification. The technology can be applied on a stand-alone basis or as a pre-implantation step during the transcatheter valve replacement procedure. Research clinical trials utilizing this platform technology are currently underway to broaden its application.

Neurointerventional Products and Product Candidates

We have a comprehensive portfolio of registered and pipeline products that target both hemorrhagic and ischemic stroke markets. For the Reporting Period, our revenue generated from the sales of neurointerventional products amounted to RMB191.8 million, representing an increase of 12.2% from approximately RMB170.9 million for the six months ended June 30, 2024.

Hemorrhagic Products and Product Candidates

For the Reporting Period, we generated a total revenue of RMB59.9 million from hemorrhagic products, representing an increase of 8.7% from approximately RMB55.1 million for the six months ended June 30, 2024 and accounting for 31.3% of the total revenue of the Neurointerventional Business.

Detachable Coils: we have four registered detachable coil products with different detachment methods, namely, Jasper® Detachable Coil, Presgo® Detachable Coil, Jasper® SS Detachable Coil and NRcoil™ Detachable Coil. We received the NMPA approval for the registration application of Jasper® SS Detachable Coil in June 2021. The detachment process of Jasper® SS Detachable Coil is the same as that of the previous generation, Jasper® Detachable Coil, whereas Jasper® SS Detachable Coil is much softer in order to address specific clinical needs during the fill and finish processes of a cerebral aneurysm endovascular coiling procedure. We received the NMPA approval for the registration application of NRcoil™ Detachable Coil, our latest generation coil product which can be thermally detached, in August 2023. The coil is designed for framing, filling and finishing. It is a significant addition to our existing product offering of embolization coils, providing an alternative detachment method to physicians.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Hemorrhagic Products and Product Candidates (cont'd)

CereStellar™ Intracranial Adjunctive Stent:

CereStellar™ Intracranial Adjunctive Stent is indicated for use with neurovascular embolization coils in the endovascular treatment of intracranial aneurysms. Stent-assisted coil embolization allows endovascular treatment of complex shaped and wide necked intracranial aneurysms. As of the date of this report, we are continuing to progress the patient follow-up of the multi-center registration clinical trial of CereStellar™.

YonFlow® Flow Diverting Stent:

YonFlow® Flow Diverting Stent is the first retrievable stent system after complete release globally. We entered into an exclusive distribution agreement with Jiangsu NowYon Medical Limited (“**NowYon Medical**”) on August 16, 2024 for selling and distributing of the YonFlow® Flow Diverting Stent in the territory of the Greater China. Please refer to the announcement of the Company dated August 28, 2024 for further details. The registration application of YonFlow® Flow Diverting Stent was approved by the NMPA in April 2025.

Ischemic Products and Product Candidates

For the Reporting Period, our revenue generated from the sales of ischemic products amounted to RMB56.8 million, representing a decrease of 3.3% from approximately RMB58.8 million for the six months ended June 30, 2024 and accounting for 29.6% of the total revenue of the Neurointerventional Business.

Products Designed for Treating AIS

Syphonet® Stent Retriever: Syphonet® Stent Retriever is an important product designed for removing thrombus in intracranial vessels in a mechanical thrombectomy procedure for patients with AIS. The product's unique design features a capture basket at the distal end, which can effectively prevent the thrombus debris from dislodging into the blood stream, thereby improving the removal of the thrombus. Additionally, the stent is designed with an optimized radial force to maintain the integrity of the lumen, even in tortuous vessels. Radiopaque wires in the stent and a radiopaque marker on the distal end allow for visualization of the entire retriever, providing physicians with better visual guidance. The Syphonet® Stent Retriever has various specifications, all compatible with 0.017-inch microcatheter. The compatibility will improve the success rate of deployment and reduce procedure time. We received the NMPA approval for the registration application of Syphonet® Stent Retriever in February 2022.

Tethys AS® Aspiration Catheter: our Tethys AS® Aspiration Catheter is specially designed for direct aspiration in mechanical thrombectomy. The 0.071-inch large lumen of the product largely increases the aspiration force, which can significantly shorten procedure time. It features a 20cm soft segment at the distal end, which conforms to the tortuous vessels and largely enhances its deliverability to the distal vessels. The optimized design of the transitional structure improves the trackability of the catheter, allowing the device to be delivered to the target vessel more easily. The entire device adopts a double-layer design with outer braids and inner coils, which allows high compressive strength and helps maintain lumen integrity. We received NMPA approval for the registration application of Tethys AS® Aspiration Catheter in May 2022.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Ischemic Products and Product Candidates (cont'd)

Products Designed for Treating AIS (cont'd)

Fluxcap® Balloon Guide Catheter: Fluxcap® Balloon Guide Catheter has 0.087-inch large lumen and is compatible with 6F intermediate catheters or aspiration catheters. The reinforced layer with transition zones leads to a balance of proximal support and distal flexibility, offering a stable passage for intracranial devices. The 0.75mm non-radiopaque segment at the tip can reduce the blind spots of the physicians and thus, improving the safety of the procedure. The compliant balloon, at its tip, can block proximal flow and effectively prevent the thrombus from dislodging into the distal vessels. We received the NMPA approval for the registration application of Fluxcap® Balloon Guide Catheter in June 2022.

With the successive launch of Syphonet® Stent Retriever, Tethys AS® Aspiration Catheter and Fluxcap® Balloon Guide Catheter, we are able to provide physicians a fully integrated solution for mechanical thrombectomy. Physicians can rely on our product combinations for different procedures, based on the clinical needs of patients.

Products Designed for Treating ICAD

SacSpeed® Balloon Dilatation Catheter: we commercially launched SacSpeed® Balloon Dilatation Catheter in the fourth quarter of 2020. The Catheter is used for dilating stenosis to help with intracranial blood supply, while treating ICAD.

Fastunnel® Delivery Balloon Dilatation

Catheter: Fastunnel® Delivery Balloon Dilatation Catheter is designed for treating ICAD. As the first medical device in China which combines balloon dilatation and stent delivery in one device, its unique “zero exchange” technique redefines ICAD treatment. The product utilizes an integrated design combining the features of both balloon dilatation catheter and microcatheter, which can reduce the number of device exchanges and improve the safety of the procedure. The balloon uses Pebax® semi-compliant materials to achieve steady shape and safe expansion. Meanwhile, the stainless steel structure reinforces the entire device, and thus improves the trackability of the catheter and the deliverability of the intracranial stent system. In addition, the 150cm delivery system is compatible with intermediate catheters length of 135cm and below. We received the NMPA approval for the registration application of Fastunnel® Delivery Balloon Dilatation Catheter in May 2022.

NeuroStellar® Intracranial Stent: NeuroStellar® Intracranial Stent is designed for treating ICAD. The product is compatible with 0.017-inch microcatheter and is designed with optimized radial force which enables better stent apposition. As of the date of this report, we have submitted the application for the registration approval of this product to the NMPA.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Vascular Access Products and Product Candidates

For the Reporting Period, we generated a total revenue of RMB75.0 million from vascular access products, representing an increase of 32.3% from approximately RMB56.7 million for the six months ended June 30, 2024 and accounting for 39.1% of the total revenue in the Neurointerventional Business.

Tethys® Intermediate Catheter: we received the NMPA approval for the registration application of Tethys® Intermediate Catheter in October 2020. Our Tethys® Intermediate Catheter assists the delivery of diagnostic devices and/or treatment devices to the neurovascular and peripheral vascular system. It is applicable in various procedures, including aneurysm embolization, mechanical thrombectomy and ICAD procedures. The catheter provides strong support and stability for the operation of microcatheters, embolization coils, stent retrievers, and balloon dilatation catheters in distal blood vessels.

Heralder® DA Distal Access Catheter: we received the NMPA approval for the registration application of Herald® DA Distal Access Catheter in June 2021, providing more options for the delivery of devices to different positions.

DCwire® Micro Guidewire: DCwire® Micro Guidewire is designed based on the idea of “microstructure”. The term “microstructure” refers to the design of a multi-layered micro-structured device made of multiple materials through precision manufacturing. DCwire® Micro Guidewire has realized the manufacturing precision as well as the unique material properties of “microstructure”, which allows the device to be precisely controlled and easy to super select vessels, enabling physicians build vascular access quickly and more easily during procedures. We received the NMPA approval for the registration application of DCwire® Micro Guidewire in June 2023. As of the date of this report, we have submitted and secured acceptance of the 510(k) application of this product to the U.S. FDA.

Other commercialized vascular access products include Presgo® Microcatheter, Presgo® Micro Guidewire and Herald® Guide Catheter. Meanwhile, we are optimizing the performance of our current products by developing the next generation products based on clinical feedback and are actively advancing the development and registration for related iterative products.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET THE ABOVE PRODUCTS OR PRODUCT CANDIDATES SUCCESSFULLY.

Research & Development

In-house innovation and business development opportunities are crucial to the Company's R&D pipeline. Our core R&D team is led by Dr. Yi ZHANG (Chairman and chief executive officer) and Dr. Jian Fong TAN (chief technology officer). Mr. Kongrong Karl PAN retired as chief operating officer since June 2025, but transitioned to a consultant role for the Company, guiding our R&D projects. All of them are industry veterans with impressive academic and professional backgrounds, having previously worked in managerial positions at various leading players in the medical device sector.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Vascular Access Products and Product Candidates (cont'd)

Research & Development (cont'd)

We have extensive relationships with global leaders in both the transcatheter valve therapeutic and neurointerventional fields, including world-class scientists, physicians and industry experts. In addition to the licensing of cutting-edge technologies, we have also established overseas R&D capabilities through close collaboration:

For Sutra, the Company is the second-largest shareholder beside the founder, and has the right of first offer if Sutra proposes to offer or sell any new securities, subject to certain customary exceptions. We share R&D facilities with Sutra in the United States, and they have assisted us in expanding our R&D presence in North America. The founding team of Sutra is composed of professionals with extensive academic and industrial experience.

For inQB8, it is a medtech incubator in partnership with the Company. Under the partnership, we will have exclusive global privileges and rights to the technologies regarding the joint development of novel products and solutions in treating structural heart disease. The founding team of inQB8 has a multidisciplinary background in medtech and engineering. Before founding inQB8, the team founded CardiaQ Valve Technologies, which developed the world's first TMVR system and was later acquired by Edwards.

We have established close working relationship with world-class consultants, who provide services exclusively for us in China. They are heavily involved in our R&D process, contributing significantly to our innovative aortic, mitral and tricuspid valve products:

Dr. Nicolo PIAZZA is a renowned interventional cardiologist at McGill University Health Center and the German Heart Center in Munich. He has also served as either the chairman or a core team member in many premier transcatheter valve therapeutics conferences, including EuroPCR, PCR London Valves and PCR-CIT China Chengdu Valves. He is actively involved in our overseas business development, product promotion and clinical trials, including the clinical trial and technology transfer of HighLife® as well as the clinical trial of Lithotripsy Valvuloplasty System.

Dr. Saibal KAR joined the Company as a consultant in September 2021. He is a world-leading doctor well-known for his research and achievements in the field of structural heart therapies, particularly in mitral repair space. Dr. Saibal KAR also serves as an external consultant for various multinational medical device companies such as Medtronic plc, Boston Scientific Corporation, and Abbott Vascular Inc. He has worked as a principal investigator in several multi-center studies and randomized studies for MitraClip™. Dr. Saibal KAR is currently advising on the R&D of our mitral edge-to-edge therapies.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Vascular Access Products and Product Candidates (cont'd)

Research & Development (cont'd)

In 2024, we entered into a consulting agreement with Dr. Gilbert Tang, who provides us with consulting advice in the field of structural heart technology. Dr. Tang is Surgical Director of the Structural Heart Program at the Mount Sinai Health System and Professor in the Department of Cardiovascular Surgery at the Icahn School of Medicine at Mount Sinai.

Suzhou SITRI Interventional Medtech Institute ("IMI"), an innovation incubation and investment platform dedicated to the field of vascular interventional medical devices, was established in October 2021. The IMI was proposed and funded together by the Company and with Suzhou Industrial Park Administrative Committee, Suzhou Industrial Technology Research Institute, and IMI management team. The establishment of IMI will facilitate our R&D activities by providing us with access to emerging medical device technologies that might have significant global impact, which will benefit our future business expansion.

As of June 30, 2025, we had an in-house R&D team of 169 employees dedicated to the R&D of our transcatheter valve therapeutic business, future technology business and neurointerventional business.

Intellectual Property

We remain unwavering in our commitment to independent innovation to solidify our core competitive edge. We strategically evolved the Company's IP framework from a defensive posture to a dual strategy of offense and defense in 2024. This transformation was marked by strengthened compliance in trademark usage, the establishment of a preliminary framework for trade secret management, and more comprehensive protection of our core technologies. Moreover, we obtained the GB/T 29490–2013 Intellectual Property Management System Certification in April 2022. We are currently undergoing an upgrade in accordance with the requirements of the GB/T 29490–2023 Enterprise Intellectual Property Compliance Management System, marking a significant step forward in our intellectual property management.

We have a robust intellectual property portfolio, consisting of a total of 228 granted and valid patents, 155 patents under application and 137 registered trademarks. As of June 30, 2025, there were 135 granted and valid patents, 113 patents under application and 57 registered trademarks for our Transcatheter Valve Therapeutic Business and Future Technology Business, and 93 granted and valid patents, 42 patents under application and 80 registered trademarks for our Neurointerventional Business.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Manufacturing

For our Transcatheter Valve Therapeutic Business, our new headquarters has a production area of approximately 10,000 sq.m (including functional areas such as Class 10,000 cleanroom, general workshop, warehousing workshop, quality inspection workshop, etc.), which is more than three times of the original production facilities in Zhongtian Road, Suzhou. The new plants have passed the inspection by the NMPA and obtained permission to manufacture medical devices. Currently, the annual production capacity of the new plant is about 30,000 sets, which is more than three times of the original production capacity.

For our Neurointerventional Business, we manufactured, assembled and inspected our products in an 18,843.9 sq.m self-owned property at Zhongtian Road, Suzhou, Jiangsu province. We are currently renovating and expanding our plant at Zhongtian Road, Suzhou to increase production capacity in response to the growing demand of the market. We have developed the Risk Management and Control Procedures (《風險管理控制程序》) to monitor compliance with our quality control system at every phase in a product life cycle and use scientific tools to identify, analyze, evaluate and control risks to ensure the safety and efficacy of medical devices.

We have established an advanced quality management system. It is our responsibility to develop products that allow patients to enjoy healthy lives and strictly abide by the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), Measures for the Supervision and Administration of Medical Device Production (《醫療器械生產監督管理辦法》), Good Manufacturing Practices for Medical Devices (《醫療器械生產質量管理規範》) and other laws and regulations. We have implemented the Non-Conforming Product Control Procedures (《不合格品控制程序》) to standardize the identification, handling, and resolution of non-compliant products throughout the entire product lifecycle — from raw material procurement and production processes to final delivery — ensuring systematic compliance and operational integrity. Our Quality Management System is aligned to relevant laws and international standards, including GMP standards and the ISO 13485:2016 Medical devices — Quality management systems.

Commercialization

The Company is committed to being physicians' most trusted product partner and service provider through three core pillars: (i) precise product positioning and superior product performance; (ii) well-rounded sales and marketing support; and (iii) end-to-end engagement across the product lifecycle.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Commercialization (cont'd)

For the Company's Transcatheter Valve Therapeutics, during the Reporting Period, we placed our products in over 70 new hospitals, expanding total coverage to approximately 720 medical institutions in China as of June 30, 2025. Total terminal implantation volume exceeded 2,050 units for the Reporting Period, representing a period-to-period growth of approximately 18.8%.

Through structured internal training programs and talent development initiatives, we have cultivated a high-performance team with industry-leading expertise in medical education and commercial operations. As of June 30, 2025, our sales and marketing workforce stood at 186 professionals, supported by a medical department of 10+ licensed physicians providing expert clinical support for patient evaluation, procedure planning, and other perioperative management affairs.

Capitalizing on continuous product iterations and the penetration of technologies into broader clinical practice, our value-driven academic initiatives have significantly enhanced commercialization efficacy. We advance the transcatheter valve therapeutic technologies through multidimensional academic ecosystem development: (i) delivering standardized procedure and core technology mastery trainings for TAVR; (ii) developing lifecycle management for AS patients based on the features of Taurus-series products; (iii) anatomical assessment and advanced techniques for the treatment of AR patients; and (iv) exchange of practical experience in complex cases and related academic and clinical hotspots. These clinician-centric academic activities have facilitated the gradual translation

from iterative surgical technology to clinical treatment benefits, driving durable physician engagement and active interaction. Since its official launch in June 2022, our proprietary Yijia Institute has emerged as a leading digital education brand in the field of transcatheter valve therapy, driven by its consistent delivery of high-quality content and innovative online professional education models. The platform has attracted a total of 1,420 registered users, with clinical practitioners accounting for 84.0% of the user base. Its WeChat official account has garnered over 4,765 followers, and the cumulative readership of professional articles on the platform has exceeded 54,600 views.

During the Reporting Period, the Company's Neurointerventional Business achieved further commercial success. YonFlow® Flow Diverting Stent (exclusive distribution) obtained the NMPA registration approval in April 2025. Our marketing and sales team responded immediately with accelerated market promotion and procurement listing efforts, achieving the first commercial implant in June 2025. As of the date of this report, we have completed the procurement listing of YonFlow® in over 20 provinces, secured supplementary listing in the provincial alliance VBP of vascular interventional consumables led by Hebei Province, and won the bid in Guangdong Provincial VBP for Flow Diverting Stents.

