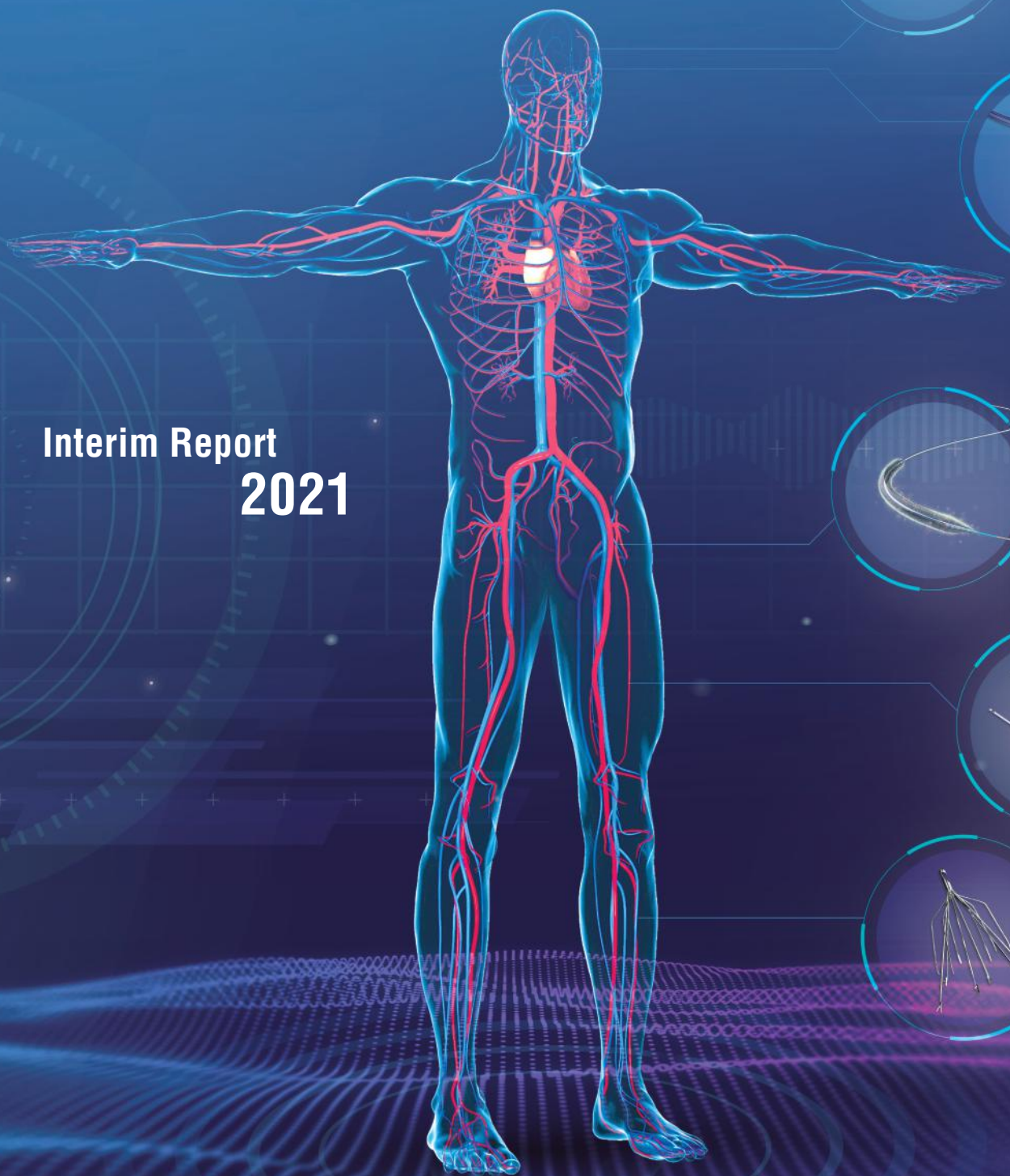
归创通桥
ZYLOX-TONBRIDGE

歸創通橋醫療科技股份有限公司

ZYLOX-TONBRIDGE MEDICAL TECHNOLOGY CO., LTD.

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

Stock Code : 2190



Interim Report 2021

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Jonathon Zhong Zhao (趙中) *(Chairman)*
Mr. Yang Xie (謝陽)
Dr. Zheng Li (李崢)

Non-executive Directors

Mr. Stephen Hui Wang (王暉)
Dr. Hai Lu (陸海)
Dr. Steven Dasong Wang (王大松)

Independent Non-executive Directors

Dr. Jian Ji (計劍)
Mr. Hongze Liang (梁洪澤)
Ms. Yun Qiu (邱妘)

JOINT COMPANY SECRETARIES

Mr. Quanwei Yuan (袁泉衛)
Mr. Kai Cheong Willie Cheung (張啟昌)

AUTHORIZED REPRESENTATIVES

Dr. Jonathon Zhong Zhao (趙中)
Mr. Kai Cheong Willie Cheung (張啟昌)

SUPERVISORS

Ms. Jie Liang (梁婕)
Mr. Chunhui Men (門春輝)
Ms. Hongbo Wang (王宏波)

AUDIT COMMITTEE

Ms. Yun Qiu (邱妘) *(Chairman)*
Mr. Hongze Liang (梁洪澤)
Dr. Jian Ji (計劍)

REMUNERATION COMMITTEE

Dr. Jian Ji (計劍) *(Chairman)*
Dr. Jonathon Zhong Zhao (趙中)
Mr. Hongze Liang (梁洪澤)

NOMINATION COMMITTEE

Dr. Jonathon Zhong Zhao (趙中) *(Chairman)*
Ms. Yun Qiu (邱妘)
Dr. Jian Ji (計劍)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor
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Central
Hong Kong

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Industrial and Commercial Bank of China
Hangzhou Xiyuan Branch
128 Shanxi Yuan Road
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Hangzhou, China

Bank of China Kechuang Branch
Building 4, Haichuangyuan
998 Wenyi West Road
Yuhang District
Hangzhou, China

Bank of Nanjing Yuhang Branch
168 Linping Century Avenue
Nanyuan Subdistrict
Yuhang District
Hangzhou, China

China CITIC Bank Hushu Branch
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Grandall Law Firm (Shanghai)
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H SHARE REGISTRAR

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Level 54, Hopewell Centre
183 Queen's Road East Hong Kong

STOCK CODE

H Share: 02190

COMPANY'S WEBSITE

www.zyloxtb.com

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2021	2020	Period to period change
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue	**71,484**	2,108	3,291.1%
Gross profit	**52,124**	579	8,902.4%
Gross profit Margin	**72.9%**	27.5%	165.1%
Loss before income tax	**(69,717)**	(34,800)	100.3%
Add:			
Share-based compensation	**22,455**	748	2,902.0%
Listing expenses	**25,852**	—	100.0%
Non-IFRS adjusted net loss for the period(1)	**(21,410)**	(34,052)	37.1%

(1) The Company adjusted for RMB22.5 million and RMB0.7 million share based compensation for the six months ended June 30, 2021 and 2020 respectively, and RMB25.9 million listing expense in relation to the Listing for the six months ended June 30, 2021. Please refer to section headed "Non-IFRS Measures" in this report for more details.

BUSINESS HIGHLIGHTS

Since the beginning of 2021, we have made significant advancement in the research and development of our products:

- Five products obtained NMPA approvals, such as balloon guiding catheter and distal access catheter, and two products obtained CE Mark, such as aspiration catheter. In total, we have obtained 11 NMPA approvals and 8 CE Mark as at the date of this report.

- Ten products submitted for type testing, such as aspiration catheter and thoracic aorta stent graft system, and three products submitted applications for NMPA approvals, such as neurovascular embolization coils and microcatheter for coiling.

- Ten products in clinical trial stage as at the date of this report, such as flow diverter, peripheral venous stent system and suture-mediated closure system.

I. BUSINESS REVIEW

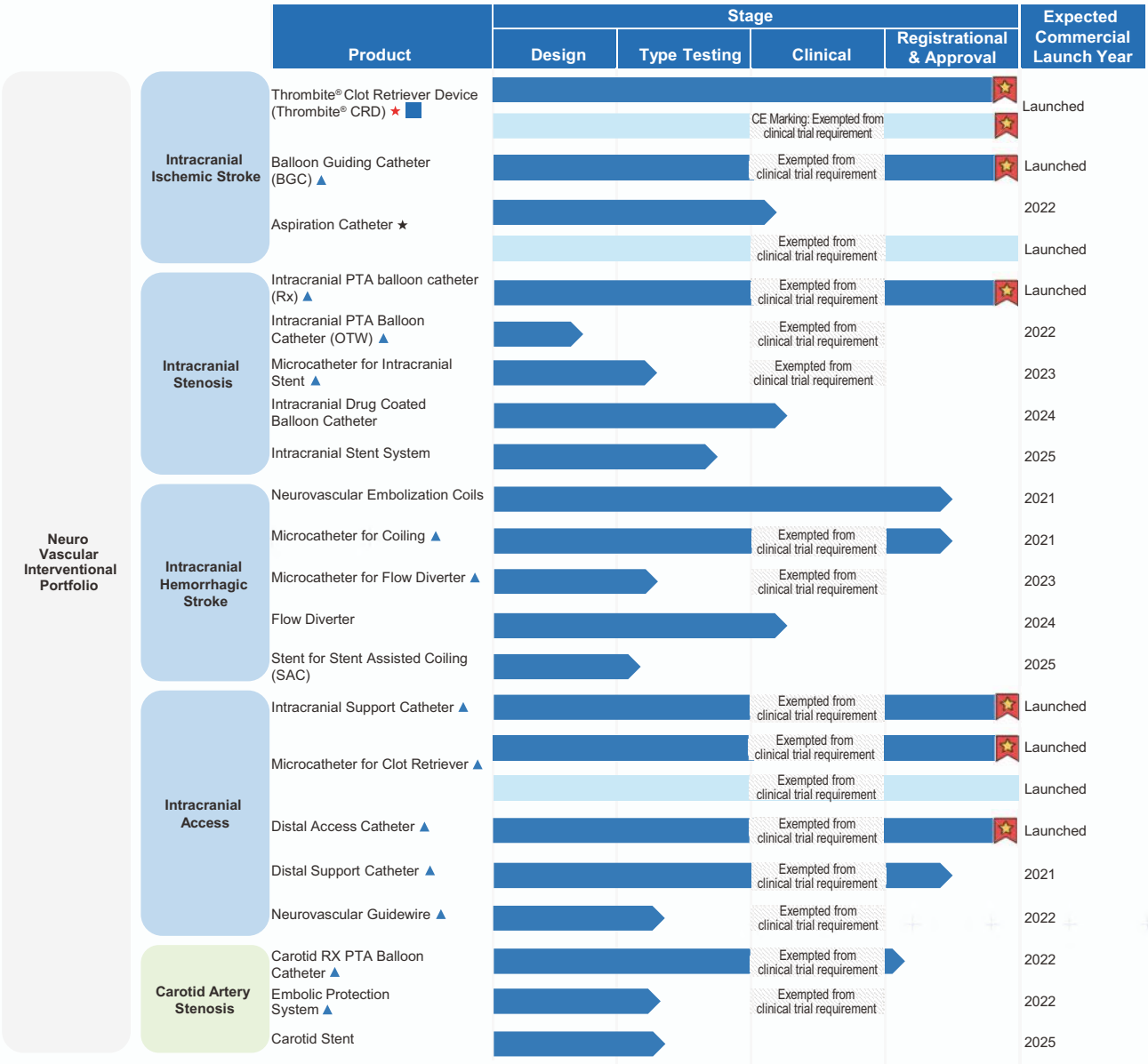
Overview

We are a leading player in the neuro- and peripheral-vascular interventional medical device market in China in terms of our comprehensive product portfolio. As an integrated medical device company supported by our in-house R&D and manufacturing capabilities, proprietary technological platforms, and commercialization capabilities evidenced by our track record and led by our experienced management team, we provide physicians and patients in China and overseas with medical devices to treat and manage neuro- and peripheral vascular diseases. Our current therapeutic areas include AIS, intracranial aneurysm, carotid artery stenosis, peripheral arterial and venous diseases, and dialysis related diseases.

Our Products and Product Pipeline

As China's leading interventional medical device company in developing minimally invasive vascular interventional medical devices, we have built a comprehensive product portfolio including neurovascular and peripheral-vascular interventional surgical devices. As at the date of this report, we have a total of 45 products and product candidates among which there are 11 approved products in China, 8 approved products in the Europe, and 34 product candidates to be launched in China by the end of 2025. Our comprehensive portfolio consists of 21 neuro-vascular products and product candidates, 22 peripheral-vascular products and product candidates, and 2 vascular closure device candidates. We currently mainly target the China market and do not have immediate plan to enter into new markets outside China and Europe. We expect to launch another 3 products in 2021, 10 in 2022, 5 in 2023, 11 in 2024 and 5 in 2025 in China.

The following chart summarizes the development status of our products and product candidates as at the date of this report:



★ Core Product; further R&D includes post-approval study, product improvement and indication expansion

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

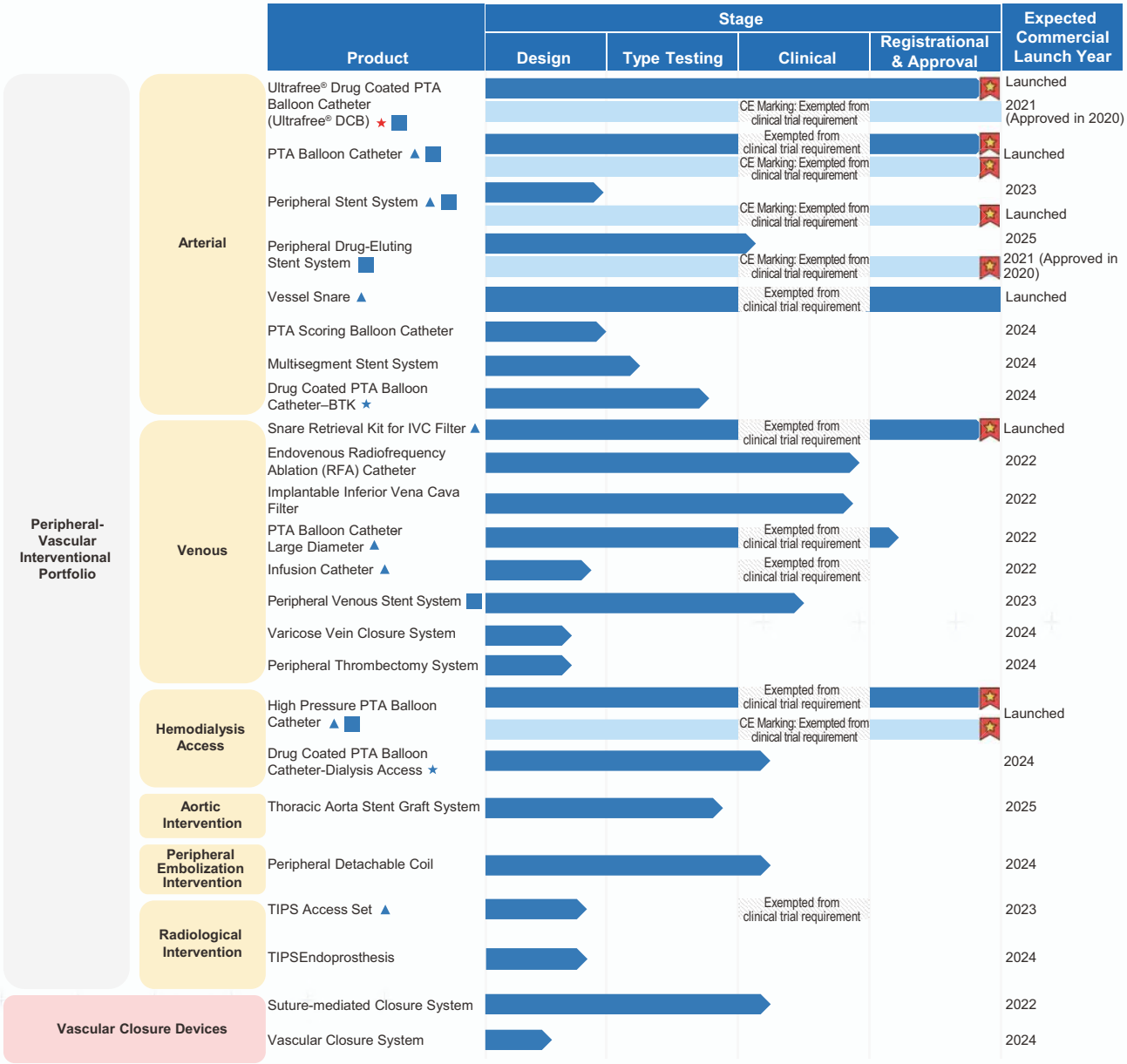
These devices are exempted from clinical trial requirement for obtaining CE marking, considering that clinical evaluation reports were provided.

Commercialized

China status

Overseas status

★ The devices will be subject to a clinical evaluation with peer products in accordance with relevant regulations while the clinical trial be conducted as planned.