As of June 30, 2025, we had 91 employees dedicated to the sales and marketing of our neurointerventional products, and our distributor network covers approximately 2,300 hospitals across 31 provinces and municipalities in China.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Commercialization (cont'd)

Facing intense market competition, we adopted differentiated marketing strategies tailored to the competitive landscape and design features of each individual product. Notably, based on the superior design and performance of our products, we have developed more than ten innovative procedure techniques that directly address unmet clinical needs and pain points, in collaboration with physicians. The promotion of these innovative techniques effectively drove the commercialization of our product portfolio during the Reporting Period, including the Syphonet® Stent Retriever (representative techniques: BASIS, COSIS), Tethys® Intermediate Catheter (representative techniques: TRUST, REST, ATTACH) and Fastunnel® Delivery Balloon Dilatation Catheter (representative techniques: Zero Exchange, FAST ICAS, ANSWER).

Since the beginning of 2023, the VBP of neurointerventional products has been progressively implemented at the provincial and regional levels. The Company has consistently and proactively engaged in relevant initiatives. Leveraging our comprehensive product portfolio, long-term brand penetration, and effective strategic pricing, we have secured winning bids multiple times, ensuring a stable supply of high-quality and cost-effective neurointerventional products to the market. Following the successful bid in the provincial alliance VBP of coils led by Jilin Province (Group A), our coil product was again selected in the 3+N Alliance VBP of coils in the Beijing-Tianjin-Hebei region in March 2024. The winning bid regions for our coil products now cover over 90% of provinces nationwide. Additionally, in the provincial alliance VBP of vascular interventional consumables led by Hebei Province in January 2025, both our SacSpeed® Balloon Dilatation Catheter and Fastunnel® Delivery Balloon Dilatation Catheter won bids in Group A under Rule One.

Future Outlook

In the future, we will remain unwavering in our mission to pioneer innovative interventional therapies for structural heart and neurovascular diseases in China and globally. Our commitment to developing and commercializing transformative solutions continues to guide our strategic direction across all business segments.

For our Transcatheter Valve Therapeutic Business, we will remain steadfast in our goal of becoming China's foremost TAVR brand. Our commercial strategy focuses on expanding market penetration in the Chinese market for our approved products — TaurusOne®, TaurusElite®, TaurusMax™ and various procedural accessories. Concurrently, we are accelerating regulatory progress for our pipeline, including TaurusTrio™, TaurusNXT® and GeminiOne®, to deliver advanced, safe and effective therapeutic options to Chinese patients. As of the date of this report, we have received the confirmation letter from the NMPA confirming the acceptance of the registration application for TaurusTrio™ and are preparing to submit the application for the registration approval of TaurusNXT® and GeminiOne® to the NMPA in the coming months. We are committed to bringing them to market as quickly as we can to address significant unmet clinical needs. In addition, we will continue to invest in R&D to advance the clinical progress of our other innovative pipeline products and achieve breakthroughs.

Management Discussion and Analysis

I. BUSINESS REVIEW (CONT'D)

Future Outlook (cont'd)

For our Future Technology Business, we will continuously advance the financing initiatives of our subsidiaries and the R&D of cutting-edge therapeutic products to accelerate the translation of technological innovations into clinical applications, with the goal of providing high quality medical services to a greater number of patients worldwide. This strategic commitment not only benefits patients with heart valve diseases worldwide, but also enhances clinical convenience for cardiologists through technological innovation.

For our Neurointerventional Business, we will continue to maintain the momentum of revenue growth while implementing cost control measures to enhance profitability and maximize shareholder value. We will actively seize the opportunities presented through policy support and industry development, leveraging our superior product performance, outstanding sales and marketing capabilities and extensive distribution network to further expand our market share and strengthen our leading position in the industry.

Management Discussion and Analysis

II. FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2025, the Group's revenue was RMB353.4 million, representing an increase of 17.3% as compared to RMB301.2 million for the six months ended June 30, 2024. Revenue from the Neurointerventional Business and Transcatheter Valve Therapeutic Business were RMB191.8 million and RMB161.6 million, representing an increase of 12.2% and 24.0% as compared to RMB170.9 million and RMB130.3 million for the six months ended 30 June 2024, respectively.

The increase in revenue was primarily attributable to: (i) further market share gains in China's TAVR market and a product mix shifting to newly launched premium products; and (ii) robust performance of key neurointerventional products, exemplified by: (a) deepening market penetration of the existing products including DCwire® Micro Guidewire, Tethys AS® Aspiration Catheter and Fastunnel® Delivery Balloon Dilatation Catheter; and (b) successful launch of the newly approved YonFlow® Flow Diverting Stent.

The following table sets forth a breakdown of our revenue generated from Neurointerventional Business for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Vascular Access	74,978	39.1	56,665	33.2
Ischemic	59,920	31.3	55,138	32.3
Hemorrhagic	56,813	29.6	58,763	34.3
Others	63	—*	320	0.2
Total	191,774	100.0	170,886	100.0

* The proportion is less than 0.1%

Management Discussion and Analysis

II. FINANCIAL REVIEW (CONT'D)

Cost of Sales

For the six months ended June 30, 2025, the Group's cost of sales was RMB105.8 million, representing an increase of 28.4% as compared to RMB82.3 million for the six months ended June 30, 2024. The increase was primarily attributable to the increase in the material costs, labor costs and overheads as a result of the increased sales volume of the Transcatheter Valve Therapeutic Business and Neurointerventional Business.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the Group's gross profit increased by 13.1%, from RMB218.9 million for the six months ended June 30, 2024 to RMB247.6 million for the six months ended June 30, 2025, in line with the increase in sales revenue. Gross profit margin is calculated as gross profit divided by revenue and multiplying the result by 100%. The Group's gross profit margin was 70.1% for the six months ended June 30, 2025, as compared to 72.7% for the six months ended June 30, 2024. The decline in gross profit margin was primarily due to headwinds caused by the VBP of neurointerventional products.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 4.3% from RMB151.6 million for the six months ended June 30, 2024 to RMB145.1 million for the Reporting Period. Such decrease was primarily attributable to savings achieved through refined management in conference expenses, promotion expenses, travel costs, and other expenditures.

Administrative Expenses

Administrative expenses increased by 0.2% from RMB62.6 million for the six months ended June 30, 2024 to RMB62.7 million for the six months ended June 30, 2025. The increase was primarily driven by higher depreciation expenses, partially offset by cost control initiatives.

Management Discussion and Analysis

II. FINANCIAL REVIEW (CONT'D)

Research and Development Expenses

Research and development expenses increased by 15.1% from RMB100.5 million for the six months ended June 30, 2024 to RMB115.6 million for the Reporting Period. Such increase was primarily attributable to the service expenses paid for the research and development of Future Technology products.

For the Reporting Period, R&D investment in the Transcatheter Valve Therapeutic Business, Future Technology Business and Neurointerventional Business amounted to RMB54.2 million, RMB39.1 million and RMB22.3 million, respectively. The following table sets forth the components of research and development expenses for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Service expenses for research and development	23,571	20.4	21,467	21.4
Employee benefits expenses	43,967	38.0	43,477	43.3
Professional service fees	17,613	15.2	2,695	2.7
Raw materials and consumables used	21,116	18.3	22,527	22.4
Depreciation and amortization	6,125	5.3	5,628	5.6
Other	3,244	2.8	4,690	4.6
Total	115,636	100.0	100,484	100.0

Other gains and losses

Other gains and losses — net decreased from a net other gains of RMB1.1 million for the six months ended June 30, 2024 to a net other loss of RMB2.4 million for the six months ended June 30, 2025. This decrease was primarily due to a change in exchange gains and losses, shifting from an exchange gain of RMB4.6 million in the same period last year to an exchange loss of RMB3.4 million. Meanwhile, the Group eliminated losses on forward foreign exchange contracts, declining from RMB4.8 million in the six months ended June 30, 2024 to nil.

Finance (costs) income — net

Finance income decreased from RMB16.3 million for the six months ended June 30, 2024 to net finance costs of RMB0.7 million for the Reporting Period. The decline was primarily attributable to reduced interest income from decreased bank balances, particularly large-denomination certificates of deposit.

Management Discussion and Analysis

II. FINANCIAL REVIEW (CONT'D)

Gearing Ratio

Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100%. As of June 30, 2025, the gearing ratio of the Group decreased to 30.9% from 31.5% as of December 31, 2024.

Net Current Assets

As of June 30, 2025, the Group's net current assets were RMB364.3 million, representing a decrease of RMB180.0 million from RMB544.3 million as of December 31, 2024. The reduction was primarily attributable to reductions in trade and other receivables and lower short-term deposit balances driven by investments in properties and plants.

Borrowings

As of June 30, 2025, the Group's borrowings which bore interest rates of 2.7%-3.6% were RMB315.7 million, as compared with RMB248.1 million as of December 31, 2024, consisting of a long-term borrowing which bore an interest rate of 3.6%-3.85%. The purpose of the long-term borrowing was for financing the construction of the new headquarter, and the purpose of the short-term borrowing was to better manage funding costs by securing more favorable interest rates.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis. Timely adjustments are made in light of changes in operating and market conditions.

Liquidity and Financial Resources

As of June 30, 2025, the Group's total cash, cash equivalents and term deposits amounted to approximately RMB611.8 million, representing a decrease of 13.6% as compared to RMB707.8 million as of December 31, 2024. The Group continues to maintain a strong financial position and is confident that it has sufficient funds to meet its daily business operation requirements.

The Group relies on capital contributions by the shareholders as the major sources of liquidity. The Group also generates cash from sales of existing commercialized products. As the Group's business develops and expands, the Group expects to generate more net cash inflow from operating activities, by increasing sales volume of existing commercialized products and launching new products, as a result of the broader market acceptance of existing products and continued efforts in promotion and expansion, and improving cost control and operating efficiency.

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

Capital Expenditure

For the six months ended 30 June 2025, the Group's total capital expenditure amounted to approximately RMB188.1 million, which was mainly used in (i) the continuous investment in TaurusTrio™ and TaurusNXT®; (ii) the construction of property and plant; and (iii) equipment procurement.

Management Discussion and Analysis

II. FINANCIAL REVIEW (CONT'D)

Significant Investment

As of June 30, 2025, the balance of non-current financial assets at FVTPL amounted to RMB330.7 million, representing nine unlisted equity investments, the movements of which during the Reporting Period are shown under Note 14 to the condensed consolidated financial statements.

inQB8

inQB8 is a medical device incubator company headquartered in Massachusetts, USA, exploring and developing new solutions for major cardiovascular diseases, including structural heart disease, type A aortic dissection, HFpEF and HFmrEF. As at June 30, 2025, we held 1,326,263 shares, representing 50% of the total equity interests of inQB8, and the fair value of the equity interests held by the Group amounted to RMB164.6 million, constituting 6.3% of our total assets as at June 30, 2025. In respect of our investment in inQB8, we had realised exchange loss of approximately RMB0.69 million during the Reporting Period.

inQB8 incubates and proceeds various start-up projects through prototype design, bench testing, and preclinical testing, allowing these early concepts to develop within inQB8 until the project is acquired or grown into an independent cardiovascular company. At present, inQB8 is in strategic cooperation with the Group to develop an innovative product for treating TR, MonarQ TTVR® system. As of the date of this report, the Global Clinical Study of MonarQ TTVR® system is currently underway, with the first implant successfully completed in June 2025. Based on the progress of each unlisted investee, the Company will continue to evaluate and make reasonable arrangements on the growth and development of our equity interest.

Contingent Liabilities

As of June 30, 2025, the Group did not have any significant contingent liabilities.

Material Acquisitions and Disposals

As of June 30, 2025, the Group did not have any material acquisitions and disposals of subsidiary, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

As of the date of this report, the Group had not authorized and does not have any specific plan for any material investments or acquisitions of capital assets.

Charge on Assets

As of June 30, 2025, a land use right and property, plant and equipment of the Group with carrying amounts of RMB8.7 million and RMB346.0 million respectively have been mortgaged for a long-term bank borrowing.

Foreign Exchange Exposure

The Group has transactional currency exposures. Certain cash and cash equivalents as well as financial assets at fair value through profit or loss are dominated in foreign currencies and are exposed to foreign currency risk. Our management monitors foreign exchange exposure and the Group might enter into certain foreign exchange forward contracts to hedge certain risk exposure.

Management Discussion and Analysis

HUMAN RESOURCES

As of June 30, 2025, our Group had 1,035 employees, all of whom were based in China. Our Group's total employee benefits for the Reporting Period were approximately RMB171.1 million, consisted of (i) wages, salaries and bonuses, (ii) social security costs and housing benefits, (iii) employee welfare and (iv) share-based compensation expenses.

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant position. We invest in continuing education programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salaries, promotion and career development.

In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination.

In addition, we are required under PRC law to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government.

SUPPLEMENTARY INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (six months ended June 30, 2024: nil).

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions as set out in the CG Code, as its own code to govern its corporate governance practices.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organization structure of the Company, Dr. Zhang is the chairman of the Board and chief executive officer of the Company. With extensive experience in the medical devices industry and having served in the Company since its establishment, Dr. Zhang is in charge of overall management, business, strategic development and scientific R&D of our Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Dr. Zhang), three non-executive Directors and four independent non-executive Directors, and therefore has a strong independent element in its composition.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Having made specific enquiries with all Directors, each of them has confirmed that he/she has complied with the Model Code during the six months ended June 30, 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of our Group during the Reporting Period.

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

From September 1, 2020, to June 30, 2025, the trustee of the RSU Scheme has purchased an aggregate of 5,859,000 Shares (representing approximately 0.8751% of the total issued share capital of the Company as of June 30, 2025) under the RSU Scheme. Please refer to the section headed "Supplementary Information — SHARE INCENTIVE SCHEMES — 2. RSU Scheme" and Note 22 to the consolidated financial statements for further details.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares (as defined under the Listing Rules) during the Reporting Period. As of June 30, 2025, the Company did not hold any treasury shares.

Supplementary Information

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. As of the date of this report, the Audit Committee comprises one non-executive Director, namely Mr. Jifeng GUAN, and three independent non-executive Directors, namely, Mr. Robert Ralph PARKS, Mr. Wai Ming YIP and Mr. Huacheng WEI. Mr. Wai Ming YIP is the chairman of the Audit Committee.

The Audit Committee has held relevant discussions with the Company's management, and reviewed the unaudited interim financial statements of the Group for the Reporting Period. The Audit Committee considered that the interim results of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

CHANGES IN THE BOARD AND THE DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors since the date of 2024 annual report of the Company and as of the date of this interim report is set out below:

Mr. Fei CHEN ceased to be a member of the Nomination Committee, and Ms. Hong YE was appointed as a member of the Nomination Committee, both with effect from June 30, 2025.

Save as disclosed above, there was no change in the Board and the information of Directors since the date of 2024 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Director	Capacity/nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of the Company's issued share capital ⁽²⁾
Dr. ZHANG	Beneficial owner ⁽³⁾	9,890,440	1.48%
	Trustee ⁽⁴⁾	32,917,560	4.92%
	Interest of controlled corporation ⁽⁵⁾	90,685,640	13.55%
	Interest held jointly with other persons ⁽⁶⁾	19,342,299	2.89%
	Interest of spouse ⁽⁷⁾	1,021,500	0.15%
Mrs. Ping Ye ZHANG	Beneficial owner	1,021,500	0.15%
	Trustee ⁽⁴⁾	32,917,560	4.92%
	Interest held jointly with other persons ⁽⁶⁾	110,027,939	16.43%
	Interest of spouse ⁽⁷⁾	9,890,440	1.48%
Ms. Hong YE	Beneficial owner ⁽⁸⁾	19,342,299	2.89%
	Interest of controlled corporation ⁽⁵⁾	90,685,640	13.55%
	Interest held jointly with other persons ⁽⁶⁾	43,829,500	6.55%
Mr. Fei CHEN	Interest of controlled corporation ⁽⁹⁾	19,952,740	2.98%
Dr. Stephen Newman OESTERLE	Beneficial owner ⁽¹⁰⁾	555,022	0.08%
Mr. Robert Ralph PARKS	Beneficial owner ⁽¹¹⁾	557,857	0.08%

Supplementary Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

Long positions in the Shares, underlying Shares and debentures of the Company (cont'd)

Notes:

- (1) All interests stated are long position.
- (2) The calculation is based on the total number of 669,512,908 ordinary shares of the Company in issue as of June 30, 2025.
- (3) Dr. ZHANG beneficially owns 5,232,720 Shares, and is also interested in options to 4,657,720 Shares pursuant to outstanding options granted under the Share Option Plan.
- (4) Jinnius Drive Trust, Hanlindale Trust and THE ZHANG LIVING TRUST were respectively established by Dr. ZHANG and Mrs. Ping Ye ZHANG as grantor. Both Dr. ZHANG and Mrs. Ping Ye ZHANG are trustees of Jinnius Drive Trust, Hanlindale Trust and THE ZHANG LIVING TRUST. Therefore, under the SFO, each of Dr. ZHANG and Mrs. Ping Ye ZHANG is deemed to be interested in an aggregate 32,917,560 Shares held by the three trusts, including 15,713,560 Shares held by Jinnius Drive Trust, 17,094,000 Shares held by Hanlindale Trust and 110,000 Shares held by THE ZHANG LIVING TRUST.
- (5) XinYue International Limited was owned as to 65% by Dr. ZHANG and 35% by Ms. Hong YE as of June 30, 2025. Therefore, under the SFO, each of Dr. ZHANG and Ms. Hong YE is deemed to be interested in 90,685,640 Shares held by XinYue International Limited.
- (6) Dr. ZHANG, Jinnius Drive Trust, Mrs. Ping Ye ZHANG, Hanlindale Trust, Ms. Hong YE and XinYue International Limited are Concert Parties based on the Concert Party Agreement. Therefore, under the SFO, each of Dr. ZHANG, Jinnius Drive Trust, Mrs. Ping Ye ZHANG, Hanlindale Trust, Ms. Hong YE and XinYue International Limited is deemed to be interested in the aggregate equity interests of all the Concert Parties.
- (7) Dr. ZHANG and Mrs. Ping Ye ZHANG are spouses. Therefore, Dr. ZHANG and Mrs. Ping Ye ZHANG are deemed to be interested in the equity interests held by each other under the SFO.
- (8) Ms. Hong YE beneficially owns 13,651,960 Shares, and is also interested in options to 5,690,339 Shares pursuant to outstanding options granted under the Share Option Plan.
- (9) Shanghai Liyi Biotech, L.P. holds 19,952,740 Shares directly. Shanghai Liyao Investment Management Co., Ltd. is 100% owned by Mr. Fei CHEN, and is the general partner of Shanghai Liyi Investment Management Partnership (Limited Partnership). In addition, Shanghai Liyi Investment Management Partnership (Limited Partnership) is the general partner of Shanghai Liyi Biotech, L.P.. Therefore, under the SFO, each of Mr. Fei CHEN, Shanghai Liyao Investment Management Co., Ltd. and Shanghai Liyi Investment Management Partnership (Limited Partnership) is deemed to be interested in 19,952,740 Shares held by Shanghai Liyi Biotech, L.P..
- (10) As of June 30, 2025, a total of 555,022 Shares have been granted to Dr. Stephen Newman OESTERLE under the RSU Scheme, pursuant to his service contract with the Company. Please refer to the announcement of the Company dated October 5, 2020 for further details.
- (11) As of June 30, 2025, a total of 557,857 Shares have been granted to Mr. Robert Ralph PARKS under the RSU Scheme, pursuant to his service contract with the Company. Please refer to the announcement of the Company dated October 5, 2020 for further details.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

Long positions in the Shares, underlying Shares and debentures of the Company (cont'd)

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as is known to any Director or chief executive of the Company, as of June 30, 2025, the following corporations/persons (other than the Directors or the chief executive of the Company) had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity/nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of the Company's issued share capital ⁽²⁾
Jinnius Drive Trust ⁽³⁾	Beneficial owner	15,713,560 (L)	2.35% (L)
	Interest held jointly with other persons ⁽⁵⁾	138,143,879 (L)	20.63% (L)
Hanlindale Trust ⁽³⁾	Beneficial owner	17,094,000 (L)	2.55% (L)
	Interest held jointly with other persons ⁽⁵⁾	136,763,439 (L)	20.43% (L)
XinYue International Limited ⁽⁴⁾	Beneficial owner	90,685,640 (L)	13.55% (L)
	Interest held jointly with other persons ⁽⁵⁾	63,171,799 (L)	9.44% (L)
LAV Aero Limited	Beneficial owner	42,428,460 (L)	6.34% (L)
LAV Biosciences Fund IV, L.P.	Interest of controlled corporation ⁽⁶⁾	42,428,460 (L)	6.34% (L)
LAV GP IV, L.P.	Interest of controlled corporation ⁽⁶⁾	42,428,460 (L)	6.34% (L)
LAV Corporate IV GP, Ltd.	Interest of controlled corporation ⁽⁶⁾	42,428,460 (L)	6.34% (L)
LAV Asset Management (Hong Kong) Limited	Investment manager	47,906,460 (L)	7.16% (L)
Mr. Yi SHI	Interest of controlled corporation ⁽⁶⁾	46,845,460 (L)	7.00% (L)
HH SUM-XXIV Holdings Limited	Beneficial owner	40,738,980 (L)	6.08% (L)
HH IMV Holdings, L.P.	Interest of controlled corporation	40,738,980 (L)	6.08% (L)
Hillhouse Investment Management, Ltd.	Investment manager	40,738,980 (L)	6.08% (L)
Hillhouse Fund IV, L.P.	Interest of controlled corporation	40,738,980 (L)	6.08% (L)
Matrix Partners China IV, L.P.	Beneficial owner	33,519,580 (L)	5.01% (L)
Matrix China Management IV, L.P.	Interest of controlled corporation ⁽⁷⁾	32,682,320 (L)	4.88% (L)
Matrix China IV GP GP, Ltd.	Interest of controlled corporation ⁽⁷⁾	32,682,320 (L)	4.88% (L)

Supplementary Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES (CONT'D)

Notes:

- (1) All interests stated are long position; (P) denotes lending pool.
- (2) The calculation is based on the total number of 669,512,908 ordinary shares of the Company in issue as of June 30, 2025.
- (3) Jinnius Drive Trust and Hanlindale Trust were discretionary trusts and respectively established by Dr. ZHANG and Mrs. Ping Ye ZHANG as grantor. Both Dr. ZHANG and Mrs. Ping Ye ZHANG are trustees of Jinnius Drive Trust and Hanlindale Trust. Therefore, under the SFO, each of Dr. ZHANG and Mrs. Ping Ye ZHANG is deemed to be interested in an aggregate 32,807,560 Shares held by the two trusts, including 15,713,560 Shares held by Jinnius Drive Trust and 17,094,000 Shares held by Hanlindale Trust.
- (4) XinYue International Limited was owned as to 65% by Dr. ZHANG and 35% by Ms. Hong YE as of June 30, 2025. Therefore, under the SFO, each of Dr. ZHANG and Ms. Hong YE is deemed to be interested in 90,685,640 Shares held by XinYue International Limited.
- (5) Dr. ZHANG, Jinnius Drive Trust, Mrs. Ping Ye ZHANG, Hanlindale Trust, Ms. Hong YE and XinYue International Limited are Concert Parties based on the Concert Party Agreement. Therefore, under the SFO, each of Dr. ZHANG, Jinnius Drive Trust, Mrs. Ping Ye ZHANG, Hanlindale Trust, Ms. Hong YE and XinYue International Limited is deemed to be interested in the aggregate equity interests of all the Concert Parties.
- (6) To the best of the Directors' knowledge, LAV Aero Limited is wholly-owned by LAV Biosciences Fund IV, L.P., a Cayman exempted limited partnership fund. The general partner of LAV Biosciences Fund IV, L.P. is LAV GP IV, L.P., whose general partner is LAV Corporate IV GP, Ltd., a Cayman company owned by Mr. Yi SHI. Therefore, under the SFO, each of LAV Biosciences Fund IV, L.P., LAV GP IV, L.P., LAV Corporate IV GP, Ltd. and Mr. Yi SHI is deemed to be interested in 42,428,460 Shares held by LAV Aero Limited.

In addition, to the best of the Directors' knowledge, upon completion of the Global Offering and taking into account the 2,523,000 Shares to be subscribed for by LAV Aero Limited at the Offer Price of HK\$15.36 pursuant to the cornerstone investment agreement as further described under the section headed "Cornerstone Placing" in the Prospectus, LAV, which collectively refers to LAV Aero Limited and Shanghai Liyi Biotech, L.P., controls the exercise of 9.86% of the voting power at the general meeting of the Company. Shanghai Liyi Biotech, L.P. holds 19,952,740 Shares directly.

- (7) To the best of the Directors' knowledge, Matrix China Management IV, L.P. is the general partner of Matrix Partners China IV, L.P. and Matrix Partners China IV-A, L.P., both are the beneficial owners of the Company. The general partner of Matrix China Management IV, L.P. is Matrix China IV GP GP, Ltd.. Therefore, under the SFO, each of Matrix China Management IV, L.P. and Matrix China IV GP GP, Ltd. is deemed to be interested in an aggregate 32,682,320 Shares held by the two companies, including 29,711,580 Shares held by Matrix Partners China IV, L.P. and 2,970,740 Shares held by Matrix Partners China IV-A, L.P..

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2025, no person had registered an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE INCENTIVE SCHEMES

1. Share Option Plan

The Company has approved and adopted a Share Option Plan on December 27, 2019, a summary of the principal terms of which are set out in the section headed “D. Share Incentive Schemes — 1. Share Option Plan” in Appendix IV to the Prospectus.

(a) Purpose and Principal Terms

The purpose of the Share Option Plan is to enable the Group to grant options or awards to qualified persons (as determined by the sole opinion of the Board) including any director, employee, adviser and consultant of the Company or any of its associated companies as incentives, attraction, motivation or rewards by reason of their contribution or potential contribution to the Company and/or any of our associated companies. The principal terms of the Share Option Plan are as follows:

- 1) Subject to any alterations set out under the Share Option Plan in the event of any capitalization issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of capital of the Company that may take place after the Listing, the maximum number of Shares in respect of which options or awards may be granted under the Share Option Plan shall be 2,911,989 Shares (or 58,239,780 as adjusted after Capitalization Issue), representing approximately 12.7% of the total issued share capital of the Company immediately before completion of the Global Offering.

- 2) An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when a copy of the Grant Letter has been duly signed by the grantee, and a non-refundable payment of HK\$0.10 or its RMB equivalent has been made in favour of the Company by way of consideration for the grant and is received by the Company on or before the relevant acceptance date.
- 3) No option or award under the Share Option Plan will be granted after the Listing Date, although provisions of the Share Option Plan will in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted pursuant to the Share Option Plan (“**Option**”) on or prior to the Listing Date or otherwise as may be required in accordance with the provisions of the Share Option Plan and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.
- 4) A grantee may subscribe for the Shares on the exercise of an Option at the price approved by the Board in its absolute discretion with reference to factors which may include business performance and value of the Company and individual performance of the relevant grantee, and in any case, shall not be less than the par value of the Shares.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(a) Purpose and Principal Terms (cont'd)

- 5) An Option is personal to the grantee and is not assignable and no grantee is permitted in any way to sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (with the exception that the grantee may transfer the Options to a trust in which he/she is a beneficiary thereof or the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Plan may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee without compensation.
- 6) The Shares to be allotted upon the exercise of an Option is subject to the constitutional documents of the Company for the time being in force and, once issued, ranks *pari passu* in all respects with and has the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue.
- 7) Each grantee to whom a share award has been granted shall be entitled to the Shares they are awarded in accordance with the terms (including any restrictions and vesting requirement that may be imposed) of the Share Option Plan and the Grant Letter. However, in any case, a grantee is not entitled to exercise any Option until the Listing Date.
- 8) The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted pursuant to the Share Option Scheme and any other share option scheme(s) of the Company to each participant in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue. Any further grant of options which would result in the number of the Shares issued as aforesaid exceeding the said 1% limit must be approved by the Shareholders in general meeting at which such participant and his or her associates must abstain from voting.
- 9) In terms of rights on death or termination of employment:
 - (i) If the grantee ceases to be an eligible participant of the Share Option Plan as a result of death, ill-health, injury or disability (including permanent disability), provided that the grantee's relationship with the Group had not been otherwise terminated by the occurrence of events which would have caused his Option(s) to lapse (as defined in the Share Option Plan), the grantee or his personal representatives is entitled within 12 months from the date of cessation of being an eligible participant or death to exercise his Option in full (to the extent not already exercised);

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(a) Purpose and Principal Terms (cont'd)

- (ii) If the grantee ceases to be an eligible participant of the Share Option Plan as a result of termination of his relationship with the Group due to the occurrence of events which would have caused his Option(s) to lapse (as defined in the Share Option Plan), the grantee's Options will terminate on the date of such cessation without compensation, regardless of whether the Options are exercisable or not;
 - (iii) If the grantee's ceases to be an eligible participant of the Share Option Plan as a result of termination of his relationship with the Group for any reason other than those referred to in (i) and (ii) above, the grantee may exercise his Option up to his entitlement at the date of cessation of being an eligible participant (to the extent not already exercised) within 60 days following the date of such cessation.
- 10) The Board may, at any time, alter in any respect the terms and conditions of the Share Option Plan and the regulations for the Share Option Plan's administration and operation, provided that such alteration does not adversely affect the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with the Grantee's written consent or by special resolution passed at a meeting of the grantees.

- 11) The Company by ordinary resolution of the Board may at any time resolve to terminate the operation of the Share Option Plan and in such event no further Options shall be offered but the provisions of the Share Option Plan shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Plan and Options granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

(b) Establishment of Employee Trust

On December 31, 2019, the Company entered into a trust deed with Trident Trust Company (HK) Limited (the "**Trustee**"), pursuant to which the Trustee has agreed to act as the trustee to administer the Share Option Plan and to hold the Shares underlying the options granted under the Share Option Plan.

To the extent permitted under the Scheme and applicable law and regulations, the Trustee shall follow the instruction of Dr. ZHANG in respect of the exercise of voting rights (if any) and powers in relation to the Shares underlying the Options until the Shares underlying the Options have been transferred outside of the Trust to the relevant Grantee(s) or their designated nominee(s).

The trust deed will terminate automatically upon the expiry of the trust period as stipulated in the Trust Deed provided that the Trustee has received all fees, costs, expenses and other amounts payable to it under or in connection with the terms of this Deed.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(c) Outstanding Grants

No option or award under the Share Option Plan has been granted after the Listing Date. As of June 30, 2025, outstanding options to subscribe for an aggregate of 32,004,671 Shares have been granted to a total of 110 eligible participants by the Company under the Share Option Plan. The total number of Shares available for issue under the Share Option Plan as of the date of this interim report is 32,004,671, which represents 4.78% of the issued Shares (excluding treasury shares) as of the date of this interim report. The Share Option Plan will expire on December 26, 2029, and the remaining life of the Share Option Plan is approximately four years as at the date of this interim report.

A summary of the grantees who have been granted options under the Share Option Plan is set forth below:

Grantee	Position/Relationship	Number of Shares under outstanding options granted				As at June 30, 2025	Weighted average closing price of Shares immediately before the options were exercised (HK\$)	Note(s)
		As at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period			
Directors								
Dr. Yi ZHANG	Executive Director; Chairman; Chief Executive Officer	4,657,720	0	0	0	4,657,720	—	1, 2, 3, 4, 5
Hong YE	Executive Director; Board Secretary	5,690,339	0	0	0	5,690,339	—	6, 7, 8, 13, 16
Other Grantees								
Other option holders including former and current employees, chief management and consultants of the Group	Not applicable	22,687,712	0	995,100	36,000	21,656,612	4.98	7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26
		33,035,771	0	995,100	36,000	32,004,671		

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(c) Outstanding Grants (cont'd)

Notes:

1. With vesting commencement date on July 5, 2017 and on July 31, 2017 and exercisable at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94), and US\$0.65 (equivalent to approximately HK\$5.06), respectively.
2. With vesting commencement date on July 5, 2017 and on July 31, 2017 and exercisable when a qualified initial public offering ("IPO") is achieved (which this Offering qualifies for) at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94), and US\$0.65 (equivalent to approximately HK\$5.06), respectively.
3. With vesting commencement date on July 5, 2017 and on July 31, 2017 and exercisable when certain product candidate obtains relevant regulatory approvals and has commenced sales for one year at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94), and US\$0.65 (equivalent to approximately HK\$5.06), respectively.
4. With vesting commencement date on July 5, 2017 and on July 31, 2017 and exercisable when certain product candidate obtains relevant regulatory approvals at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94), and US\$0.65 (equivalent to approximately HK\$5.06), respectively.
5. With vesting commencement date on July 5, 2017 and on July 31, 2017 and exercisable when certain product candidates commence their corresponding clinical trials at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94), and US\$0.65 (equivalent to approximately HK\$5.06), respectively.
6. With vesting commencement date on August 24, 2011 and exercisable when a qualified IPO is achieved (which this IPO qualifies for) at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
7. With vesting commencement date on December 31, 2019 and in accordance with a vesting schedule, the Shares subject to the corresponding options will be vested in equal proportions in yearly intervals, but in any event not later than the fourth anniversary of the vesting commencement date, and exercisable upon the satisfaction of certain performance conditions as determined by the Board at its discretion, at an exercise price of, where applicable, US\$0.25 (equivalent to approximately HK\$1.94), US\$0.39 (equivalent to approximately HK\$3.04), or US\$0.55 (equivalent to approximately HK\$4.27), respectively.
8. With vesting commencement date on December 27, 2019 and exercisable when a qualified IPO is achieved (which this IPO qualifies for), at an exercise price of US\$0.73 (equivalent to approximately HK\$5.69).
9. With vesting commencement date on December 27, 2019 and exercisable when a qualified IPO is achieved (which this Offering qualifies for), at an exercise price of, where applicable, US\$0.25 (equivalent to approximately HK\$1.94), or US\$0.65 (equivalent to approximately HK\$5.06), respectively.
10. With vesting commencement date on April 7, 2020 and in accordance with a vesting schedule, 9.09% of the Shares subject to the corresponding options will be vested on the vesting commencement date, 18.18% of the Shares on the first anniversary, 27.27% of the Shares on the second anniversary, and 45.45% on the third anniversary, and are exercisable at an exercise price of US\$0.65 (equivalent to approximately HK\$5.06).
11. With vesting commencement date on January 1, 2017 and exercisable immediately and in yearly intervals, in equal proportions on the last day of each calendar year, when certain long service condition is satisfied, but in any event before the fifth anniversary of the vesting commencement date, at an exercise price of US\$0.25 (equivalent to approximately HK\$1.94).