★ Core Product; further R&D includes post-approval study, product improvement and indication expansion

★ Ultrafree® DCB indication extension

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

Commercialized

China status

Overseas status

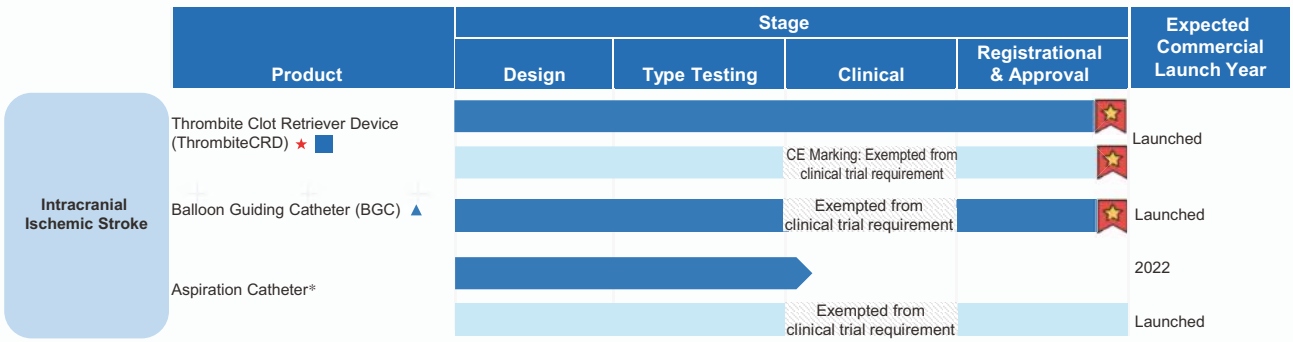
These devices are exempted from clinical trial requirement for obtaining CE marking, considering that clinical evaluation reports were provided.

Our Neurovascular Products

Our current neurovascular product portfolio covers a full suite of products for five major categories, namely ischemic, hemorrhagic, stenosis, carotid artery, vascular access device, and according to Frost & Sullivan, we are the only domestic company in China that has developed a neurovascular product portfolio covering all these five major categories. We have obtained Class III registration certificates for 6 neurovascular interventional products and 4 products are at the registration stage and 3 are at clinical stage as at the date of this report. We expect to have 15 neurovascular interventional products approved by the end of 2025.

Intracranial Ischemic Stroke Treatment

In the field of ischemic neurovascular diseases, in particular intracranial ischemic stroke, we have developed 3 products, including Thrombite® CRD, BGC and aspiration catheter, the details of which are illustrated in the chart below:



* *The devices will be subject to a clinical evaluation with peer products in accordance with relevant regulations while the clinical trial be conducted as planned.*

BADDASS Clot-retrieval Approach

We have strategically developed a suite of products covering the full procedure cycle for major vascular diseases, offering seamless treatment solutions with better prognosis.

We are actively promoting our BADDASS (i.e. Balloon guide with large bore Distal access catheter with Dual Aspiration with Stent-retriever as Standard approach) clot-retrieval modality. Multiple academic papers in China and overseas have confirmed the superior clinical application of our BADDASS approach — as compared to mainstream clot-retrieval methods using stent retriever or aspiration catheter only, or stent in combination with intracranial support catheter, our BADDASS approach with three-piece suite of Thrombite® CRD, intracranial support catheter and BGC results in higher first-time recanalization rate of intracranial blood vessels, shorter recanalization time and lower escape rate at the distal end of the thrombus, which can effectively improve the procedure success rate, reduce operation time and incidence of post-procedure complications. Our three key products in BADDASS, namely Thrombite® CRD, intracranial support catheter and BGC, have all received marketing approvals from the NMPA. We are one of the few domestic interventional device companies that can provide a complete three-piece solution.

Thrombite® Clot Retriever Device (Thrombite® CRD)

Our Thrombite® CRD is a minimally invasive device to capture and remove clots blocking blood vessels to treat neurovascular diseases such as AIS. We commenced the clinical trial for Thrombite® CRD in October 2016 and completed such clinical trial in October 2019. We received the registration certificate of Class III medical device from the NMPA in September 2020. We commercialized Thrombite® CRD in China in September 2020. We currently mainly target the China market for Thrombite® CRD. We also obtained CE Mark in January 2020 and started commercialization of Thrombite® CRD in Europe in May 2020.

*Balloon Guiding Catheter ("**BGC**")*

Our BGC is a large lumen catheter with a compliance balloon at the distal tip of the catheter. It is designed to facilitate the insertion and guidance of an intravascular catheter. It features various stiffness in different parts of the catheter which provides a combination of sufficient support and flexibility allowing the catheter to navigate through torturous vessel to the target site. High compliance balloon at tip helps to stop blood flow at low inflating pressure, which is critical in neuro intervention procedure. The optimized three layer coaxial catheter wall design with a mixture of braided wire and polymer jacket enables catheter to have a sufficient large lumen while keeping the outside diameter at low profile to accommodate 8F and 9F sheath. We have obtained NMPA approval for our BGC in June 2021.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET OUR BALLOON GUIDING CATHETER SUCCESSFULLY.

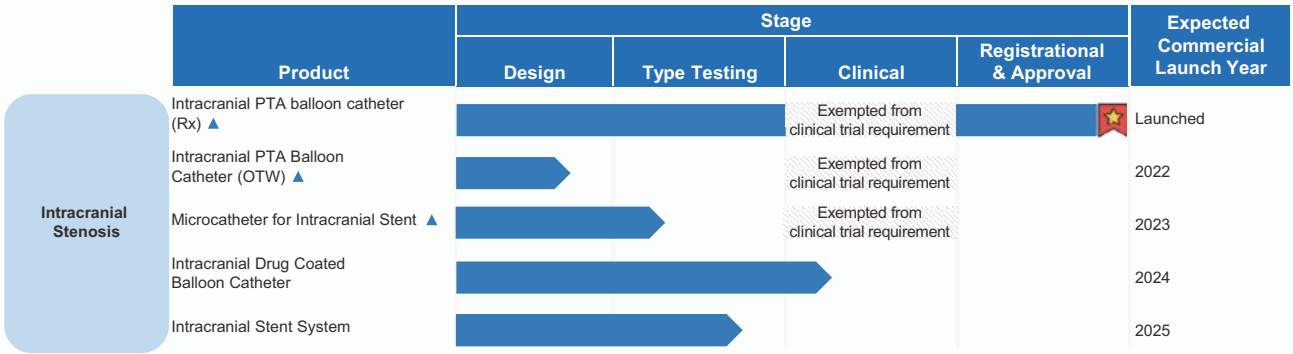
Aspiration Catheter

Our aspiration catheter is designed for the aspiration and removal of intracranial neurovascular blood clots. It features 4F-8F multiple size options to meet the aspiration needs of different vessel segments. The nitinol spiral and stainless steel braided structure provides better flatness resistance. We obtained CE Mark for aspiration catheter in April 2021 and started commercialization of aspiration catheter in Europe in May 2021.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET OUR ASPIRATION CATHETER SUCCESSFULLY.

Intracranial Stenosis Treatment

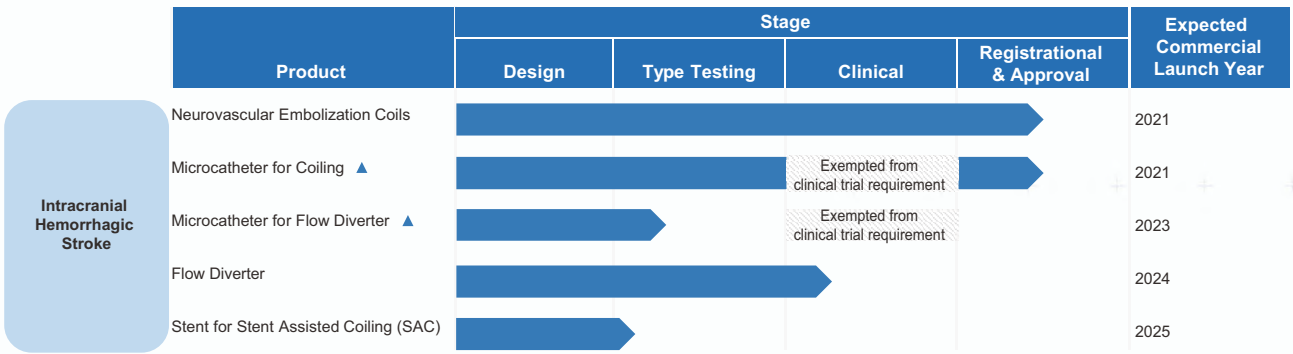
With the development of imaging technology and the increasing social awareness of stroke prevention, intracranial stenosis has attracted great clinical attention and been under rapid development in recent years. Our intracranial stenosis treatment portfolio consists of 5 products as below:



WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR INTRACRANIAL STENOSIS TREATMENT PRODUCTS SUCCESSFULLY.

Intracranial Hemorrhagic Stroke Treatment

In the field of intracranial hemorrhagic stroke, we are developing 5 product candidates, including 3 treatment products (the neurovascular embolization coils, the flow diverter, and the stent for stent assisted coiling (SAC)) and 2 microcatheters (microcatheter for coiling and microcatheter for flow diverter), the details of which are illustrated in the chart below:



Neurovascular embolization coils

Our neurovascular embolization coils are a set of flexible coils used in the endovascular coiling procedure, which is a minimally invasive technique using a catheter to reach the aneurysm in the brain, displace the coils to block the blood flowing into the aneurysm, thus reducing the risk of aneurysm rupture. We have completed a multi-center, single-blind and non-inferiority clinical trial for our neurovascular embolization coils and submitted the registration application to the NMPA in 2020. We expect to receive NMPA approval in the fourth quarter of 2021 and commercialize our neurovascular embolization coils in China subsequently. We currently do not have immediate plan to develop this product outside the China market.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET OUR NEUROVASCULAR EMBOLIZATION COILS SUCCESSFULLY.