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(c) *Outstanding Grants (cont'd)*

Notes: (cont'd)

12. With vesting commencement date on August 31, 2020 and in accordance with a vesting schedule, 20% of the Shares subject to the corresponding options will be vested on the vesting commencement date, 50% of the Shares on the first anniversary, and 30% of the Shares on the second anniversary, and each exercisable when certain long service condition is satisfied, at an exercise price of US\$0.65 (equivalent to approximately HK\$5.06).
13. For one eligible participant, with vesting commencement date on December 31, 2020 and in accordance with a vesting schedule, 50% of the Shares subject to the corresponding options will be vested on the vesting commencement date and the remainder on the first anniversary, and each exercisable upon the satisfaction of certain performance conditions as determined by the Board at its discretion, at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
14. For one eligible participant, with vesting commencement date on September 1, 2016 and exercisable in yearly intervals, in equal proportions, when certain performance condition is satisfied, but in any event not later than the fourth anniversary of the vesting commencement date, at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
15. For one eligible participant, with vesting commencement date on June 30, 2021 and in accordance with a vesting schedule, 20% of the Shares subject to the corresponding options will be vested on the vesting commencement date, 20% of the Shares on the first anniversary, 20% of the Shares on the second anniversary, and 40% of the Shares on the third anniversary, and each exercisable when certain long service condition is satisfied, at an exercise price of, where applicable, US\$0.25 (equivalent to approximately HK\$1.94), or US\$0.39 (equivalent to approximately HK\$3.04), respectively.
16. With vesting commencement date on August 18, 2020 and in accordance with a vesting schedule for the eligible participants, 20% of the Shares subject to the corresponding options will be vested on the vesting commencement date, 50% of the Shares on the second anniversary, and 30% of the Shares on the third anniversary, and are exercisable at an exercise price of, where applicable, US\$0.25 (equivalent to approximately HK\$1.94), or US\$0.39 (equivalent to approximately HK\$3.04), respectively.
17. For 47 eligible participants, with vesting commencement dates falling on either the December 31 of 2019, 2020, 2021, 2022, or 2023 and in accordance with a vesting schedule for each of the eligible participants, the Shares subject to the corresponding options will be vested at annual intervals, but in any case not later than the fourth anniversary of the vesting commencement date, upon the satisfaction of certain performance conditions as determined by the Board at its discretion, and exercisable at an exercise price of, where applicable, US\$0.03 (equivalent to approximately HK\$0.23), or US\$0.39 (equivalent to approximately HK\$3.04), respectively.
18. For one eligible participant, with vesting commencement date on January 1, 2015 and exercisable when certain sales target is satisfied as determined by the Board at its discretion, at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
19. For one eligible participant, with vesting commencement date on December 31, 2020, the Shares subject to the corresponding options will be vested on the vesting commencement date, and exercisable upon the satisfaction of certain performance conditions as determined by the Board at its discretion, at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
20. For one eligible participant, with vesting commencement date on April 30, 2010 and on October 25, 2018 and exercisable 12 months after a qualified IPO is achieved (which this Offering qualifies for), at an exercise price of US\$0.029 (equivalent to approximately HK\$0.23), and US\$0.18 (equivalent to approximately HK\$1.38), respectively.

SHARE INCENTIVE SCHEMES (CONT'D)

1. Share Option Plan (cont'd)

(c) Outstanding Grants (cont'd)

Notes: (cont'd)

21. For two eligible participants, with vesting commencement date on February 28, 2018 and exercisable if certain employment condition is satisfied, at an exercise price of US\$0.03 (equivalent to approximately HK\$0.23).
22. For one eligible participant, with vesting commencement date on December 31, 2020 and exercisable when certain product candidates obtain registration certificates and production permits, at an exercise price of US\$0.39 (equivalent to approximately HK\$3.03); with vesting commencement date on December 31, 2021, the Shares subject to the corresponding options will be vested on the vesting commencement date, and exercisable upon the satisfaction of certain performance conditions as determined by the Board at its discretion, at an exercise price of US\$0.39 (equivalent to approximately HK\$3.03).
23. For one eligible participant, with vesting commencement date on December 31, 2019 and exercisable when certain sales target is satisfied as determined by the Board at its discretion, at an exercise price of US\$0.39 (equivalent to approximately HK\$3.04).
24. For 11 eligible participants, with vesting commencement date on December 31, 2021 and in accordance with their respective vesting schedules, the Shares subject to the corresponding options will be vested in equal proportions at annual intervals, upon the satisfaction of certain performance conditions as determined by the Board at its discretion, but in any event not later than the fourth anniversary of the vesting commencement date, and are exercisable at an exercise price of US\$0.39 (equivalent to approximately HK\$3.04).
25. For one eligible participant, with vesting commencement date on July 31, 2019, and exercisable when certain product candidate successfully completes a clinical trial, at an exercise price of US\$0.65 (equivalent to approximately HK\$5.06).

26. For 13 eligible participants, with vesting commencement date on December 27, 2019 and exercisable when a qualified IPO is achieved (which this Offering qualifies for), at an exercise price of US\$0.73 (equivalent to approximately HK\$5.69).

27. The exercise price has been adjusted to give effect to the Capitalization Issue and rounded to two decimal places.

Please refer to Note 23 to the condensed consolidated financial statements for further details.

As of June 30, 2025, no other options have been granted or agreed to be granted by our Company under the Share Option Plan.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme

The Company has conditionally approved and adopted an RSU scheme on April 28, 2020. The principal terms of which are set out in the section headed "D. Share Incentive Schemes — 2. RSU Scheme" in Appendix IV to the Prospectus.

(a) *Term*

Subject to the termination provision of the RSU Scheme, it shall be valid and effective for a period of 10 years commencing on the Listing Date. As such, the remaining life of the RSU Scheme is approximately 5.5 years as of the date of this interim report. Upon the expiry of the RSU Scheme, no further Awards (as defined below) will be granted, but the provisions of the RSU Scheme shall in all other respects remain in full force and effect and Awards that are granted during the Term of the RSU Scheme may continue to be exercisable in accordance with their terms of issue.

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the RSU Scheme and in such event no further Awards will be granted but in all other respects the provisions of the RSU Scheme shall remain in full force and effect in respect of RSU which are granted during the life of the RSU Scheme and which remain unvested immediately prior to the termination of the operation of the scheme.

(b) *Purpose*

The purpose of the RSU Scheme is to incentivize eligible participants in the RSU Scheme for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

(c) *Who may join*

The Directors may, at their absolute discretion, invite any person belonging to any of the following categories of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up the Awards (as defined below):

- (i) the employees or officers (including executive, non-executive and independent non-executive Directors);
- (ii) any person or entity that provides research, development, consultancy and other technical or operational or administrative support to the Group; and
- (iii) any other persons who, in the sole opinion of the Board, have contributed or will contribute to the Company and/or any of its Subsidiaries.

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(d) Awards

An award pursuant to the RSU Scheme (an "**Award(s)**") gives a RSU Participant a conditional right when the relevant restricted share unit (an "**RSU(s)**") vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSU, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion. Each RSU represents one underlying Share.

(e) Grant and Acceptance of Awards

On and subject to the terms of the RSU Scheme and the terms and conditions that the Board imposes pursuant thereto, the Board shall be entitled at any time during the life of the RSU Scheme to make a grant to any RSU Participant, as the Board may in its absolute discretion determine. For the avoidance of doubt, "grant" used in this "Supplemental Information — Shares Incentive Schemes — 2. RSU Scheme" section has the meaning as defined under Chapter 17 of the Listing Rules, and such meaning only applies to this section of this interim report.

Awards may be granted on such terms and conditions (e.g. by linking the vesting of their RSU to the attainment or performance of milestones by any member of the Group, the grantee or any group of RSU Participants) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the RSU Scheme.

A grant shall be made to a RSU Participant in such form as the Board may from time to time determine (the "**Notice of Grant**") and such grant shall be subject to the terms as specified in the RSU Scheme. The RSU Participant shall undertake to hold the Award on the terms on which it is granted and be bound by the provisions of the RSU Scheme. Such Award shall remain open for acceptance by the RSU Participant to whom a grant is made for a period to be determined by the Board, provided that no such grant shall be open for acceptance after May 15, 2030 or after the RSU Scheme has been terminated in accordance with the provisions hereof. To the extent that the Award is not accepted within the period determined by the Board, it will be deemed to have been irrevocably declined and shall immediately lapse.

If the RSU Participant accepts the offer of grant of RSU(s) by signing the Notice of Grant, he is required to sign an acceptance notice and return it to the Company within the period specified and in a manner prescribed in the Notice of Grant. Upon the receipt from the RSU Participant of a duly executed acceptance notice, the RSU(s) is deemed granted to such RSU Participant from the date of the Notice of Grant, and the RSU Participant becomes a grantee (the "**Grantee**") in the RSU Scheme.

(f) Vesting

The Board has the sole discretion to determine the vesting criteria, conditions and the time for any grant of Award(s) to any Grantee (including, if applicable, a purchase price of shares awarded), which may also be adjusted and re-determined by the Board from time to time. If the vesting conditions are not satisfied or waived by the Board, the RSU shall be cancelled automatically on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion. The Grantee may obtain either Shares or an equivalent value in cash when the Award vests.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(g) *Restriction on Grant of Awards*

The Board may not grant any Awards where (a) the requisite approvals for that grant from any applicable regulatory authorities have not been obtained; (b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awards or in respect the RSU Scheme, unless the Board determines otherwise; (c) where granting the Award would result in a breach by the Company, its subsidiaries or any of the directors of any applicable securities laws, rules or regulations; or where such grant of Award would result in a breach of the limits of the RSU Scheme.

Any Awards granted under the RSU Scheme and any other share scheme (as defined under the Listing Rules) to a specific participant (excluding any options and awards lapsed in accordance with the terms of such scheme) in a 12 month period up to and including the date of an Award shall not exceed 1% of the total issued Share capital of the Company unless such Award is approved by the shareholders of the Company (with the Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting).

Further, no grant shall be made to, nor shall any grant be capable of acceptance by, any RSU Participant at a time when the RSU Participant would or might be prohibited from dealing in the Shares by any applicable rules, regulations or laws. In particular, where any Award is proposed to be granted to a director of any members of the Group, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

Any grant of an Award to any connected person (as defined in the Listing Rules), or any of their respective associates (as defined in the Listing Rules), shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed Grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.73(6) of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his/her service contract.

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) *General and Maximum Limit*

The maximum number of Shares which may be granted under the RSU Scheme is 6,100,420, representing approximately 0.9% of the number of issued Shares capital of the Company (excluding treasury shares) as of June 30, 2025. All of the Shares were held by Trident Trust Company (HK) Limited, a trust established for the administration of the RSU Scheme. No new Shares may be allotted pursuant to the RSU Scheme.

The voting rights attached to the Shares underlying the Award shall at all times be exercised by the enforcer or adviser of Trident Trust Company (HK) Limited in accordance with the terms of the relevant trust deed, provided that in accordance with the Listing Rules, the trustee of Trident Trust Company (HK) Limited holding unvested Shares shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

A summary of the Awards granted to Directors and service providers under the RSU Scheme as of June 30, 2025 are as follows:

Participant	Date of grant	Number of RSU granted	Vesting period	Closing price of Shares immediately before the date of grant (HK\$)	Value of award as at the date of grant ⁽⁷⁾	As of January 1, 2025	Number of RSUs			Weighted average closing price of Shares immediately before the RSUs were vested (HK\$)
							Vested during the Reporting Period	Cancelled or Lapsed during the Reporting Period ⁽⁴⁾	Granted but not vested balance as of June 30, 2025	
Directors										
Robert Ralph PARKS	October 30, 2020	2,835	⁽¹⁾	24.65	US\$12,842	—	—	—	—	5.68
	September 30, 2020	7,056	⁽¹⁾	26.85	US\$25,000	—	—	—	—	
	December 31, 2020	6,871	⁽¹⁾	28.35	US\$25,000	—	—	—	—	
	March 31, 2021	7,828	⁽¹⁾	24.7	US\$25,000	—	—	—	—	
	June 30, 2021	5,359	⁽¹⁾	35.9	US\$25,000	—	—	—	—	
	September 30, 2021	9,129	⁽¹⁾	20.05	US\$25,000	—	—	—	—	
	December 31, 2021	14,586	⁽¹⁾	12.54	US\$25,000	—	—	—	—	
	April 1, 2022	25,709	⁽¹⁾	7.1	US\$25,000	5,142	5,142	—	—	
	June 30, 2022	25,012	⁽¹⁾	7.69	US\$25,000	5,002	5,002	—	—	
	September 30, 2022	31,755	⁽¹⁾	5.85	US\$25,000	6,351	—	—	6,351	
	December 31, 2022	20,020	⁽¹⁾	9.56	US\$25,000	4,004	—	—	4,004	
	1 April 2023	19,907	⁽¹⁾	9.83	US\$25,000	7,962	3,981	—	3,981	
	30 June 2023	31,852	⁽¹⁾	5.86	US\$25,035	12,740	6,370	—	6,370	
	September 29, 2023	27,419	⁽¹⁾	7.25	US\$25,000	10,968	—	—	10,968	
	December 31, 2023	26,440	⁽¹⁾	7.39	US\$25,000	10,576	—	—	10,576	
	June 21, 2024	50,203	⁽¹⁾	2.87	US\$25,000	30,122	10,041	—	20,081	
	June 30, 2024	74,738	⁽¹⁾	2.28	US\$25,000	44,844	14,948	—	29,896	
	September 30, 2024	53,077	⁽¹⁾	3.42	US\$25,000	31,845	—	—	31,845	
	December 31, 2024	48,760	⁽¹⁾	4.06	US\$25,000	29,256	—	—	29,256	
	March 31, 2025	38,970	⁽¹⁾	5.13	US\$25,000	—	15,588	—	23,382	
	June 30, 2025	30,331	⁽¹⁾	6.39	US\$25,000	—	12,133	—	18,198	

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) General and Maximum Limit (cont'd)

Participant	Date of grant	Number of RSU granted	Vesting period	Closing price of Shares immediately before the date of grant (HK\$)	Value of award as at the date of grant ⁽⁷⁾	Number of RSUs			Weighted average closing price of Shares immediately before the RSUs were vested (HK\$)
						As of January 1, 2025	Vested during the Reporting Period	Cancelled or Lapsed during the Reporting Period ⁽⁴⁾	Granted but not vested balance as of June 30, 2025
Stephen Newman OESTERLE	September 30, 2020	7,056	⁽¹⁾	26.85	US\$25,000	—	—	—	—
	June 30, 2020	2,835	⁽²⁾	35.8	US\$12,842	—	—	—	—
	December 31, 2020	6,871	⁽¹⁾	28.35	US\$25,000	—	—	—	—
	March 31, 2021	7,828	⁽¹⁾	24.7	US\$25,000	—	—	—	—
	June 30, 2021	5,359	⁽¹⁾	35.9	US\$25,000	—	—	—	—
	September 30, 2021	9,129	⁽¹⁾	20.05	US\$25,000	—	—	—	—
	December 31, 2021	14,586	⁽¹⁾	12.54	US\$25,000	—	—	—	—
	April 1, 2022	25,709	⁽¹⁾	7.1	US\$25,000	5,142	5,142	—	—
	June 30, 2022	25,012	⁽¹⁾	7.69	US\$25,000	5,002	5,002	—	—
	September 30, 2022	31,755	⁽¹⁾	5.85	US\$25,000	6,351	—	—	6,351
	December 31, 2022	20,020	⁽¹⁾	9.56	US\$25,000	4,004	—	—	4,004
	1 April 2023	19,907	⁽¹⁾	9.83	US\$25,000	7,962	3,981	—	3,981
	30 June 2023	31,852	⁽¹⁾	5.86	US\$25,035	12,740	6,370	—	6,370
	September 29, 2023	27,419	⁽¹⁾	7.25	US\$25,000	10,968	—	—	10,968
	December 31, 2023	26,440	⁽¹⁾	7.39	US\$25,000	10,576	—	—	10,576
	June 21, 2024	50,203	⁽¹⁾	2.87	US\$25,000	30,122	10,041	—	20,081
	June 30, 2024	74,738	⁽¹⁾	2.28	US\$25,000	44,844	14,948	—	29,896
	September 30, 2024	53,077	⁽¹⁾	3.42	US\$25,000	31,845	—	—	31,845
	December 31, 2024	48,760	⁽¹⁾	4.06	US\$25,000	29,256	—	—	29,256
	March 31, 2025	38,970	⁽¹⁾	5.13	US\$25,000	—	15,588	—	23,382
	June 30, 2025	30,331	⁽¹⁾	6.39	US\$25,000	—	12,133	—	18,198
Service Providers⁽⁵⁾⁽⁸⁾									
	June 1, 2020	10,844	⁽²⁾	25.35	US\$37,500	—	—	—	—
	September 1, 2020	10,693	⁽²⁾	25.8	US\$37,500	—	—	—	—
	December 1, 2020	14,067	⁽²⁾	20.6	US\$37,500	—	—	—	—
	March 1, 2021	11,766	⁽²⁾	23.8	US\$37,500	—	—	—	—
	June 1, 2021	10,034	⁽²⁾	28.95	US\$37,500	—	—	—	—
	September 1, 2021	12,802	⁽²⁾	22.85	US\$37,500	—	—	—	—
	October 14, 2021	50,000	⁽²⁾	20.6	US\$131,213	—	—	—	—
	December 1, 2021	16,228	⁽²⁾	16.78	US\$37,500	—	—	—	—
	March 1, 2022	22,593	⁽²⁾	12.3	US\$37,500	—	—	—	—
	May 31, 2022	43,283	⁽²⁾	6.48	US\$37,500	—	—	—	—
	August 31, 2022	46,721	⁽²⁾	6.25	US\$37,500	—	—	—	—
	December 1, 2022	49,186	⁽²⁾	7.73	US\$50,000	—	—	—	—
	September 21, 2020	60,133 ⁽⁹⁾	⁽¹⁰⁾	28.6	RMB1,500,000	35,130 ⁽⁶⁾	—	—	35,130