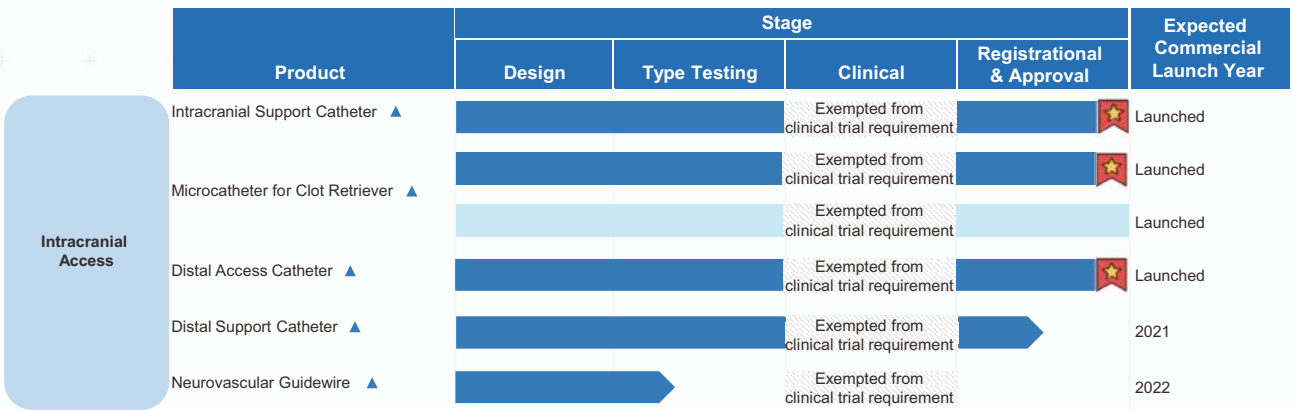
Flow diverter

Our flow diverter is important in endovascular treatment of intracranial aneurysms. It has an optimized metal and mesh coverage, which is capable of changing the hemodynamics in the target artery and promoting formation of the thrombosis inside the tumor cavity and repair of the vascular intima at the tumor neck. Pre-clinical data has supported feasibility, safety and preliminary efficacy of our flow diverter on rabbits. We have initiated the patient enrollment for two clinical trials for two indications, including treatment of both small and giant unruptured intracranial aneurysms in China. We expect to complete the clinical trial by the end of 2023 and currently do not have immediate plan to develop this product outside the China market.

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

Intracranial Access

Our intracranial access pipeline includes 5 products and products candidates, and is as illustrated below:



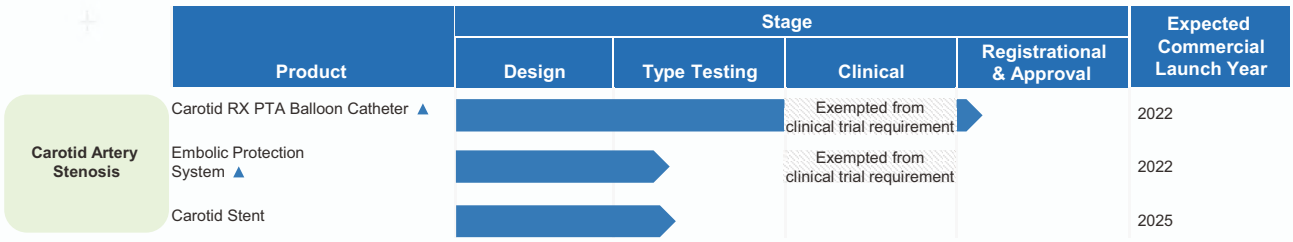
Our intracranial access products are designed to work together with other treatment products with high compatibility to offer seamless treatment solutions with better prognosis.

Intracranial support catheter

Our intracranial support catheter is one of important products in our intracranial access product portfolio, and it is designed for delivery of interventional/diagnostic devices in intracranial nerves and blood vessels. It features a nitinol spiral and stainless steel braided structure with better flatness resistance as compared with similar products on the market, which leads to better abilities to capture the thrombus. The nitinol spiral and stainless steel braided structure carries a better crossability to reach the M1 segment of the middle cerebral artery. Our intracranial support catheter also features a strengthened arch support design to provide stronger stability and support than its competitors, to effectively prevent the occurrence of catheter separation during the operation. In addition, our intracranial support catheter offers a comprehensive code selection from 95cm to 135cm, ensuring its compatibility with other devices during the procedure. These clinical advantages of our intracranial support catheters have been evidenced by clinical trial results. We obtained NMPA approval for our intracranial support catheter in September 2020 and it was successfully launched in October 2020.

Carotid Artery Stenosis Treatment

Our carotid artery stenosis pipeline includes 3 products and products candidates, and is as illustrated below:



Our carotid artery stenosis treatment products are designed to be used in combination, which can ensure product compatibility and improve operational safety through reducing the risk of device retrieval failure and medical accidents caused by product incompatibility during carotid artery revascularization procedures.

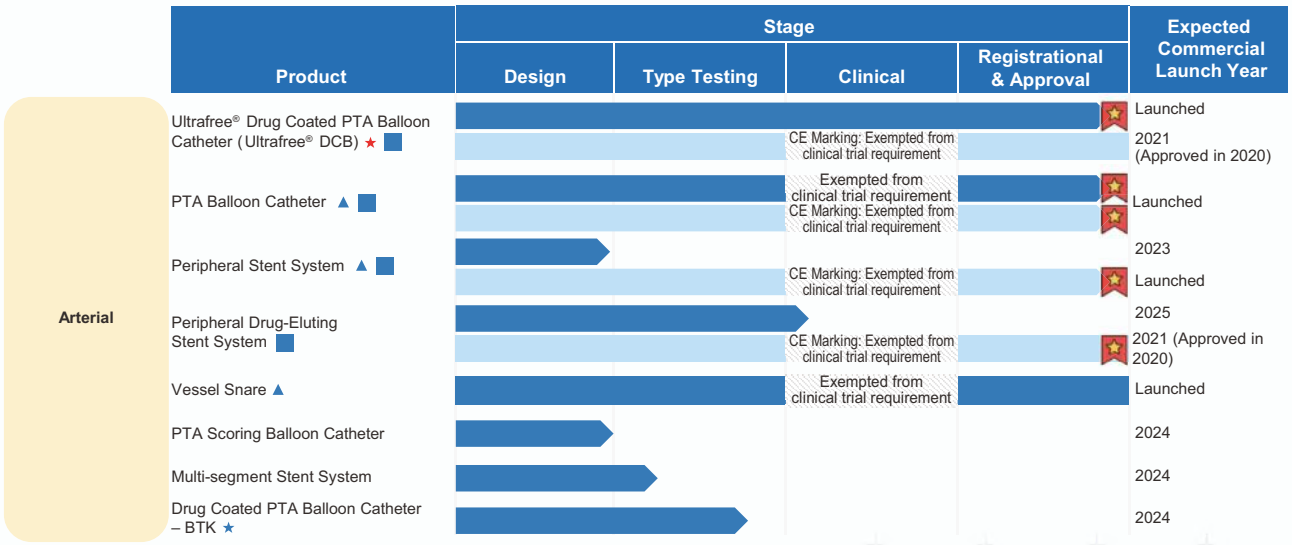
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CAROTID ARTERY STENOSIS TREATMENT PRODUCTS SUCCESSFULLY.

Our Peripheral-Vascular Products

We are one of the first companies that developed a portfolio of peripheral-vascular interventional products in China. With 22 approved products and product candidates, we have the most comprehensive peripheral-vascular interventional product portfolio among domestic players in China covering a full spectrum of arterial and venous products including stents, balloons, catheters and filters, according to Frost & Sullivan. We have obtained Class III registration certificates for 5 peripheral-vascular interventional products and 1 product is at the registration stage and 7 are at clinical stage as at the date of this report. We expect to have 17 peripheral-vascular interventional products approved by the end of 2025. According to Frost & Sullivan, we are the first and only domestic player that commercialized peripheral stent system, which is one of the primary products for peripheral vascular disease treatment, in European market.