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) General and Maximum Limit (cont'd)

Participant	Date of grant	Number of RSU granted	Vesting period	Closing price of Shares immediately before the date of grant (HK\$)	Value of award as at the date of grant ⁽⁷⁾	Number of RSUs			Weighted average closing price of Shares immediately before the RSUs were vested (HK\$)
						As of January 1, 2025	Vested during the Reporting Period	Cancelled or Lapsed during the Reporting Period ⁽⁴⁾	Granted but not vested balance as of June 30, 2025
	March 1, 2023	17,064	(2)	11.38	US\$25,000	—	—	—	—
	June 1, 2023	27,281	(3)	6.82	US\$25,000	—	—	—	—
	September 1, 2023	27,002	(3)	7.26	US\$25,000	—	—	—	—
	December 1, 2023	24,351	(3)	8.01	US\$25,000	—	—	—	—
	March 1, 2024	38,001	(3)	5.08	US\$25,000	—	—	—	—
	June 1, 2024	53,403	(3)	3.66	US\$25,000	—	—	—	—

Notes:

- RSUs were granted on a quarterly basis on March 31, June 30, September 30 and December 31 unless otherwise agreed. 40% of the RSUs granted shall vest immediately upon granting, 20%, 20% and 20% of the RSUs granted shall vest on the first, second and third anniversary of the respective grant dates. The RSUs are granted with the purchase price of zero.
- The Award vests immediately upon grant. The RSUs are granted with the purchase price of zero.
- The Award vests immediately upon grant.
- No RSUs granted to Directors or service providers were cancelled or lapsed during the Reporting Period.
- One of the service providers is a consultant, who is a former employee of Peijia Medical. He had resigned from Peijia Medical on December 31, 2021 and became a consultant of Peijia Medical immediately upon his resignation. Pursuant to a contract entered into on January 1, 2022 between the Company, Suzhou Peijia, and the consultant, the RSUs held by the consultant continue to remain valid.
- Number of RSUs under the award as of January 1, 2025 and June 30, 2025 are indicative only, and are based on an illustrative exchange rate of HK\$1:RMB0.89327 and an illustrative closing price of HK\$9.56 per Share (being the closing price of the Shares on December 30, 2022). The number of RSUs eventually received by the participant may be greater or smaller than the indicated amount, as the number of RSUs to be vested is determined at each vesting date.
- Awards granted to Directors and service providers were granted with reference to a fixed monetary value. Therefore, no valuation on the fair value of the award as of the date of grant was made on the RSUs granted.
- No service providers were granted RSUs in any 12-month period exceeding 0.1% of the issued Shares.
- The award was granted at an absolute monetary value of RMB1,500,000. Number of RSUs under the award is indicative only, and is based on the exchange rate of HK\$1:RMB0.87219 and the closing price of the Shares on September 21, 2020, being HK\$28.6 per Shares. The number of RSUs eventually received by the participant may be greater or smaller than the indicated amount, as the number of RSUs to be vested is determined at each vesting date.
- The Award has a vesting term of 5 years from the grant date. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first, second, third, fourth and fifth anniversary of the grant date respectively.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) General and Maximum Limit (cont'd)

A summary of the Awards granted to employees (excluding Directors) under the RSU Scheme as of June 30, 2025 are as follows:

Date of grant	Monetary value of the Award ⁽¹⁾ (RMB)	Vesting Period	Closing price of Shares immediately before the date of grant (HK\$)	Indicative number of RSUs under the unvested Award as of January 1, 2025 ⁽⁴⁾	Monetary value of the unvested Award as of January 1, 2025 (RMB)	Number of RSUs vested during the Reporting Period ⁽¹⁷⁾	Number of RSUs lapsed during the Reporting Period ⁽³⁾	Indicative number of RSUs under the unvested Award as of June 30, 2025 ⁽⁴⁾	Monetary value of the unvested Award as of June 30, 2025 (RMB)
Employees (excluding Directors)⁽⁹⁾									
October 12, 2020	2,000,000	(7)	28	70,260	600,000	—	—	70,260	600,000
December 21, 2020	7,000,000	(8)	24.4	234,201	2,000,000	—	—	234,201	2,000,000
April 1, 2022	3,000,000	(13)	7.1	140,521	1,200,000	—	—	140,521	1,200,000
March 1, 2021	5,000,000	(6)	23.8	234,201	2,000,000	—	—	234,201	2,000,000
April 1, 2021	1,050,000	(10)	24.75	—	—	—	—	—	—
March 1, 2021	350,000	(18)	23.8	24,591	210,000	18,921	—	16,394	140,000
November 4, 2021	750,000	(14)	17.28	87,825	750,000	—	—	87,825	750,000
November 4, 2021	426,023 ⁽¹⁵⁾	(12)	17.28	39,910	340,818	65,146	—	14,966	127,807
November 4, 2021	1,789,296 ⁽¹⁵⁾	(12)	17.28	167,622	1,431,438	—	—	167,622	1,431,438
November 4, 2021	1,278,069 ⁽¹⁵⁾	(12)	17.28	119,730	1,022,455	195,437	—	44,899	383,421
January 1, 2023	1,250,000	(9)	7.31	87,825	750,000	58,256	—	58,550	500,000
May 25, 2023	1,000,000	(11)	7.46	—	—	—	—	—	—
May 25, 2023	5,660,404	(11)	7.46	—	—	—	—	—	—
September 25, 2023	1,140,000	(14)	6.96	106,796	912,000	—	—	106,796	912,000
March 31, 2024	331,907	(11)	3.66	—	—	—	—	—	—
April 1, 2025	970,544	(11)	4.99	—	—	200,000	—	—	—
Including: top five highest paid employees⁽⁹⁾									
April 1, 2025	970,544	(11)	4.99	—	—	200,000	—	—	—
November 4, 2021	1,278,069 ⁽¹⁵⁾	(12)	17.28	119,730	1,022,455	195,437	—	44,899	383,421
January 1, 2023	1,250,000	(9)	7.31	87,825	750,000	58,256	—	58,550	500,000
April 1, 2021	1,050,000	(10)	24.75	—	—	—	—	—	—

Notes:

- Awards granted to employees (other than directors) were in an absolute monetary amount as at the date of grant. The number of RSUs to be vested is determined at each vesting date. Therefore, no valuation on the fair value of the award as of the date of grant was made on the RSU granted.
- The RSUs were granted with the purchase price of zero.
- No RSUs were cancelled during the Reporting Period.
- The number of RSUs under the award as of January 1, 2025 and June 30, 2025 are indicative only, and are based on an illustrative exchange rate of HK\$1:RMB0.89327 and an illustrative closing price of the Shares of HK\$9.56 per Share (being the closing price of the Shares on December 30, 2022). The number of RSUs eventually received by the participant may be greater or smaller than the indicated amount, as the number of RSUs to be vested is determined at each vesting date.

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) General and Maximum Limit (cont'd)

5. The weighted average closing price of Shares immediately before the RSUs were vested during the Reporting Period for employees (excluding Directors) was HK\$5.01. The weighted average closing price of Shares immediately before the RSUs were vested during the Reporting Period for the top five highest paid employees is HK\$4.98.
6. The Award has a vesting term of 5 years from the grant date. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first, second, third, fourth and fifth anniversary of the grant date respectively.
7. The Award has a vesting term of 5 years from the grant date. The Award shall be vested according to the vesting schedule: RSUs worth 15% of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first and second anniversary of the grant date respectively; RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on the third and fourth anniversary of the grant date respectively; RSUs worth 30% of the monetary value of the Award (calculated at each vesting date) shall be vested on the fifth anniversary of the grant date.
8. The Award has a vesting term of 5 years from the grant date. The Award shall be vested according to the vesting schedule: RSUs worth 12.9% of the monetary value of the Award (calculated at vesting date) shall be vested on the first anniversary of the grant date; RSUs worth 15.7% of the monetary value of the Award (calculated at vesting date) shall be vested on the second anniversary of the grant date; RSUs worth 19.3% of the monetary value of the Award (calculated at vesting date) shall be vested on the third anniversary of the grant date; RSUs worth 23.6% of the monetary value of the Award (calculated at vesting date) shall be vested on the fourth anniversary of the grant date; RSUs worth 28.5% of the monetary value of the Award (calculated at vesting date) shall be vested on the fifth anniversary of the grant date.
9. The Award has a vesting term of 5 years. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on April 17, 2023, April 17, 2024, April 17, 2025, April 17, 2026, and April 17, 2027 respectively.
10. The Award has a vesting term of 3 years from the grant date. The RSUs shall be vested according to the vesting schedule: RSU worth one-third of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first, second and third anniversary of the grant date respectively.
11. The Award vests immediately upon grant.
12. The Award has a vesting term of 5 years from January 1, 2021. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2022; RSUs worth 50% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2024; RSUs worth 30% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2025.
13. The Award has a vesting term of 5 years from December 21, 2021. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first, second, third, fourth and fifth anniversary of December 21, 2021 respectively.
14. The Award has a vesting term of 4 years from January 1, 2023. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2023; RSUs worth 50% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2025; RSUs worth 30% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2026.
15. The remuneration under the relevant employee contracts were denominated in Hong Kong dollars. The monetary value of the award was based on the exchange rate on November 4, 2021 of HK\$1:RMB0.82155.
16. The Award has a vesting term of 5 years from January 1, 2022. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2023; RSUs worth 50% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2025; RSUs worth 30% of the monetary value of the Award (calculated at the vesting date) shall be vested on December 31, 2026.
17. At the sole discretion of the Board, the Grantees may obtain either Shares or an equivalent value in cash, with reference to the market value of the Shares on or about the vesting date.
18. The Award has a vesting term of 5 years from March 1, 2022. The Award shall be vested according to the vesting schedule: RSUs worth 20% of the monetary value of the Award (calculated at each vesting date) shall be vested on each of the first, second, third, fourth and fifth anniversary of March 1, 2022 respectively.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

2. RSU Scheme (cont'd)

(h) *General and Maximum Limit (cont'd)*

None of the grantees were chief executive or substantial shareholders of the Company, or their respective associates during the Reporting Period.

Please refer to Note 22 and 23 to the condensed consolidated financial statements for further details.

3. Share Option Scheme

The Company has conditionally approved and adopted a Share Option Scheme on April 28, 2020.

A summary of the principal terms of which are set out in the section headed "D. Share Incentive Schemes – 3. Share Option Scheme" in Appendix IV to the Prospectus.

(a) *Term*

Subject to the termination provision of the Share Option Scheme, it shall be valid and effective for a period of 10 years commencing on the Listing Date. As such, the remaining life of the Share Option Scheme is approximately 5.5 years as of the date of this interim report. Upon the expiry of the Share Option Scheme, no further Options will be granted, but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect and Options that are granted during the Term of the Share Option Scheme may continue to be valid and exercisable in accordance the Share Option Scheme.

The Company by ordinary resolution of the Board may at any time resolve to terminate the operation of the Share Option Scheme and in such event no further Options shall be offered but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(b) *Purpose*

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine the performance targets to be achieved as well as the vesting period and exercise period of an option on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted.

SHARE INCENTIVE SCHEMES (CONT'D)

3. Share Option Scheme (cont'd)

(c) *Who may join*

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares:

- (i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and
- (ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

For the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of these classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of these classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of these class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the participant's contribution to the development and growth of the Group.

(d) *Maximum number of Shares*

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the Shares in issue on the day on which trading of the Shares commence on the Stock Exchange, such 10% limit represents 61,004,200 (the "**General Scheme Limit**"), but excluding any Shares which may be issued upon the exercise of the Over-allotment Option, which represents approximately 9.11% of issued shares as at the date of this report.
- (ii) Without prejudice to paragraph (iii) below, the Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of the Shares in issue as of the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.03C(2) of the Listing Rules.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

3. Share Option Scheme (cont'd)

(d) *Maximum number of Shares (cont'd)*

- (iii) Without prejudice to paragraph (ii) above, the Company may seek separate Shareholders' approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (ii) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.03C(3) of the Listing Rules.

(e) *Maximum entitlement of each participant*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "**Individual Limit**"). Any further grant of options in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before

Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03(9) and Rule 17.03E of the Listing Rules.

(f) *Grant of options to connected persons*

- (i) Any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

- (ii) Where any grant of options to a substantial Shareholder of the Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

1. representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
2. having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet the date of the offer of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

SHARE INCENTIVE SCHEMES (CONT'D)

3. Share Option Scheme (cont'd)

(f) *Grant of options to connected persons (cont'd)*

such further grant of options must be approved by the Shareholders in a general meeting. The Company must send a circular to its Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favor of the relevant resolution at such general meeting. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in a general meeting.

(g) *Subscription price for Shares and consideration for the option*

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any Business Day falling within the period before Listing); and (iii) the nominal value of a Share on the date of grant. The amount payable per Share on subscription or acceptance of the underlying options under the Share Option Scheme is HK\$1.00, and the period within which payments must be made is five business days from the date on which the letter containing the offer to the underlying options under the Share Option Scheme is delivered to the eligible participant.

Please refer to Note 23 to the condensed consolidated financial statements for further details.

Supplementary Information

SHARE INCENTIVE SCHEMES (CONT'D)

3. Share Option Scheme (cont'd)

(g) *Subscription price for Shares and consideration for the option (cont'd)*

A summary of the options granted under the Share Option Scheme that were still outstanding as of June 30, 2025 are as follows:

Grantee	Position/ Relationship	Date of Grant	Vesting Period	Exercise Period	Exercise Price ⁽⁵⁾ (HK\$)	As of January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	As of June 30, 2025
190 Employees	Other employee participants	2021/12/7	2021/1/1– 2025/12/31	2021/12/7– 2031/12/6	15.97	1,659,893	0	0	374,397	40,884	1,244,612
		2021/12/7	2021/7/1– 2026/6/30	2021/12/7– 2031/12/6	15.97	302,339	0	0	273,667	—	28,672
		2021/12/7	2022/1/1– 2024/12/31	2021/12/7– 2031/12/6	15.97	100,000	0	0	—	—	100,000
		2021/12/7	2022/1/1– 2026/12/31	2021/12/7– 2031/12/6	15.97	2,900,937	0	0	1,634,424	131,371	1,135,142
66 employees	Other employee participants	2023/01/19	2023/01/19– 2027/01/18	2023/01/19– 2033/01/18	11.44	1,086,360	0	0	507,232	124,080	455,048
		2023/01/19	2023/01/19– 2028/01/18	2023/01/19– 2033/01/18	11.44	675,340	0	0	134,816	110,548	429,976
159 employees	Other employee participants	2025/5/13	2026/5/13– 2028/5/12	2026/5/13– 2035/5/12	5.70	—	1,439,400	—	—	—	1,439,400
						6,724,869	1,439,400	0	2,924,536	406,883	4,832,850

Notes:

- (1) During the Reporting Period, a total of 176,743 share options lapsed due to 9 employees resigning from the Group.
- (2) The closing price per Share immediately on the date of grant (December 7, 2021) was HK\$15.26. The closing price per Share immediately on the date of grant (January 19, 2023) was HK\$10.96. The closing price per Share immediately on the date of grant (May 13, 2025) was HK\$5.70.
- (3) Performance targets: the Grantees must (i) achieve Grade B or above in their respective performance appraisals; and (ii) remain as employees of the Company when the relevant Share Options are vested.
- (4) The fair value of the share options granted on December 7, 2021 was approximately HK\$53,117,000. The fair value of the share options granted on January 19, 2023 was approximately HK\$10,140,000. The fair value of the option granted on May 13, 2025 was approximately HK\$2.66. The accounting standard and policy adopted to estimate the fair value of the awards at the date of grant per Share is set out in note 23 of the Notes to Financial Statements.
- (5) The exercise price of the options was the average of the closing prices of the Shares as stated in the daily quotations sheet by the Stock Exchange for the five business days immediately preceding the date of grant.

SHARE INCENTIVE SCHEMES (CONT'D)

3. Share Option Scheme (cont'd)

(g) *Subscription price for Shares and consideration for the option (cont'd)*

As of June 30, 2025, assuming that all outstanding options to subscribe for aggregate of 4,832,850 Shares are exercised, the remaining total number of Shares available for issue under the Share Option Scheme is 56,171,350 Shares, representing approximately 8.39% of the issued share capital of the Company (excluding treasury shares) as at the date of this interim report.

As of January 1, 2025, the number of options available for grant under the scheme mandate was 54,279,331. 56,171,350 options were available for grant under the scheme mandate as of June 30, 2025.

As no options or award may be granted under the Share Option Plan after the Listing Date, and 1,439,400 options were granted during the Reporting Period under the Share Option scheme, the calculation under Rule 17.07(3) (being the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period, divided by the weighted average number of Shares in issue (excluding treasury Shares) for the Reporting Period) is 0.215%.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the individual performance and comparable market statistics.