Peripheral Arterial Vascular Diseases Treatment

Our peripheral arterial vascular diseases treatment pipeline includes a total of 8 products and product candidates as illustrated below:



Ultrafree® Drug coated PTA balloon catheter (Ultrafree® DCB)

Ultrafree® DCB is an interventional device designed for percutaneous transluminal angioplasty for patients with stenosis or occlusion in femoral artery and popliteal artery (except inferior knee artery). We commenced the clinical trial for Ultrafree® DCB in November 2014 and completed such clinical trial in July 2019. We received the registration certificate of Class III medical device from the NMPA in November 2020. We subsequently commercialized Ultrafree® DCB in China in December 2020. We currently mainly target the China market. We have also obtained CE Mark in October 2020 and plan to commercialize Ultrafree® DCB in Europe in the second half of 2021. The indication expansion of Ultrafree® DCB include the following:

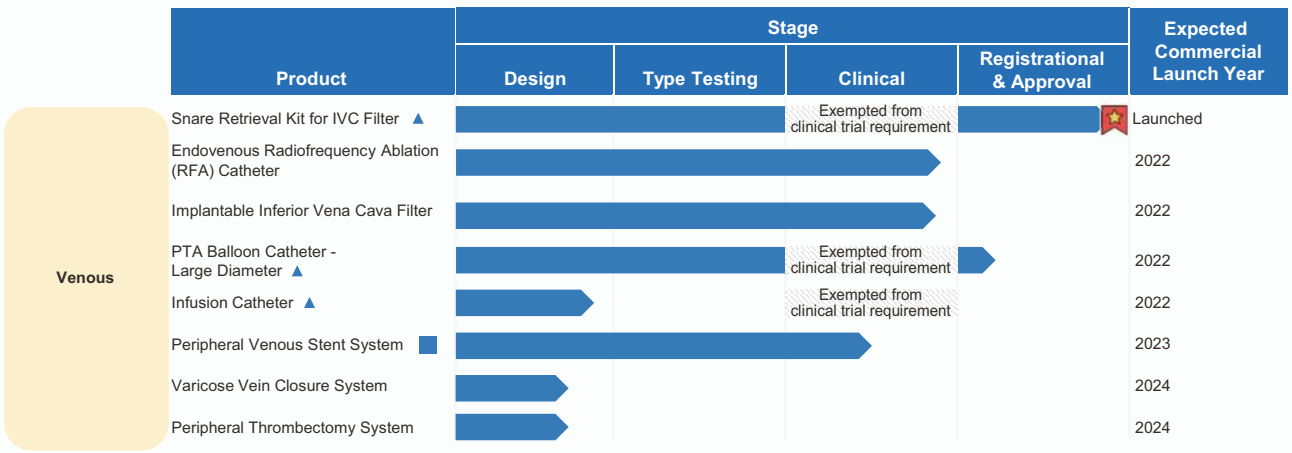
- Drug Coated PTA Balloon Catheter — BTK: We expect to initiate a clinical trial in the second half of 2021 and to launch Drug Coated PTA Balloon Catheter — BTK in 2024.

- Drug Coated PTA Balloon Catheter — Dialysis Access: We commenced a clinical trial in February 2021 and expect to launch Drug Coated PTA Balloon Catheter — Dialysis Access in 2024.

- Drug Coated Balloon for vertebral artery stenosis: We expect to initiate a clinical trial in the second half of 2021. We expect to launch the upgraded Ultrafree® DCB with new indication to cover stenosis or occlusion of vertebral arteries beyond 2025.

Peripheral Venous Vascular Diseases Treatment

Our peripheral venous vascular diseases treatment pipeline includes a total of 8 products and product candidates, including our retrievable inferior vena cava filter and peripheral venous stent system, as illustrated below:



*Retrievable inferior vena cava ("**IVC**") filter*

Our retrievable inferior vena cava filter is a filtering device to be placed into the IVC to prevent PE. PE is usually a consequence of DVT. DVT occurs when a blood clot (thrombus) forms in one or more of the deep veins, often in legs. Blood clots that develop in the veins of the leg or pelvis occasionally break up and large pieces of the clot can travel to the lungs, which causes PE. PE is associated with high mortality. Acute pulmonary embolism is prone to misdiagnosis and missed diagnosis, with a mortality rate of 20%–30%. A retrievable IVC filter traps large clot fragments and prevents them from traveling through the vena cava to the heart and lungs, where they could cause severe complications such as pain, difficulty breathing, shortness of breath or even death. Pre-clinical data has supported the feasibility, safety and preliminary efficacy our retrievable IVC filter. We obtained approval from the ethics committee of the principal investigator hospital of a multi-center, randomized and non-inferiority clinical trial in China to investigate the efficacy and safety of our retrievable IVC filter and commenced the patient enrollment in March 2020. We completed enrollment of 188 patients in February 2021. We expect to complete the clinical trial by the third quarter of 2021 and currently do not have immediate plan to develop this product outside the China market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR RETRIEVABLE INFERIOR VENA CAVA FILTER SUCCESSFULLY.

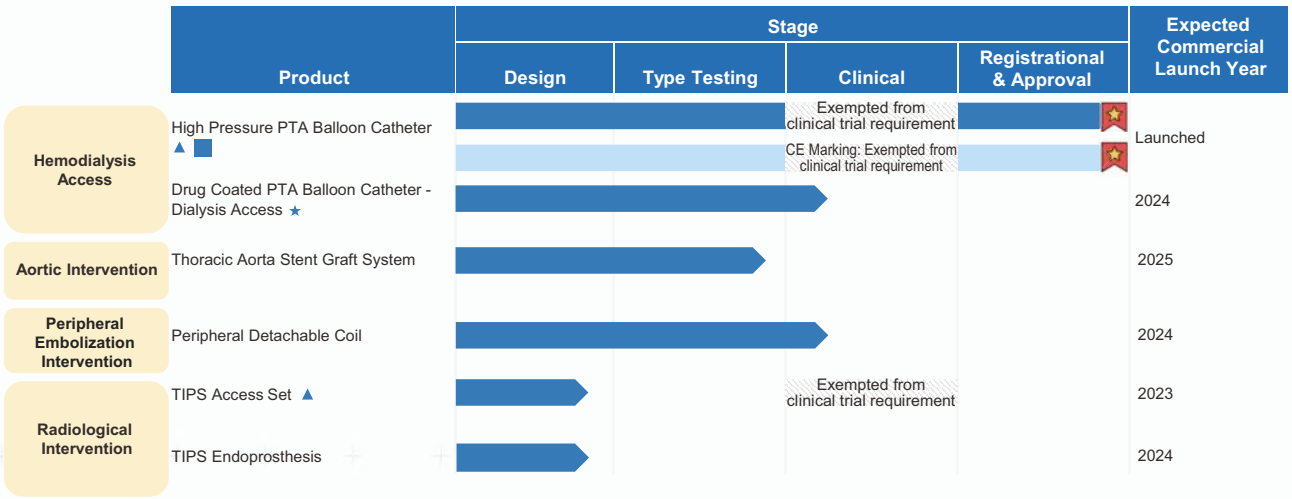
Peripheral venous stent system

Our peripheral venous stent system is designed for the treatment of iliac vein stenosis or occlusive disease such as IVCS. We obtained approval from the ethics committee of the principal investigator hospital of a multi-center, randomized and non-inferiority clinical trial in China to investigate the efficacy and safety of our peripheral venous stent system and initiated patient enrollment in October 2020. We completed the patient enrollment process for the clinical trial of peripheral venous stent system in July 2021. We plan to make the registration submission for our peripheral venous stent system with NMPA in early fourth quarter of 2022 after 12-month follow-up, and expects to receive NMPA approval for peripheral venous stent system in 2023. Currently, we do not have immediate plan to develop this product outside the China market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PERIPHERAL VENOUS STENT SYSTEM SUCCESSFULLY.

Other Peripheral-Vascular Products

In addition to the peripheral arterial and venous products above, our peripheral-vascular portfolio also covers hemodialysis access, aortic intervention, peripheral embolization intervention and radiological intervention, as illustrated below:



WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OTHER PERIPHERAL-VASCULAR PRODUCTS SUCCESSFULLY.

Our Vascular Closure Product

In addition, our product portfolio also includes 2 vascular closure device candidates which makes us the first domestic medical device company that has developed suture-mediated vascular closure device candidate.

	Product	Stage				Expected Commercial Launch Year
		Design	Type Testing	Clinical	Registrational & Approval	
Vascular Closure Devices	Suture-mediated Closure System					2022
	Vascular Closure System					2024

Suture-mediated closure system

Our suture-mediated closure system is used to suture the femoral artery access site after diagnostic/therapeutic interventional procedures, and is applicable to procedures with bore size ranging between 5F and 29F. We have obtained approval from the principal investigator hospital of a multi-center, randomized and non-inferiority clinical trial in China to investigate the efficacy and safety of our suture-mediated closure system, and started patient enrollment in June 2020. We are in the process of patient enrollment with a target of 228 patients in total according to current clinical trial plan. We currently do not have immediate plan to develop this product outside the China market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR SUTURE-MEDIATED CLOSURE SYSTEM SUCCESSFULLY.

Vascular closure system

We are developing another VCD product, the vascular closure system, and is applicable to procedures with bore size no more than 8F. We expect to launch this product in China in 2024 and currently do not have immediate plan to develop this product outside the China market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR VASCULAR CLOSURE SYSTEM SUCCESSFULLY.

Our Platform

As we build our pipeline, we have developed an integrated platform for the discovery, development, manufacture and commercialization of interventional medical devices including neurovascular and peripheral-vascular interventional surgical devices for neurovascular and peripheral-vascular diseases.