For the year ended December 31, 2024, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the six months ended June 30, 2025.

Except as disclosed above, a total of 138,602 Shares have been granted and paid to two independent non-executive Directors, namely Dr. Stephen Newman OESTERLE and Mr. Robert Ralph PARKS, under the RSU Scheme, for the six months ended June 30, 2025, by the Group to or on behalf of any of the Directors.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders during the six months ended June 30, 2025 or subsisted at the end of the year.

MANAGEMENT CONTRACTS

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months ended June 30, 2025.

Supplementary Information

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Net proceeds from the Global Offering and the Listing on the Listing Date, and the full exercise of the Over-allotment Option, after deduction of the underwriting fees and commissions and expenses of the Company in connection with the Global Offering was approximately HK\$2,587.98 million. Our Group would apply such proceeds in a manner consistent with the intended use of proceeds as disclosed in the Prospectus.

The table below sets forth the utilization of the net proceeds from the Global Offering and the expected timeline of the unutilized amount as of June 30, 2025:

Business objective as stated in the Prospectus	Percentage to total amount %	Net proceeds HK\$ million	Unutilized amount as of December 31, 2024 HK\$ million	Utilized amount during the Reporting Period HK\$ million	Unutilized amount as of June 30, 2025 HK\$ million	Expected timeline for unutilized amount ⁽¹⁾
Development and commercialization of our Core Product and other major product candidates	65	1,682.18	399.44	81.65	317.79	Yr 2028 ⁽²⁾
Ongoing pre-clinical studies and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of our other product candidates in our pipeline	10	258.80	0	0	0	—
Strengthen our research and development capabilities to enrich our product pipeline	8	207.04	30.45	18.30	12.15	Yr 2025
Expand our product portfolio or intellectual property portfolio through potential strategic acquisitions, investments, partnerships and licensing opportunities	10	258.80	0	0	0	—
Working capital and other general corporate purposes	7	181.16	0	0	0	—
Total	100	2,587.98	429.89	99.95	329.94	

Notes:

- (1) The expected timeline for utilization of the unutilized net proceeds above is based on the Company's best estimation and is subject to change based on the future development of market conditions.
- (2) After evaluating the Group's current R&D plans, the expected timeline for the development and commercialization of our Core Product and other major product candidates have been extended from 2025 to 2028.

As of June 30, 2025, net proceeds from the Global Offering not yet utilized were deposited with certain licensed banks in Hong Kong or the PRC.

USE OF PROCEEDS FROM THE PLACING

On January 22, 2021, the Company entered into the Placing Agreement with Morgan Stanley & Co. International plc, pursuant to which the Company appointed Morgan Stanley & Co. International plc as its placing agent to procure not less than six Placees who are Independent Third Parties to subscribe up to 33,800,000 Placing Shares at the placing price of HK\$29.38 per Placing Share in accordance with the terms and conditions of the Placing Agreement. The net placing price per Placing Share after deducting related fees and expenses is approximately HK\$28.74 per Share. The Placing Shares had a market value of approximately HK\$1,012.31 million based on the closing price of HK\$29.95 per Share as of January 21, 2021 and an aggregate nominal value of US\$3,380.

The Placing Shares represented approximately 5.3% of the existing issued share capital of the Company as of the Placing Agreement date, and approximately 5.1% of the enlarged issued share capital of the Company immediately following the completion of the Placing.

The Placing was completed on January 29, 2021. An aggregate of 33,800,000 Placing Shares have been successfully placed to no less than six Placees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are professional, institutional, or other investors who are Independent Third Parties. The net proceeds from the Placing were approximately HK\$971.48 million, of which the intended use was set out in the announcement of the Company dated January 22, 2021. The Placing was being undertaken to strengthen the Group's financial position and for the long term funding of its business, expansion and growth plan.

The table below sets forth the utilization of the net proceeds from the Placing and the expected timeline of the unutilized amount as of June 30, 2025:

Business objective as stated in the announcement of the Company dated January 22, 2021	Percentage to total amount %	Net proceeds HK\$ million	Unutilized amount as of December 31, 2024 HK\$ million	Utilized amount during the Reporting Period HK\$ million	Unutilized amount as of June 30, 2025 HK\$ million	Expected timeline for unutilized amount ⁽¹⁾
To fund potential product licensing and possible merger and acquisition opportunities in the area of mitral valve replacement and repair treatment, including a collaboration and license agreement for transeptal mitral valve replacement with HighLife SAS dated December 18, 2020 (for further details, please refer to the voluntary announcement of the Company, published on December 21, 2020)	30	291.44	25.31	0	25.31	Yr 2028 ⁽²⁾
To fund potential product licensing and possible merger and acquisition opportunities in other areas including tricuspid valve replacement and repair treatment	40	388.59	0	0	0	—
To fund ongoing technology transfer, product development, and research and development, across the Group	25	242.87	0	0	0	—
For other general corporate purposes	5	48.58	48.58	37.60	10.98	Yr 2025
Total	100	971.48	73.89	37.60	36.29	

Supplementary Information

USE OF PROCEEDS FROM THE PLACING (CONT'D)

Notes:

- (1) The expected timeline for utilization of the unutilized net proceeds from the Placing above is based on the Company's best estimation and is subject to change based on the future development of market conditions.
- (2) The Company has extended the timeline for utilizing proceeds from the Placing for the performance of the license agreement with HighLife SAS from 2025 to 2028 to align with the expected achievement of the major milestone around 2028.

As of June 30, 2025, net proceeds from the Placing not yet utilized were deposited with certain licensed banks in Hong Kong or the PRC.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there is no material subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this report.

By order of the Board

Peijia Medical Limited

Dr. Yi ZHANG

Chairman and Executive Director

Hong Kong, August 22, 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To The Board Of Directors of Peijia Medical Limited

沛嘉醫療有限公司
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Peijia Medical Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 64 to 99, which comprise the condensed consolidated statement of financial position as of June 30, 2025, and the related condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" (**"IAS 34"**) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 22, 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	Notes	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	5	353,380	301,203
Cost of sales	8	(105,757)	(82,338)
Gross profit		247,623	218,865
Other income	6	9,898	9,944
Other gains and losses	7	(2,394)	1,091
Selling and distribution expenses	8	(145,070)	(151,565)
Administrative expenses	8	(62,745)	(62,625)
Research and development expenses	8	(115,636)	(100,484)
		(68,324)	(84,774)
Finance income		5,106	16,427
Finance costs		(5,815)	(132)
Finance (costs) income — net	9	(709)	16,295
Loss before tax		(69,033)	(68,479)
Income tax expense	10	(2,145)	(2,804)
Loss and total comprehensive expense for the period		(71,178)	(71,283)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		(69,880)	(71,273)
Non-controlling interests		(1,298)	(10)
		(71,178)	(71,283)
Losses per share	11		
— Basic and diluted (RMB)		(0.10)	(0.10)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	700,531	650,417
Right-of-use assets		46,140	45,339
Intangible assets	13	678,383	655,997
Financial assets at fair value through profit or loss ("FVTPL")	14	330,666	316,814
Term deposits		10,000	10,000
Other non-current assets		7,697	23,141
		1,773,417	1,701,708
Current assets			
Inventories	15	136,980	140,779
Trade and other receivables	16	58,699	101,038
Prepayments		30,032	32,659
Financial assets at FVTPL	14	—	14,745
Term deposits		—	31,039
Bank balances and cash		601,769	666,736
		827,480	986,996
Current liabilities			
Trade and other payables	17	235,877	349,563
Tax payable		—	1,269
Borrowings	18	224,534	89,775
Lease liabilities		2,804	2,090
		463,215	442,697
Net current assets		364,265	544,299
Total assets less current liabilities		2,137,682	2,246,007

Condensed Consolidated Statement of Financial Position

As at June 30, 2025

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities	20	14,501	16,782
Borrowings	18	91,199	158,312
Deferred income	19	19,964	20,773
Lease liabilities		3,745	3,221
Other payables	17	22,020	2,320
		151,429	201,408
Net assets		1,986,253	2,044,599
Capital and reserves			
Share capital and share premium	21	6,320,410	6,323,817
Reserves		(4,351,365)	(4,295,774)
Equity attributable to owners of the Company		1,969,045	2,028,043
Non-controlling interests		17,208	16,556
Total equity		1,986,253	2,044,599

The condensed consolidated financial statements on pages 64 to 99 were approved and authorized for issue by the Board of Directors on August 22, 2025 and are signed on its behalf by:

YI ZHANG

Chairman, Chief Executive Officer,
Executive Director

HONG YE

Board Secretary,
Executive Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

Notes	Attribute to owners of the Company				Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Share capital and share premium RMB'000 Note 21	Other reserves RMB'000	Treasury shares held in a trust RMB'000 Note 22	Accumulated losses RMB'000			
As at January 1, 2024 (Audited)	6,359,128	74,046	(53,730)	(4,105,336)	2,274,108	(28)	2,274,080
Loss and total comprehensive expense for the period	—	—	—	(71,273)	(71,273)	(10)	(71,283)
Restricted share units vested	(4,094)	(332)	5,085	—	659	—	659
Share-based compensation expenses 23(a)	—	4,489	—	—	4,489	—	4,489
Acquisition of shares by the trust 22	—	—	(26,692)	—	(26,692)	—	(26,692)
As at June 30, 2024 (Unaudited)	6,355,034	78,203	(75,337)	(4,176,609)	2,181,291	(38)	2,181,253

Notes	Attribute to owners of the Company				Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Share capital and share premium RMB'000 Note 21	Other reserves RMB'000	Treasury shares held in a trust RMB'000 Note 22	Accumulated losses RMB'000			
As at January 1, 2025 (Audited)	6,323,817	79,156	(43,018)	(4,331,912)	2,028,043	16,556	2,044,599
Loss and total comprehensive expense for the period	—	—	—	(69,880)	(69,880)	(1,298)	(71,178)
Exercise of share options	5,290	(2,566)	—	—	2,724	—	2,724
Restricted share units vested	(8,697)	—	11,062	—	2,365	—	2,365
Share-based compensation expenses 23(a)	—	5,793	—	—	5,793	—	5,793
Transfer upon forfeited and cancellation of issued shares options	—	(18,813)	—	18,813	—	—	—
Capital injection by non-controlling shareholders	—	—	—	—	—	21,950	21,950
Effect of put option granted to a non-controlling interest 17(b)	—	—	—	—	—	(20,000)	(20,000)
As at June 30, 2025 (Unaudited)	6,320,410	63,570	(31,956)	(4,382,979)	1,969,045	17,208	1,986,253

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Loss before tax	(69,033)	(68,479)
Adjustments for:		
Finance costs (income) — net	709	(16,295)
Net exchange differences	3,018	(7,247)
Depreciation and amortization	34,122	25,301
Share-based compensation expenses	8,993	7,352
Amortization of deferred income	(809)	(323)
Reversal of write-down of inventories	(363)	—
Fair value change of financial assets at FVTPL — net	—	(2,002)
(Gain) loss on disposal of property, plant and equipment	(76)	307
Loss from foreign exchange forward contracts	—	4,826
Others	—	131
Operating cash flows before movements in working capital	(23,439)	(56,429)
Decrease in inventories	4,162	13,497
Decrease (increase) in prepayments and trade and other receivables	38,729	(8,512)
Decrease in trade and other payables	(9,617)	(2,021)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash generated from (used in) operations	9,835	(53,465)
Income taxes paid	(6,529)	(2,095)
Net cash generated from (used in) operating activities	3,306	(55,560)
Investing activities		
Payments for acquisitions of property and equipment	(176,999)	(63,925)
Payments for acquisitions of intangible assets	(11,054)	(357)
Withdrawal of term deposits	31,039	40,000
Interest received	4,687	14,281
Proceeds from disposal of property, plant and equipment	364	36
Payments for acquisitions of financial assets at FVTPL	—	(31,438)
Payments for settlement of foreign exchange forward contracts	—	(4,826)
Net cash used in investing activities	(151,963)	(42,033)
Financing activities		
New bank loans raised	90,000	31,000
Capital injection by non-controlling shareholders	21,950	—
Proceeds from exercise of share options	2,724	—
Repayment of bank borrowings	(22,371)	—
Interest paid	(5,798)	(132)
Principal elements of lease payments	(1,784)	(1,762)
Acquisition of shares under the restricted share award scheme	—	(26,692)
Net cash generated from financing activities	84,721	2,414
Net decrease in cash and cash equivalent	(63,936)	(99,375)
Cash and cash equivalents at beginning of the period	666,736	795,768
Exchange difference on cash and cash equivalents	(1,031)	4,933
Total cash and cash equivalents at end of the period, represented by bank balances and cash	601,769	701,326

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

1. GENERAL INFORMATION

Peijia Medical Limited (the “**Company**”, or “**Peijia Medical**”) was incorporated in the Cayman Islands on May 30, 2012 as an exempted company with limited liability under the Company Law of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the business of research and development, manufacturing and sales of transcatheter valve therapeutic and neurointerventional procedural medical devices in the People’s Republic of China (the “**PRC**”) and other countries.

The respective addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the interim report.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards issued by the IASB and the application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

Application of Amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3. ACCOUNTING POLICIES (CONT'D)

Accounting policy newly applied by the Group

Share-based Payments

Equity-settled share-based payments transactions

Share options granted to employees

When the share options are cancelled during the vesting period, the Group accounts for the cancellation as an acceleration of vesting and therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

When the share options are forfeited (when the vesting conditions are not satisfied) after the vesting periods or cancelled, the amount previously recognized in other reserves will be transferred to accumulated losses in the Group's condensed consolidated statement of changes in equity.

4. SEGMENT

Description of segments and principal activities

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resource and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

The segment results present revenue, cost of sales, selling and distribution expenses, administrative expenses, and research and development expenses of each operation segment, which is for resource allocation and performance assessment by the CODM.

Transcatheter Valve Therapeutic Business

Transcatheter Valve Therapeutic Business is primarily operated by the subsidiaries of the Company mainly comprising of Peijia Medical Technology (Suzhou) Co., Ltd. ("**Peijia Suzhou**") and Peijia Medical Technology (Shanghai) Co., Ltd. ("**Peijia Shanghai**"), which is engaged in the business of research and development, manufacturing and sales of transcatheter valve therapeutic medical devices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

4. SEGMENT (CONT'D)

Description of segments and principal activities (cont'd)

Neurointerventional Business

Neurointerventional Business is primarily operated by Achieva Medical Limited together with its subsidiaries ("**Achieva Group**"), which is engaged in the business of research and development, manufacturing and sales of neurointerventional procedural medical devices.

Future Technology Business

Future Technology Business is primarily operated by the Group's dedicated technology subsidiaries, focusing on delivering globally cutting-edge therapeutic solutions for a comprehensive range of heart valve diseases. All projects target unmet clinical needs in markets lacking mature treatment options.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

The Group's operations mainly locate in the PRC. Revenue of the Group are derived from the PRC and the Group's non-current assets excluding financial assets at FVTPL are all located in the PRC.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

4. SEGMENT (CONT'D)

The segment information provided to the Group's CODM for reportable segments for the relevant periods is as follows:

Segment (loss) profit

Six months ended June 30, 2025				
	Transcatheter Valve Therapeutic Business RMB'000 (Unaudited)	Neurointerventional Business RMB'000 (Unaudited)	Future Technology Business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	161,606	191,774	—	353,380
Cost of sales	(32,492)	(73,265)	—	(105,757)
Selling and distribution expenses	(100,029)	(45,041)	—	(145,070)
Administrative expenses	(50,982)	(10,278)	(1,485)	(62,745)
Research and development expenses	(54,195)	(22,287)	(39,154)	(115,636)
Segment (loss) profit	(76,092)	40,903	(40,639)	(75,828)

Six months ended June 30, 2024				
	Transcatheter Valve Therapeutic Business RMB'000 (Unaudited)	Neurointerventional Business RMB'000 (Unaudited)	Future Technology Business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	130,317	170,886	—	301,203
Cost of sales	(23,700)	(58,638)	—	(82,338)
Selling and distribution expenses	(109,122)	(42,443)	—	(151,565)
Administrative expenses	(49,605)	(12,164)	(856)	(62,625)
Research and development expenses	(65,471)	(28,925)	(6,088)	(100,484)
Segment (loss) profit	(117,581)	28,716	(6,944)	(95,809)

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

4. SEGMENT (CONT'D)

Information about major customers

The major customers which contributed more than 10% of the total revenue of the Group for the six months ended June 30, 2025 and 2024 are listed as below:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	104,292	48,790
Customer B	76,950	65,922
Customer C	73,922	62,627
Customer D	41,791	N/A*

* Customer D accounted for less than 10% of the Group's total revenue for the six months ended June 30, 2024

5. REVENUE

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from sales of medical devices		
— at a point in time	353,380	301,203

6. OTHER INCOME

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	6,444	9,743
Value-added-tax extra deduction	3,096	201
Others	358	—
	9,898	9,944

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange (loss) gain	(3,399)	4,660
Fair value change of financial assets at FVTPL — net	—	2,002
Gain (loss) on disposal of property, plant and equipment	76	(307)
Loss from foreign exchange forward contracts	—	(4,826)
Others	929	(438)
	(2,394)	1,091

8. EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, administrative expenses, and research and development expenses are analyzed as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Change of work in process and finished goods	2,576	6,600
Raw materials and consumables used	83,505	66,798
Employee benefits expenses	171,142	162,235
Service expenses for research and development	28,330	21,467
Capitalized research and development expenses in intangible assets	(10,665)	—
Promotion expenses	40,240	31,192
Professional service fees	34,325	20,458
Insurance expenses	14,038	18,250
Travelling and transportation expenses	8,573	11,425
Depreciation of property, plant and equipment (Note 12)	24,616	16,538
Utilities and office expenses	5,640	11,705
Entertainment expenses	5,644	8,959
Amortization of intangible assets (Note 13)	7,535	6,786
Auditor's remuneration	680	2,343
Depreciation of right-of-use assets	1,970	1,977
Reversal of write-down of inventories	(363)	—
Others	11,422	10,279
Total cost of sales, selling and distribution expenses, administrative expenses and research and development expenses	429,208	397,012

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

9. FINANCE (COSTS) INCOME — NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income:		
Bank interest income	5,106	16,427
Finance costs:		
Interests on lease liabilities	(208)	(132)
Interests on borrowings	(5,607)	(4,196)
Less: interest capitalized	—	4,196
Interests expenses on borrowings	(5,607)	—
	(5,815)	(132)
Finance (costs) income — net	(709)	16,295

10. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	(1,699)	(2,380)
Other jurisdictions	(2,727)	(424)
	(4,426)	(2,804)
Deferred tax credit (Note 20)	2,281	—
	(2,145)	(2,804)

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

10. INCOME TAX EXPENSE (CONT'D)

The Group's principal applicable taxes and tax rates are as follows:

1. Mainland China

The Group's PRC entities are subject to 25% or 15% (for those high-tech enterprises) tax rate pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that period.

2. Other jurisdictions

For group entities incorporated in other jurisdictions, represent Cayman Islands, British Virgin Islands, Hong Kong and United States, no significant tax exposure was made in the condensed consolidated financial statements since no significant assessable profits generated by these group entities.

11. LOSSES PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Loss for the period attributable to the owners of the Company (RMB'000)	(69,880)	(71,273)
Weighted average number of ordinary shares for the purpose of basic loss per share (thousand)	665,991	679,375
Basic loss per share (RMB)	(0.10)	(0.10)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2025 and 2024, the Company had one category of potential ordinary shares: the stock options granted to employees (Note 23). As the Group incurred losses for the six months ended June 30, 2025 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2025 and 2024 are the same as basic loss per share.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Furniture RMB'000	Electronic equipment RMB'000	Machinery RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at January 1, 2025 (Audited)								
Cost	433,173	22,195	27,421	131,229	3,434	122,310	40,719	780,481
Accumulated depreciation	(33,094)	(8,861)	(19,801)	(33,243)	(2,346)	—	(32,719)	(130,064)
Net book value	400,079	13,334	7,620	97,986	1,088	122,310	8,000	650,417
Six months ended June 30, 2025 (Unaudited)								
Opening net book value	400,079	13,334	7,620	97,986	1,088	122,310	8,000	650,417
Transfer	974	523	—	514	—	(8,864)	6,853	—
Additions	—	2,669	203	961	17	64,890	6,278	75,018
Disposals	—	(23)	(3)	(262)	—	—	—	(288)
Depreciation charge	(12,834)	(2,205)	(1,304)	(5,216)	(319)	—	(2,738)	(24,616)
Closing net book value	388,219	14,298	6,516	93,983	786	178,336	18,393	700,531
As at June 30, 2025 (Unaudited)								
Cost	434,147	25,291	27,543	132,181	3,451	178,336	53,850	854,799
Accumulated depreciation	(45,928)	(10,993)	(21,027)	(38,198)	(2,665)	—	(35,457)	(154,268)
Net book value	388,219	14,298	6,516	93,983	786	178,336	18,393	700,531

	Buildings RMB'000	Furniture RMB'000	Electronic equipment RMB'000	Machinery RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
As At January 1, 2024 (Audited)								
Cost	61,968	15,773	23,072	110,513	3,434	290,454	39,107	544,321
Accumulated depreciation	(18,453)	(3,995)	(16,193)	(20,849)	(1,715)	—	(29,145)	(90,350)
Net book value	43,515	11,778	6,879	89,664	1,719	290,454	9,962	453,971
Six months ended June 30, 2024 (Unaudited)								
Opening net book value	43,515	11,778	6,879	89,664	1,719	290,454	9,962	453,971
Transfer	318,905	—	—	265	—	(319,170)	—	—
Transfer to intangible assets	—	—	—	—	—	(780)	—	(780)
Additions	—	3,830	2,165	10,047	—	50,296	425	66,763
Disposals	—	(34)	(26)	(283)	—	—	—	(343)
Depreciation charge	(5,600)	(1,608)	(1,959)	(5,343)	(300)	—	(1,728)	(16,538)
Closing net book value	356,820	13,966	7,059	94,350	1,419	20,800	8,659	503,073
As at June 30, 2024 (Unaudited)								
Cost	380,873	19,419	24,793	120,270	3,434	20,800	24,361	593,950
Accumulated depreciation	(24,053)	(5,453)	(17,734)	(25,920)	(2,015)	—	(15,702)	(90,877)
Net book value	356,820	13,966	7,059	94,350	1,419	20,800	8,659	503,073

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

13. INTANGIBLE ASSETS

	Goodwill RMB'000	Licensed-in technologies not available for use RMB'000	Capitalized development costs RMB'000	Technologies available for use RMB'000	Exclusive distribution rights RMB'000	Computer software RMB'000	Total RMB'000
As at January 1, 2025 (Audited)							
Cost	51,658	447,359	29,710	170,740	—	16,503	715,970
Accumulated amortization	—	—	(136)	(51,302)	—	(8,535)	(59,973)
Net book value	51,658	447,359	29,574	119,438	—	7,968	655,997
Six months ended June 30, 2025 (Unaudited)							
Opening net book value	51,658	447,359	29,574	119,438	—	7,968	655,997
Additions	—	—	10,665	—	18,868	389	29,922
Amortization charge	—	—	(205)	(5,691)	(590)	(1,050)	(7,536)
Closing net book value	51,658	447,359	40,034	113,747	18,278	7,307	678,383
As at June 30, 2025 (Unaudited)							
Cost	51,658	447,359	40,375	170,740	18,868	16,892	745,892
Accumulated amortization	—	—	(341)	(56,993)	(590)	(9,585)	(67,509)
Net book value	51,658	447,359	40,034	113,747	18,278	7,307	678,383

	Goodwill RMB'000	Licensed-in technologies not available for use RMB'000	Technologies available for use RMB'000	Computer software RMB'000	Total RMB'000
As at January 1, 2024 (Audited)					
Cost	51,658	339,533	170,740	12,207	574,138
Accumulated amortization	—	—	(39,919)	(6,345)	(46,264)
Net book value	51,658	339,533	130,821	5,862	527,874
Six months ended June 30, 2024 (Unaudited)					
Opening net book value	51,658	339,533	130,821	5,862	527,874
Transfer	—	—	—	780	780
Additions	—	—	—	357	357
Amortization charge	—	—	(5,691)	(1,095)	(6,786)
Closing net book value	51,658	339,533	125,130	5,904	522,225
As at June 30, 2024 (Unaudited)					
Cost	51,658	339,533	170,740	13,343	575,274
Accumulated amortization	—	—	(45,610)	(7,439)	(53,049)
Net book value	51,658	339,533	125,130	5,904	522,225

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

14. FINANCIAL ASSETS AT FVTPL

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current assets		
— Unlisted equity investments (a)	330,666	316,814
Current assets		
— Unlisted debt investments (b)	—	14,745
	330,666	331,559

(a) Unlisted equity investments

The Group invested preference shares of both overseas and the PRC unlisted investees, which are engaged in research and development, manufacturing and sales of medical devices but at different business stages. The Group has preferential rights and/or redemption options compared with the ordinary shareholders of the unlisted investees, which significantly differentiate the risks and rewards undertaken, these investments are therefore accounted as financial assets at FVTPL.

(i) Overseas unlisted equity investments

The equity interest percentage owned by the Group over four (December 31, 2024: three) overseas unlisted entities are between 2.20% to 50% (December 31, 2024: between 2.26% to 50%). Pursuant to the articles of association of these unlisted entities, the Group is able to exercise significant influence on two investees (December 31, 2024: two), arising from its existing power to appoint at least one director over the investees' board.

The movements in the carrying value of the overseas unlisted equity investments for the periods are as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Opening balance	288,973	270,558
Additions	14,709	14,208
Exchange (losses) gains	(857)	4,207
Closing balance	302,825	288,973

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

14. FINANCIAL ASSETS AT FVTPL (CONT'D)

(a) Unlisted equity investments (cont'd)

(ii) *The PRC unlisted equity investments*

The equity interest percentage owned by the Group over five (December 31, 2024: five) PRC unlisted entities are between 3% to 19% (December 31, 2024: between 3% to 19%). Pursuant to the articles of association of these unlisted entities, the Group is able to exercise significant influence on three investees (December 31, 2024: three), arising from its existing power to appoint at least one director over the investees' board.

The movements in the carrying value of the unlisted equity investments for the periods are as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Opening balance	27,841	16,500
Additions	—	8,903
Fair value change	—	2,438
Closing balance	27,841	27,841

(b) Unlisted debt investments

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Convertible note	—	14,745

During the year ended December 31, 2024, the Group invested in a convertible note issued by an unlisted investee, with principal of United States Dollar ("USD") 2,000,000 and interest rate of 5.12% per annum. During the period ended June 30, 2025, the outstanding balance USD2,054,706 was converted into the 2,054,706 preference shares of the investee and reclassified as unlisted equity investments in financial assets at FVTPL.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

15. INVENTORIES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Raw materials	95,841	97,116
Materials in transit	4,583	4,894
Work in progress	23,917	23,242
Finished goods	18,136	21,387
	142,477	146,639
Write-down of inventories	(5,497)	(5,860)
	136,980	140,779

16. TRADE AND OTHER RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade receivables (a)	30,674	22,336
Loans to employees (b)	10,312	11,186
Value-added tax recoverable	15,173	8,463
Deposits	6,735	4,634
Interest receivables	1,141	722
Other receivables	1,533	57,621
	65,568	104,962
Disclosed in the condensed consolidated statement of financial position as:		
— Non-current, included in other non-current assets	6,869	3,924
— Current	58,699	101,038
	65,568	104,962

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

16. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) At June 30, 2025 and December 31, 2024, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Within 60 days	30,674	22,336

The credit period granted to the customers is usually around 60 days and the credit quality of these customers is assessed, which takes into account their available financial information, past experience and other factors.

- (b) As at June 30, 2025, the Group provided loans to certain key management personnel with nominal value of Hong Kong Dollar ("HKD") 12,035,000 (December 31, 2024: HKD12,035,000) that were unsecured, interest-free and will be repayable from March 2026 to January 2027 (December 31, 2024: from January 2025 to March 2026).

As at June 30, 2025 and December 31, 2024, loans to key management personnel were measured at amortized cost and presented as other receivables and other non-current assets following the scheduled repayment dates.

17. TRADE AND OTHER PAYABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade payables (a)	38,717	25,722
Other payables (b)	151,973	262,340
Other tax payables	22,548	13,170
Staff salaries and welfare payables	33,958	40,465
Liabilities arising from share-based payments with cash alternative	10,701	10,186
	257,897	351,883
Disclosed in the consolidated statement of financial position as:		
— Non-current liabilities, as other payables (b)	22,020	2,320
— Current liabilities	235,877	349,563
	257,897	351,883

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

17. TRADE AND OTHER PAYABLES (CONT'D)

- (a) The following is an ageing analysis of the trade payables, presented based on the invoice date, at the end of each reporting period:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
0-3 months	28,259	24,697
3 months to 1 year	9,473	547
1 year to 2 years	985	478
	38,717	25,722

The average credit period on purchases of goods is 30 days.

- (b) During the six months ended June 30, 2025, an independent investor (the “Investor”) entered into a share allotment agreement of a PRC-incorporated subsidiary of the Company to invest 10.72% shareholding of the subsidiary with the consideration of RMB20,000,000.

Pursuant to the agreement, group entities are obligated to repurchase the Investor’s relevant shares with price of paid-in investment and 6% interest per annum, under the circumstances of (i) subsidiary’s failure of initial public offering before year of 2032, (ii) the Investor’s shares of the subsidiary failure to sell to other parties before year of 2032.

Management accounted for the Investor’s investment on the subsidiary as non-current liability as presented in the Group’s condensed consolidated statement of financial position and measured at amortized cost.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

18. BORROWINGS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Bank borrowings		
— Secured (a)	225,733	248,087
— Unsecured (b)	90,000	—
	315,733	248,087
Analyzed for reporting purpose as,		
— Non-current liabilities	91,199	158,312
— Current liabilities	224,534	89,775
	315,733	248,087

- (a) In March 2022, the Group entered into a secured bank loan facility agreement, which is specific for financing the construction of the new headquarter and will be matured in May 2027. The maximum amount that the Group is able to draw down under such facility is RMB400,000,000, and any drawdown will bear an floating interest rate corresponding to one-year loan prime rate circulated by the People's Bank of China plus 15 basis points.

As at June 30, 2025, the secured bank borrowings are pledged by a land use right and buildings classified in property, plant and equipment amounting to RMB8,746,000 and RMB346,049,000, respectively (December 31, 2024: a land use right and buildings amounting to RMB8,918,000 and RMB360,803,000, respectively).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

18. BORROWINGS (CONT'D)

- (b) As at June 30, 2025, the Group's unsecured bank borrowings are with floating interest rate of 2.70% as effective interest rate and repayment within twelve months since draw down dates.

As at June 30, 2025 and December 31, 2024, the Group's borrowings were repayable as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Within 1 year	224,534	89,775
Between 1 and 2 years	91,199	148,828
Between 2 and 5 years	—	9,484
	315,733	248,087

19. DEFERRED INCOME

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Government grants		
— Assets-related government grants	18,964	19,773
— Cost-related government grants	1,000	1,000
	19,964	20,773

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

20. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets and deferred tax liabilities for the six months ended June 30, 2025, without taking into consideration the offsetting of balanced within the same tax jurisdiction, are as follows:

Deferred tax assets/(liabilities)

	Tax losses RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Property, plant and equipment acquired in business combination RMB'000	Land use rights acquired in business combination RMB'000	Intangible assets acquired in business combination RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2025 (Audited)	14,018	(968)	952	(1,442)	(455)	(29,857)	970	(16,782)
Credit (charge) to profit or loss	855	(347)	331	76	6	1,423	(63)	2,281
As at June 30, 2025 (Unaudited)	14,873	(1,315)	1,283	(1,366)	(449)	(28,434)	907	(14,501)

The net balances of deferred tax assets and liabilities after offsetting are as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Deferred tax liabilities, net	14,501	16,782
Deferred tax assets, net	—	—

21. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital USD
Authorized		
As at January 1, 2024 and 2025 (Audited) and June 30, 2024 and 2025 (Unaudited)		
Ordinary share of USD0.0001 at par	1,000,000,000	100,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
Issued and fully paid:				
As at January 1, 2025 (Audited)	668,517,808	471	6,323,346	6,323,817
Exercise of share options	995,100	1	5,289	5,290
Restricted share units vested under the trust	—	—	(8,697)	(8,697)
As at June 30, 2025 (Unaudited)	669,512,908	472	6,319,938	6,320,410
As at January 1, 2024 (Audited)	679,326,808	479	6,358,649	6,359,128
Restricted share units vested under the trust	—	—	(4,094)	(4,094)
As at June 30, 2024 (Unaudited)	679,326,808	479	6,354,555	6,355,034

22. TREASURY SHARES HELD IN A TRUST

	Number of treasury shares	Amount RMB'000
As at January 1, 2025 (Audited)	(3,326,561)	(43,018)
Restricted share units vested under the trust	541,847	11,062
As at June 30, 2025 (Unaudited)	(2,784,714)	(31,956)
As at January 1, 2024 (Audited)	(3,817,254)	(53,730)
Acquisition of shares under restricted share units plan	(10,809,000)	(26,692)
Restricted share units vested under the trust	246,220	5,085
As at June 30, 2024 (Unaudited)	(14,380,034)	(75,337)

The Company and Trident Trust Company (HK) Limited (the “**Trident Trust**”), an independent third party, set up the Peijia Employee Benefit Trust which entered into a trust deed pursuant to which Trident Trust has agreed to act as the trustee to administer the Peijia Employee Benefit Trust and to hold the ordinary shares under the Peijia Employee Benefit Trust through the nominee, Best Achiever Management Limited.

For the six months ended June 30, 2025, 541,847 (six months ended June 30, 2024: 246,220) restricted share units were vested by selected persons.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT

(a) Stock options

(i) *Stock options granted to employees in 2017*

In 2017, the Company granted 462,500 stock options to senior management members as rewards for their services and in exchange for their full-time devotion and professional expertise. The exercise price of granted options is USD5.00 or USD7.8084 per ordinary share. All options are vested and shall expire in ten years from the respective grant dates.

(ii) *Stock options granted to employees in 2019*

In 2019, the Company granted 2,473,941 stock options to certain directors, senior management members and employees of the Group as rewards for their services and in exchange for their full-time devotion and professional expertise. The weighted average exercise price of granted options is USD8.7630 per ordinary share. All options shall expire in ten years from the respective grant dates.

On May 15, 2020, pursuant to the resolution passed by the shareholders on April 28, 2020, a capitalization issue of 434,654,450 shares were allotted without payment and as fully paid shares to existing shareholders. The weighted average exercise price has been changed to USD0.4382 per ordinary share correspondingly.