Research and Development

We have established in-house R&D capabilities which are manifested by our product innovations, our proprietary technologies and efficient product development process. Leveraging our strong research and development capabilities, we have developed a portfolio of innovative products and product candidates with advanced features that are comparable in performance to imported products by established international brands in the industry. We have developed our R&D capabilities, combined with our extensive registration experience and established strong collaboration with leading physicians and hospitals, also helping improve our clinical trial efficiency and expedite our product advancement. For example, our patient enrollment timeline reduced by half from 25 months in our first large scale clinical trial to around one year, which is at the top level for similar product in the industry according to Frost & Sullivan. All subsequent patient enrollments of our clinical trials have generally followed around one-year timeline, which we believe is at a highly efficient level.

Manufacturing

The manufacturing process of vascular interventional products is complex and technologically challenging. Over the years, we have accumulated extensive expertise and know-how in developing and manufacturing vascular interventional products and obtained a number of patents for our proprietary technologies. Our manufacturing expertise and know-how combined with advanced technologies applied during our manufacturing process help ensure both high quality and efficiency of our production. We had built manufacturing facilities of an aggregate area of approximately 3,800 sq.m. in Hangzhou and Zhuhai. In addition, we are in the process of expanding our production capacity with additional aggregate area of approximately 13,000 sq.m. in Hangzhou and plan to build a new manufacturing site in Zhuhai with an aggregate area of approximately 20,000 sq.m in preparation for the commercialization of our further expanded product portfolio.

Commercialization

We have a proven track record of commercializing 10 products domestically and 5 products in the Europe since our inception in 2012. We employ a strategic offline and online integrated marketing model with a focus on academic promotion to increase market and physician awareness and penetration of our products. We have a dedicated in-house sales team of 50 members led by Mr. Yang Xie with a focus on academic marketing driven by our extensive expertise and clinical resources. We had also established an extensive distribution network by collaborations with 25 domestic distributors who were authorized by us to cover over 1,500 hospitals across 22 provinces, 4 autonomous regions and 4 municipal cities in China as at June 30, 2021. Over the years, we have developed strong collaborations with and established a well-recognized brand among KOLs, leading physicians and hospitals in China in the field of neuro- and peripheral-vascular intervention.

Impact of the COVID-19 Pandemic

An outbreak of a respiratory disease COVID-19 was first reported in December 2019 and continues to expand globally. Significant rises in COVID-19 cases have been reported since then, causing governments around the world to implement unprecedented measures such as city lockdowns, travel restrictions, quarantines and business shutdowns. Despite of the foregoing, our revenue for the six months ended June 30, 2021, being RMB71.5 million, increased by 3,291.1% as compared to RMB2.1 million for the six months ended June 30, 2020. The pandemic did not have material adverse effect on the Group's commercialization in China and Europe for the first half of 2021. We do not expect our planned commercialization in China will be adversely affected by COVID-19. As the future impact of COVID-19 in Europe is still uncertain, we expect our business operations, planned regulatory process and commercialization in Europe will be subject to the impact of the COVID-19 pandemic.

It is uncertain when, and whether, COVID-19 could be contained. The above analysis is made by our management team based on currently available information concerning COVID-19. Management of the Company cannot guarantee that the outbreak of COVID-19 will not further escalate or have a material adverse effect on our results of operations.

II. FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, our revenue was mainly generated from sales of our 9 commercialized products including Thrombite® CRD, Ultrafree® DCB, intracranial support catheter, peripheral stent system, PTA balloon catheter, high pressure (HP) PTA balloon catheter, snare retrieval kit for IVC filter, intracranial PTA balloon catheter (Rx) and distal access catheter.

The Group's revenue for the six months ended June 30, 2021 was RMB71.5 million, representing an increase of 3,291.1% compared to RMB2.1 million for the six months ended June 30, 2020. The increase was primarily attributable to (i) since June 30, 2020, we have obtained approvals from the NMPA for 8 products, among which we have successfully launched 6 products in China as at June 30, 2021. Those launched products, mainly including Thrombite® CRD, Ultrafree® DCB, intracranial support catheter and intracranial PTA balloon catheter (Rx), contributed more than 85% of total revenue for the six months ended June 30, 2021; (ii) the sales revenue from products approved before June 30, 2020, including PTA balloon catheter, increased by more than 300% for the six months ended June 30, 2021, as compared to the same period of 2020; and (iii) we achieved significant progress in the commercialization of our products in China and covered over 1,500 hospitals via our extensive distribution network.

The following table sets forth a breakdown of our revenue by product category:

Revenue	Six months ended June 30, 2021 (Unaudited) RMB'000	Proportion	Six months ended June 30, 2020 (Unaudited) RMB'000	Proportion
Neurovascular interventional devices	**42,912**	**60.0%**	15	0.7%
Peripheral-vascular interventional devices	**28,572**	**40.0%**	2,093	99.3%
Total	**71,484**	**100.0%**	2,108	100.0%

Cost of Sales

Our cost of sales primarily consists of raw materials and consumables used, employee benefits expenses, depreciation of right-of-use assets, depreciation of property, plant and equipment, utilities and office expenses and others.

The Group's cost of sales for the six months ended June 30, 2021 was RMB19.4 million, representing an increase of 1,166.2% compared to RMB1.5 million for the six months ended June 30, 2020. The increase was primarily attributable to increase in raw materials and consumables used for sales of our products in line with increased commercialization of our marketed products in the second half of 2020 and the first half of 2021, and the increase in employee benefits expenses as a result of increase in the number of our employees for expanded production and operation.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 8,902.4% from RMB0.6 million for the six months ended June 30, 2020 to RMB52.1 million for the six months ended June 30, 2021. Our gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group increased from 27.5% for the six months ended June 30, 2020 to 72.9% for the six months ended June 30, 2021, mainly due to (i) since June 30, 2020, we have obtained approvals from the NMPA for 8 products, among which we have successfully launched 6 products in China as at June 30, 2021 that have overall gross profit margin higher than those products commercialized before June 30, 2020; (ii) we achieved significant progress in the commercialization of our products in China and covered over 1,500 hospitals via our extensive distribution network; and (iii) domestic sales that have higher gross profit margin as compared to sales overseas contributed much higher percentage of overall revenue for the six months ended June 30, 2021 than that for the six months ended June 30, 2020.

Research and Development Expenses

The Group's research and development expenses for the six months ended June 30, 2021 was RMB49.0 million, representing an increase of 78.4% compared to RMB27.5 million for the six months ended June 30, 2020. The increase was primarily attributable to increased research activities, such as R&D activities, clinical trials and registration of products, which resulted in (i) increased employee benefits expenses from RMB14.0 million for the six months ended June 30, 2020 to RMB25.5 million for the six months ended June 30, 2021, (ii) increased testing, clinical trial and professional service fees from RMB5.5 million for the six months ended June 30, 2020 to RMB10.0 million for the six months ended June 30, 2021, and (iii) increased raw materials and consumables used from RMB3.6 million for the six months ended June 30, 2020 to RMB8.7 million for the six months ended June 30, 2021.

The following table sets forth a breakdown of research and development expenses:

	Six months ended June 30, 2021 (Unaudited) *RMB'000*	Six months ended June 30, 2020 (Unaudited) *RMB'000*
Research and Development Expenses		
Employee benefits expenses	**25,514**	13,953
Testing, clinical trial and professional service fees for research and development	**9,961**	5,464
Raw materials and consumables used	**8,725**	3,597
Others	**4,779**	4,441
Total	**48,979**	27,455

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended June 30, 2021 was RMB25.7 million, representing an increase of 427.8% compared to RMB4.9 million for the six months ended June 30, 2020. The increase was primarily attributable to increased marketing and product education activities along with increasing number of newly launched products and associated expansion of our sales and marketing team. The sales and distribution expense as percentage of overall revenue has been decreased from 231.4% for the six months ended June 30, 2020 to 36.0% for the same period of 2021.

Administrative Expenses

The Group's administrative expenses for the six months ended June 30, 2021 was RMB54.2 million, representing an increase of 656.8% compared to RMB7.2 million for the six months ended June 30, 2020. The increase was primarily attributable to (i) 26.4 million of fees in relation to our financing activities, such as IPO and series C+ round of financing and (ii) increase in our employee benefit expenses, office and utility expenses due to our business growth.

Other Expenses

The Group's other expenses for the six months ended June 30, 2021 was RMB0.3 million, representing an increase of 114.2% compared to RMB0.1 million for the six months ended June 30, 2020.

Other Income

The Group's other income for the six months ended June 30, 2021 was RMB0.8 million, representing a decrease of 79.3% compared to RMB3.7 million for the six months ended June 30, 2020. The decrease was primarily attributable to a decrease of government grants in the first half of 2021.

Other Gains

The Group's other gains for the six months ended June 30, 2021 was RMB4.4 million, representing an increase of 378.1% compared to RMB0.9 million for the six months ended June 30, 2020. The increase was primarily attributable to an increase in interest income on financial assets at fair value through profit or loss.

Finance Income/(Costs) — net

The Group's finance income — net for the six months ended June 30, 2021 was RMB2.2 million, representing an increase from a finance cost — net of RMB0.4 million for the six months ended June 30, 2020. The increase in finance income/(costs) — net was primarily attributable to an increase in bank interest income in the first half of 2021.

Income Tax Expense

The Group did not incur income tax expense for the six months ended June 30, 2020 and 2021 as our Group had no assessable profit.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we also use adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures facilitates a comparison of our operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance. From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows its reconciliation to loss for the periods indicated:

	Six months ended June 30, 2021 *(RMB'000)* (unaudited)	Six months ended June 30, 2020 *(RMB'000)* (unaudited)
Loss for the period	**(69,717)**	(34,800)
Add:		
Share-based compensation[(1)]	**22,455**	748
Listing expenses[(2)]	**25,852**	—
Non-IFRS adjusted net loss for the period[(3)]	**(21,410)**	(34,052)

Notes:

(1) Share-based compensation is non-operational expenses arising from granting shares through the Employee Incentive Platforms and Pre-IPO Share Option Scheme to eligible employees of the Group, the amount of which may not directly correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities.

(2) Listing expenses are one-off expenses in relation to the IPO and the Global Offering.

(3) We consider the share-based compensation and listing expenses as non-operational or one-off expenses which do not affect our ongoing operating performance. We believe the net loss as adjusted by eliminating potential impacts of the share-based compensation and listing expenses provides useful information to investors in facilitating a comparison of our operating performance from period to period.

The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

Capital Management

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

Liquidity and Financial Resources

The Group's cash and cash equivalents as at June 30, 2021 were RMB41.1 million, representing a decrease of 31.0% compared to RMB59.6 million as at December 31, 2020. Financial assets measured at fair value were RMB681.7 million as at June 30, 2021 as compared to RMB157.7 million as at December 31, 2020. The decrease was primarily attributable to the increase in the purchases of financial assets measured at fair value by the Group in the first half of 2021.

We rely on capital contributions by our shareholders as the major sources of liquidity. We also generate cash from our sales revenue of existing commercialized products, including Thrombite® CRD, Ultrafree® DCB, intracranial support catheter, peripheral stent system, PTA balloon catheter, high pressure (HP) PTA balloon catheter, snare retrieval kit for IVC filter, intracranial PTA balloon catheter (Rx) and distal access catheter. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of existing commercialized products and by launching new products, as a result of the broader market acceptance of our existing products and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

Borrowings and Gearing Ratio

As at June 30, 2021, our borrowings were fully repaid.

The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group as at June 30, 2021 was 0.3%, representing a decrease of 96.3% compared to 8.1% as at December 31, 2020 primarily because the Company repaid all the outstanding bank loans and the completion of the series C+ round of financing took place in the first half of 2021.

Net Current Assets

The Group's net current assets, as at June 30, 2021 were RMB729.4 million, representing an increase of 129.0% compared to net current assets of RMB318.5 million as at December 31, 2020 primarily due to the series C+ financing of the Company in the amount of USD76.0 million.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are dominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

Pledge of Shares

We do not have any pledging of shares by our Single Largest Group of Shareholders.

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2021, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the six months ended June 30, 2021, the Group's total capital expenditure amounted to approximately RMB30.4 million, which was used in purchase of property, plant and equipment.

Charge on Assets

As at June 30, 2021, there was no charge on assets of the Group.

Contingent Liabilities

As at June 30, 2021, we did not have any contingent liabilities.

Events after the Reporting Period

Subsequent to June 30, 2021, the following significant events took place:

1. On July 5, 2021, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of issue of 60,000,000 new ordinary shares of par value of RMB1.0 each at the price of HK$42.70 per share. The net proceeds arising from the Listing amounted to approximately HK$2,477.4 million.

2. On July 25, 2021, the Over-allotment Option was exercised in full, following which an additional 9,000,000 ordinary shares with a par value of RMB1.0 each at the price of HK$42.70 per share was issued on July 28, 2021.

3. We completed the patient enrollment process for the clinical trial of peripheral venous stent system in July 2021.

4. We obtained NMPA approval for our microcatheter for clot retriever in August 2021.

Save as disclosed above, the Company is not aware of any material subsequent events from June 30, 2021 to the date of this report.

Employees and Remuneration Policies

As at June 30, 2021, we had 361 employees in total.

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

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, projects and stock incentive plans to our employees especially key employees. The Company had established four Employee Incentive Platforms, namely Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)) and Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥)). As at June 30, 2021, the four Employee Incentive Platforms, in aggregate, held 36,370,587 Domestic Shares. As at June 30, 2021, 59 employees were granted awards in the form of economic interest in the Employee Incentive Platforms conditional upon certain vesting conditions as specified in each award agreement and upon vesting, such employee will become a limited partner of the relevant Employee Incentive Platform.

Future Investment Plans and Expected Funding

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

III. PROSPECTS

We plan to implement the following strategies to achieve our mission and vision:

Further strengthen our commercialization capabilities to solidify our leadership in China

We plan to further strengthen our commercialization capabilities to accelerate sales of our approved product and late-stage product candidates. We will further deepen our collaboration with KOLs and physicians and continue to actively participate in academic promotion such as providing product education to physicians to further increase adoption of our products, and enhance recognition for our product offering and innovation. To increase penetration among our covered hospitals and enter into new hospitals, we expect to further expand the distribution network for both of our existing and future commercialized products by cooperating with additional distributors who have impressive sales records in high-growth regions in China. We plan to coordinate our sales and marketing team to support these distributors to reach their sales targets. In preparation for the sales expansion of our marketed products and upcoming commercialization of our product candidates at registration stage, we intend to further scale up our sales and marketing team by hiring additional experienced sales personnel.

We also endeavor to enhance our manufacturing capabilities to support the sales of our approved products and expedite the commercialization of our products candidates. We believe that the ability to cost-effectively manufacture high-quality products on a commercial scale is key to meeting the fast-growing market needs and capturing additional growth opportunities. We have completed construction of our new headquarters manufacturing facilities in Hangzhou with aggregate area of approximately 13,000 sq.m.. We expect the new facilities in Hangzhou will be in operation by the end of 2021. In addition, we plan to expand the manufacturing facilities in Zhuhai to capture the market demand of our products, including Thrombite® CRD. We intend to build a new manufacturing site in Zhuhai with an aggregate area of approximately 20,000 sq.m., which is expected to enter into full operation by the end of 2022. We also plan to further enhance our manufacturing capacities by investment in automation to meet growing market needs.

Continue to accelerate product development and expand our product portfolio to provide total solutions

We believe our leadership is, and will continue to be, attributable to our successful development of a robust portfolio of complementary and advanced products. We will continue to accelerate product development and expand our product portfolio.

We currently have an extensive portfolio with 45 products and product candidates in different development stages. We plan to obtain NMPA approvals for 8 products in 2021 and obtain NMPA approvals for other candidates by 2025. We plan to accelerate the clinical trial and registration of such product candidates. We will leverage our close relationships with KOLs and leading hospitals to accelerate patient enrollment for our clinical trials. Some of our product candidates are eligible for clinical trial exemption under the Catalogue of Medical Devices Exempted from Clinical Trials (《免於進行臨床試驗醫療器械目錄》) issued by the NMPA. We will further strengthen our development efforts in type testing, animal study and product registration for these exempted product candidates in order to further enrich our product portfolio.

In addition, we plan to expand our portfolio to cover more indications in neuro-and peripheral-vascular areas and provide more effective solutions to patients and physicians, gradually increasing our market penetration. We plan to conduct further studies on our approved products, such as product improvements to realize whole-device imaging and indication expansion to cover pulmonary embolism and longer treatment window for Thrombite® CRD, as well as material upgrade and indication expansion to cover the stenosis or occlusion in below-the-knee (BTK) popliteal arteries, stenosis or occlusion of obstructive lesions of native or synthetic arteriovenous dialysis fistulae and stenosis of vertebral arteries for Ultrafree® DCB. On the back of the breadth of our portfolio, we are confident to provide total solutions to the full spectrum of neuro-and peripheral-vascular diseases.

To further enhance our product development capabilities, we plan to expand our R&D team and improve execution efficiency throughout the development processes. We expect to hire additional R&D members with solid academic background and extensive industry experience in order to further accelerate our product development pace and expand our portfolio.

Further advance R&D capabilities to support our long-term growth

We plan to further enhance our R&D capability focusing on interventional solutions tailored for neuro- and peripheral-vascular diseases in China. We will continue to invest in technology innovations to support the development of next generation products. We also plan to improve our R&D efficiency leveraging our synergistic technology platforms in neuro- and peripheral-vascular fields.

To advance our R&D efforts, we plan to recruit more talents to strengthen our internal R&D teams. We intend to strengthen our collaboration with KOLs and leading physicians and hospitals to gain first-hand knowledge of current and unmet clinical needs, surgeons' preferences and clinical trends, in order to enhance the clinical utility of our products and therefore increase the market potential of our product candidates.