(iii) *Stock Option Scheme*

The Group's Stock Option Scheme was conditionally adopted on April 28, 2020. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. All options granted under the Stock Option Scheme shall expire in ten years from the grant dates. Under the Stock Option Scheme, the Company granted below share options.

Stock options granted to employees in 2021

On December 7, 2021, the Company granted 7,801,386 stock options to senior management members and employees of the Group as rewards for their services and in exchange for their fulltime devotion and professional expertise. The exercise price of granted options is HKD15.97 per ordinary share.

Stock options granted to employees in 2023

On January 19, 2023, the Company granted 2,113,900 stock options to employees of the Group as rewards for their services and in exchange for their full-time devotion and professional expertise. The exercise price of granted options is HKD11.44 per ordinary share.

Stock options granted to employees in 2025

On May 13, 2025, the Company granted 1,439,400 stock options to senior management members and employees of the Group as rewards for their services and in exchange for their full-time devotion and professional expertise.

The exercise price of granted options is HKD5.70 per ordinary share. 30%, 30% and 40% of the issued stock options are to be vested on the first, second and third anniversary of the respective issue dates with different performance conditions respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT (CONT'D)

(a) Stock options (cont'd)

(iii) Stock Option Scheme (cont'd)

Fair value of options granted in 2025

The fair value at grant date is independently determined using binomial model, the significant inputs were listed as below:

Expected price volatility	45.18%
Expected option life (years)	10
Risk free interest rate	3.10%
Fair value of granted options (HKD)	2.57–3.08

The volatility factor estimated was based on the historical share price movement of the comparable companies for the period close to the valuation date.

Movements in the number of stock options are as follows:

	Six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
As at January 1,	39,760,640	40,764,360
Granted	1,439,400	—
Exercised	(995,100)	—
Forfeited	(442,883)	(179,743)
Cancellation (note)	(2,924,536)	—
As at June 30,	36,837,521	40,584,617

Note: During the six months period ended June 30, 2025, certain senior management members and employees cancelled their vested but not yet exercised stock options and/or stock options not yet vested, which were granted to them in 2021 and/or 2023. 675,440 new stock options were granted to these senior management members and employees during the six months ended June 30, 2025.

No options expired for the six months ended June 30, 2025 and 2024.

For the six months ended June 30, 2025, RMB5,793,000 (six months ended June 30, 2024: RMB4,157,000) expenses for the above stock options granted were recognized in the condensed consolidated statement of profit or loss and total comprehensive income.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT (CONT'D)

(b) Restricted share units

A restricted share award (the “**RSU**”) scheme (the “**RSU Scheme**”) was approved and adopted pursuant to a resolution passed on April 28, 2020. The directors of the Company may, from time to time, at its absolute discretion, grant restricted share units to selected person in accordance with the RSU Scheme. The overall limit on the number of restricted share units under the RSU Scheme is 6,100,420 shares and the maximum number of shares which may be awarded to any selected person under the RSU Scheme shall not exceed 1% of the issued share capital of the Company as at April 28, 2020.

(i) *RSU issued to directors*

Each of certain directors has been granted RSUs of the Company representing an aggregate total amount of USD100,000 per year in the three years commencing from the grant date in 2020 and 2023 respectively. The RSUs are issued to the directors on a quarterly basis. The number of RSUs to be issued at the end of each quarter is calculated based on the higher of the closing price of the shares of the Company on the issue date, and the average closing price of the shares of the Company for the five business days immediately preceding the issue date.

The RSUs issued is subject to a vesting schedule at an exercise price of nil, 40% of the RSUs issued are vested immediately on the issue date, 20%, 20% and 20% of the RSUs issued are vested on the first, second and third anniversary of the respective issue date, respectively.

Since 2023, the directors have been granted a choice to settle above remunerations by issuance of RSUs or by an equivalent value in cash. Since both the equity and cash alternatives have the same value and there is no incremental fair value at the modification date, there is no profit or loss impact from the modification.

(ii) *RSU issued to a consultant*

The consultant has been granted RSUs of the Company representing an aggregate total amount of USD150,000 per year in the two years commencing from the grant date in 2022.

All relevant RSUs were granted till the year ended December 31, 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT (CONT'D)

(b) Restricted share units (cont'd)

(iii) RSU issued to employees

The Company granted RSUs of the Company to senior management members and employees of the Group as rewards for their services and in exchange for their full-time devotion and professional expertise. The RSUs granted representing a fixed aggregated amount for each year in the vesting period commencing from the grant date. The RSUs are issued to the targets on an annual basis and subject to the targets remaining as the employee of the Group on the issue date, and all of the other vesting conditions being satisfied. The number of RSUs to be issued on each anniversary of the grant date in each year in the vesting period is based on the closing price of the shares of the Company on the respective issue date. The RSU issued can be vested immediately on the issue date.

Since 2022, the employees was granted a choice to settle above awards by issuance of RSUs or by an equivalent value in cash. Since both the equity and cash alternatives have the same value and there is no incremental fair value at the modification date, there is no profit or loss impact from the modification.

During the six months ended June 30, 2025, the restricted share units issued to directors and employees of the Group are as follows:

RSU remuneration to	Vesting period	Issue date	Number of RSU issued
Directors	0–6 years	End of each quarter	138,602
Employees	1–5 years	Various dates in 2025	395,437
			534,039

As at June 30, 2024, the restricted share units issued to directors, a consultant and employees of the Group are as follows:

RSU remuneration to	Vesting period	Issue date	Number of RSU issued
Directors	0–6 years	End of each quarter	249,883
Employees	1–5 years	Various dates in 2024	100,000
			349,883

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT (CONT'D)

(b) Restricted share units (cont'd)

(iii) RSU issued to employees (cont'd)

RMB3,200,000 (six months ended June 30, 2024: RMB3,195,000) expenses arising from the granted restricted share units were recognized in the condensed consolidated statement of profit or loss and total comprehensive income.

The following table summarized the Group's restricted share units and movement for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
As at January 1,	397,624	223,499
Issued	534,039	349,883
Vested	(541,847)	(246,220)
As at June 30,	389,816	327,162

As at June 30, 2025, 389,816 restricted share units remained unvested (December 31, 2024: 397,624).

(c) Expense for the share-based payments has been charged to profit or loss as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Stock options		
Selling and distribution expenses	2,675	1,955
Research and development expenses	1,253	972
Administrative expenses	1,044	687
Cost of sales	821	543
	5,793	4,157

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENT (CONT'D)

(c) Expense for the share-based payments has been charged to profit or loss as follows: (cont'd)

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Restricted share units		
Selling and distribution expenses	1,315	417
Research and development expenses	803	1,936
Administrative expenses	1,082	842
	3,200	3,195
Total	8,993	7,352

24. CAPITAL COMMITMENTS

The following is the details of capital expenditure contracted for but not effective or provided in the condensed consolidated financial statements.

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Property, plant and equipment	46,326	89,292

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The management has set up a valuation team to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value, the Group uses market-observable data to the extent it is available.

The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

The following table presents the Group's assets that were measured at fair value at June 30, 2025 and December 31, 2024:

	At Level 3	
	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Assets:		
Financial assets at FVTPL		
— Unlisted equity investments	330,666	316,814
— Unlisted debt investments	—	14,745
	330,666	331,559

There was no Level 1 or Level 2 financial instruments that were subject to be valued during the six months ended June 30, 2025 and 2024.

The changes in level 3 instruments for the six months ended June 30, 2025 and year ended December 31, 2024 are presented in Note 14.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D)

Valuation processes of the Group (level 3)

The Group has a team of personnel who performs valuation on the level 3 instruments for financial reporting purposes. On an annual basis, the team adopts various valuation techniques to determine the fair value of these instruments.

As at June 30, 2025 and December 31, 2024, the components of the level 3 instruments include unlisted equity investments and unlisted debt investments at fair value through profit or loss. The equity investments in unlisted entities mainly represent preferred shares of the investees.

As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques. Major assumptions used in the valuation include scenario probabilities, risk free rate, volatility, discount for lack of marketability and other exposures.

The valuation technique of unlisted equity securities as at June 30, 2025 are as below,

Amount RMB'000	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
27,841	Latest transactions prices adjusted by differences in rights of equity interest holders using derivatives models	Historical volatilities	60.48%–61.25%	The higher the volatility, the higher the fair value.
302,825	Market approach determined with reference to market multiples, prices volatilities of listed securities in similar nature that are traded in a public market with an adjustment of discount for lack of marketability	Discount for lack of marketability Valuation multiples e.g. Price/Research and Development Expenditure	20%–22% 2.9	The higher the discount, the lower the fair value. The higher the valuation multiples, the higher the fair value.

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For the six months ended June 30, 2025

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D)

Valuation processes of the Group (level 3) (cont'd)

The valuation technique of unlisted equity securities as at December 31, 2024 are as below,

Amount RMB'000	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
27,841	Latest transactions prices adjusted by differences in rights of equity interest holders using derivatives models	Historical volatilities	61.25%–62.38%	The higher the volatility, the higher the fair value.
288,973	Market approach determined with reference to market multiples, prices volatilities of listed securities in similar nature that are traded in a public market with an adjustment of discount for lack of marketability	Discount for lack of marketability Valuation multiples e.g. Price/Research and Development Expenditure	19%–23% 3.0	The higher the discount, the lower the fair value. The higher the valuation multiples, the higher the fair value.

As at December 31, 2024, the Group's unlisted debt investments represented a convertible note issued by an unlisted investee. To assess the fair value of the Group's unlisted debt investments, the Group adopted discounted cash flows approach, that are estimated with future cashflows based on contractual amounts and coupon rates, and discounted at a rate reflecting the credit risk of counterparty. The significant unobservable input is the credit risk spread that the higher the credit risk spread, the lower the fair value of the unlisted debt investments.

If the fair values of financial assets at FVTPL held by the Group had been 10% higher/lower, the loss before income tax for the six months ended June 30, 2025 would have been approximately RMB33,067,000 (six months ended June 30, 2024: RMB39,997,000) lower/higher, respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

26. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the six months ended June 30, 2025 and 2024 respectively, and balances arising from related party transactions as at June 30, 2025 and December 31, 2024 respectively.

(a) Name and relationship with related parties

Name of related parties	Nature of relationships
Key management personnel	Key management personnel
An unlisted equity investment classified as financial asset at FVTPL with one director appointed by the Group	An associate

(b) Transactions with related parties

Other than the transaction disclosed in elsewhere, the Group had following transactions with related parties.

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(i) Purchased services from an associate	1,785	—
(ii) Key management personnel compensation		
Salaries, wages and bonuses	6,442	6,680
Housing fund, medical insurance and other social insurance	433	425
Share-based compensation expenses	2,190	1,126
	9,065	8,231

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

26. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Balances with related parties

The Group had following balances with related parties.

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
(i) Loans to employees — Key management personnels	10,312	11,186
(ii) Other payable — An associate	—	107,826

27. DIVIDEND

No dividend has been paid or declared by the Company or the companies now comprising the Group for the six months ended June 30, 2025 (six months ended June 30, 2024: nil), nor has any dividend been proposed since the end of the Reporting Period (six months ended June 30, 2024: nil).

DEFINITIONS

In this interim report, the following expressions shall have the meanings set out below, unless the context otherwise requires:

"Achieva Group"	includes Achieva Medical and its subsidiaries
"Achieva Medical"	Achieva Medical Limited, an exempt limited liability company incorporated under the laws of the Cayman Islands on November 2, 2005, being a wholly-owned subsidiary of our Company
"AIS"	acute ischemic stroke, a disease occurs when the blood flow through the cerebral arteries is blocked by a clot (i.e., a large amount of thickened blood)
"aortic valve"	a valve in the human heart between the left ventricle and the aorta
"AR"	aortic regurgitation
"AS"	aortic stenosis
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the company
"BD"	business development
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"CODM"	chief operating decision-maker
"Company" or "our Company"	Peijia Medical Limited (沛嘉醫療有限公司), an exempt limited liability company incorporated under the laws of the Cayman Islands on May 30, 2012
+ "Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which, for purposes of this report, refers to TaurusOne®
"delivery catheter system"	an integral delivery catheter with a tip, a sheath tube, a catheter and a handle system used to deliver and release the PAV to the target position
"Director(s)"	the director(s) of the Company

Definitions

"Dr. ZHANG"	Dr. Yi ZHANG, one of our Founders, and our chairman, chief executive officer, an executive Director of our Company and our substantial shareholder upon Listing
"FIM"	First-in-man, a stage of clinical trial
"Future Technology Business"	the business spun off from our Transcatheter Valve Therapeutic Business, focuses on delivering world-leading treatments for heart valve diseases. Its projects are run by dedicated teams and advanced through autonomous subsidiaries with independent operations and funding
"Global Offering"	has the meaning as ascribed to it under the Prospectus
"Group," "our Group," "our," "we," or "us"	our Company and all of its subsidiaries (including but not limited to Achieva Group), or any one of them as the context may require or, where the context refers to any time prior to its incorporation or the Share Swap, 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
"Hong Kong dollars", "HKD" or "HK\$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"ICAD"	intracranial atherosclerotic disease, a disease occurs when plaque (cholesterol, fatty deposits and other materials) builds up in the blood vessels at the base of the brain, causing them to narrow and harden
"ICAS"	intracranial atherosclerosis
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party" or "Independent Third Parties"	a person or entity who is not a connected person of our Company under the Listing Rules
"KOL(s)"	Key Opinion Leader(s), renowned physicians that are able to influence their peers' medical practice
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	the date, Friday, May 15, 2020, on which the Shares were listed and dealings in the Shares first commence on the Stock Exchange

Definitions

“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)
“LVOT”	left ventricular outflow tract, the anatomic structure through which the left ventricular stroke volume passes towards the aorta
“mechanical thrombectomy”	a type of minimally-invasive therapy in which blood clot is removed from arteries using imaging techniques guiding medical devices through patients’ arteries to the blood clot
“microstructure”	the design of a multi-layered micro-structured device made of multiple materials through precision manufacturing
“mitral valve”	the valve that lets blood flow from one chamber of the heart, the left atrium, to another called the left ventricle
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MR”	mitral regurgitation
“Neurointerventional Business”	the business of our Group in research and development of neurointerventional procedural medical devices
“neurointerventional procedural medical devices”	medical devices for treatment of neurovascular diseases using interventional endovascular technique
“neurovascular diseases”	also known as cerebrovascular diseases, including any abnormality of the blood vessels within the brain and spine or abnormality with supplying blood to such areas
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局), formerly known as the China Food and Drug Administration or the CFDA
“Nomination Committee”	the nomination committee of the Board
“Over-allotment Option”	has the meaning as ascribed to it under the Prospectus
“PAV”	prosthetic aortic valve, the artificial valve of our TAVR Products
“Peijia Shanghai”	Peijia Medical Technology (Shanghai) Co., Ltd. (沛嘉醫療科技(上海)有限公司), a limited liability company incorporated under the laws of PRC on February 24, 2012, being an indirect wholly-owned subsidiary of our Company

Definitions

"Peijia Suzhou"	Peijia Medical Technology (Suzhou) Co., Ltd. (沛嘉醫療科技(蘇州)有限公司), a limited liability company incorporated under the laws of PRC on March 4, 2013, being an indirect wholly-owned subsidiary of our Company
"Placee(s)"	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or their respective agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of 33,800,000 Placing Shares pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional placing agreement entered into between the Company and Morgan Stanley & Co. International plc dated January 22, 2021 in relation to the Placing
"Prospectus"	the prospectus of the Company dated May 5, 2020, in relation to the Global Offering
"Reporting Period"	the six months ended June 30, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RSU Scheme"	the restricted share unit award scheme of the Company conditionally approved and adopted by our Shareholders on April 28, 2020, the principal terms of which are set out in Prospectus
"R&D"	research and development
"Share(s)"	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square meter, a unit of area
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed thereto under the Listing Rules
"TAVR"	transcatheter aortic valve replacement, a catheter-based technique to implant a new aortic valve in an interventional procedure that does not involve open-chest surgery
"TEER"	transcatheter edge-to-edge repair

Definitions

"TMVR"	transcatheter mitral valve replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery
"Transcatheter Valve Therapeutic Business"	the business of our Group in research and development of transcatheter valve therapeutic medical devices
"transcatheter valve therapeutic medical devices"	medical devices for the treatment of valvular heart diseases using cardiovascular interventional technique by implanting a prosthetic valve through an artery
"TR"	tricuspid regurgitation
"treasury Shares"	has the meaning ascribed to it under the Listing Rules
"tricuspid valve"	the valve on the right dorsal side of the mammalian heart, between the right atrium and the right ventricle, the function of which is to prevent back flow of blood from the right ventricle into the right atriums
"TSMVR"	transseptal mitral value replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery through transseptal puncture approach
"TTVR"	transcatheter tricuspid valve replacement, a catheter-based technique to implant a new tricuspid valve in an interventional procedure that does not involve open-chest surgery
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US\$" or "USD"	United States dollars, the lawful currency of the United States
"valvular heart diseases"	the failure or dysfunction of one or more of the four heart valves, where the valves become too narrow and hardened to open fully, or are unable to close completely
+ "valvuloplasty"	a procedure using balloons to repair a heart valve with a narrowed opening and to improve blood flow through the valve
"VBP" or "volume-based procurement"	a program that enables local governments to procure medical devices in high volume and at low cost, thereby driving down medical expenses for patients
"%"	per cent