In addition, we may strategically collaborate with academic institutions or medical associations on developing new products to broaden our product portfolio. We also plan to complement our organic growth with prudent investment, acquisition or partnership. Particularly, we plan to opportunistically acquire product candidates which have advanced technologies or have synergies with our existing research and development infrastructure. To pursue such opportunities, we will explore suitable investment and partnership arrangements, including establishing strategic alliances, joint ventures and in-licensing relationships. We believe that our extensive industry knowledge and R&D expertise, and proven product development speed will not only empower us to promptly identify and capture potential targets to enhance our R&D capabilities, but also make us a more desirable acquirer or partner than our competitors. As at the date of this report, we have not identified any specific investment or acquisition targets.

Further develop our integrated platform and enhance operational efficiency

We plan to further streamline our integrated platform with comprehensive R&D, manufacturing and commercialization capabilities. With our continuously growing operation scale, we will further centralize and unify our management in procurement, clinical trial, registration, manufacturing and quality control, in order to enhance our overall operational efficiency.

We believe that manufacturing capability and quality control are critical to the expansion of our product portfolio. Our manufacturing facilities in Hangzhou are expected to be in full operation in October 2021, which will enhance our manufacturing capacity and help further centralize our procurement and production processes. We plan to strengthen our production efficiency by streamlining supply chain management, quality control systems and reducing raw material and processing costs. We intend to continue in-house production for all our future marketed products.

With the successful registrations for 14 products and our regulatory experience with the NMPA registration process and CE Mark, we plan to further implement centralized product registration management which allows us to share such experience among various registration processes and to reduce the costs and time involved in the clinical trial and product registration for our product candidates.

We plan to enhance the core competency of every aspect of our integrated platform, from R&D, manufacturing to commercialization, which in turn will further promote the overall competitiveness of our Company. We aim to upgrade from an R&D-driven company to a full-powered integrated platform. We will maximize the synergy effect of our integrated platform to rely on the revenue from our commercialized products and other resources to support the development and commercialization of our other product candidates, which in turn will generate more revenue thereby mitigating the uncertainties and risks involved in the development of innovative medical devices and ensure sustainable growth.

Selectively expand our global footprint

As at the date of this report, we obtained CE Mark for 8 products and commercialized 5 products in Europe, namely Thrombite® CRD, peripheral stent system, PTA balloon catheter, HP PTA balloon catheter and peripheral drug-eluting stent system. Leveraging our successful overseas registration and sales experiences, we intend to pursue geographical expansion in selected markets based on different product demands, adopting tailored strategies to commercialize our products in different target jurisdictions, including joint development, granting commercial rights to third parties and cooperation with distributors. We hold global rights of our products and product candidates through patent registration and protection over proprietary technologies. We may enter into partnership arrangements to expand our market coverage and maximize the global value of our products. In particular, we have considered the geographical distance, disease similarity, regional competitive landscape of medical device, and local regulatory conditions for our plan to expand geographical coverage. While we currently do not have immediate plan to enter into new markets outside of China and Europe, we plan to explore our products sale in other regions, such as East and Southern Asia.

To promote our brand name overseas, we plan to become a regular and long-term participant of LINC and join more prominent international medical conferences and industry exhibitions such as World Live Neurovascular Conference, and conferences held by European Stroke Organization and World Stroke Organization. We plan to leverage our brand name in China and high product quality to promote our brand awareness and build our reputation among influential KOLs and major medical associations globally. Led by our management team's global vision and leveraging our proven R&D, manufacturing and commercialization capabilities, we may also strategically import advanced technologies, invention patents and product prototypes from overseas or collaborate with overseas companies to co-develop products to expand our global footprint.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE

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 corporate governance practices based on the principles and code provisions as set out in the CG Code as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Up to the date of this report, the roles of chairman and chief executive officer were performed by Dr. Jonathon Zhong Zhao, which may be inconsistent with code provision A.2.1. Nevertheless, the Board considers that this arrangement is proper and beneficial to the Group as the stability and efficiency of the Company's operations, as well as the continuity of the Company's policies and strategies, can be maintained. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing another individual as the chief executive officer when it thinks appropriate.

The CG Code was not applicable to the Group for the Reporting Period, as the Company had not been listed on the Hong Kong Stock Exchange as at June 30, 2021.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance. Since the Listing Date and up to the date of this report, the Group has strictly complied with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

The Model Code was not applicable to the Group for the Reporting Period, as the Company had not been listed on the Hong Kong Stock Exchange as at June 30, 2021. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code since the Listing Date and up to the date of this report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group since the Listing Date and up to the date of this report.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three independent non-executive Directors, namely Ms. Yun Qiu, Mr. Hongze Liang and Dr. Jian Ji. The chairman of the Audit Committee is Ms. Yun Qiu who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2021 with the management and the auditor of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

The independent auditor of the Company, namely PricewaterhouseCoopers, have carried out a review of the interim financial information in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

USE OF NET PROCEEDS FROM IPO AND OVER-ALLOTMENT OPTION

The net proceeds from initial public offering amounted to approximately HK$2,477.4 million. On July 28, 2021, the Company also received net proceeds of HK$347.3 million from the full exercise of the Over-allotment Option. The aforementioned net proceeds amounts were arrived at after deducting the underwriting commissions payable by us in connection with the Global Offering. Such net proceeds amounts may be subject to further adjustment as a result of other fees and expenses expected to be incurred in connection with the Global Offering.

Since the Company had not been listed on the Hong Kong Stock Exchange as at June 30, 2021, the net proceeds from the Global Offering had not been utilized by the Company during the Reporting Period. The Company expects to utilize the net proceeds from the Global Offering in accordance with the intended use and expected timeline previously disclosed in the Prospectus. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CHANGE OF INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

Save as disclosed below, since the publication of the Prospectus and up to the date of this report, there was no change to information which was required to be disclosed by Directors, Supervisors and senior management members pursuant to Rule 13.51B(1) of the Listing Rules.

Dr. Steven Dasong Wang (王大松), our non-executive Director, has ceased to be a non-executive director of Union Medical Healthcare Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2138) since July 2021.

Ms. Yun Qiu (邱妘), our independent non-executive Director, has ceased to be (i) an independent director and chairlady of the audit committee of Ningbo Boway Alloy Material Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601137)) since May 2021; and (ii) an independent non-executive director and chairlady of the audit committee of Zhejiang New Century Hotel Management Co., Ltd. (a company previously listed on the Hong Kong Stock Exchange (stock code: 01158) and was subsequently privatized and de-listed) since May 2021.

DIRECTORS' AND SUPERVISORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

As at the end of the Reporting Period, other than the Pre-IPO Share Option Scheme, none of the Directors, Supervisors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing Shares or debentures of the Company. No member of the Group was a party to any arrangements to enable the Directors, Supervisors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other body corporates.

During the Reporting Period, the Company did not grant any rights to acquire benefits by means of the acquisition of Shares or debentures of the Company to any Directors or Supervisors or their respective spouses or minor children under 18, and none of them has exercised such rights.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the Company had not been listed on the Hong Kong Stock Exchange as at 30 June 2021, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO were not applicable to the Directors, Supervisors and chief executives of the Company as at 30 June 2021.

As at July 28, 2021 (upon the completion of the full exercise of the Over-allotment Option), the interests or short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, Supervisors and chief executive(s) of the Company are taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
Dr. Jonathon Zhong Zhao (趙中)[2]	Executive Director	Beneficial owner	42,494,995[6] Domestic Shares (L)	21.05	12.78
		Interest in controlled corporations	36,370,587 Domestic Shares (L)	18.02	10.94
		Interests held jointly with another person	18,699,337 Domestic Shares (L)	9.26	5.63
Mr. Stephen Hui Wang (王暉)[3]	Non-executive Director	Interest in controlled corporations	9,963,681 H Shares (L) 19,298,911 Domestic Shares (L)	7.63 9.56	8.80
Dr. Zheng Li (李崢)[2][4]	Executive Director	Beneficial owner	239,427[7] Domestic Shares (L)	0.12	0.07
		Deemed interest	4,983,293 Domestic Shares (L)	2.47	1.50
		Interests held jointly with another person	92,342,199 Domestic Shares (L)	45.74	27.78
Mr. Yang Xie (謝陽)[5]	Executive Director	Beneficial owner	167,599[8] Domestic Shares (L)	0.08	0.05
		Interest in controlled corporation	15,834,917 Domestic Shares (L)	7.84	4.76
Ms. Jie Liang (梁婕)	Chairman of the Supervisory Committee and employee Supervisor	Beneficial owner	179,571[9] Domestic Shares (L)	0.09	0.05
Ms. Hongbo Wang (王宏波)	Employee Supervisor	Beneficial owner	71,828[10] Domestic Shares (L)	0.04	0.02

Notes:

(1) The calculation is based on the total number of 201,881,003 Domestic Shares in issue and 130,519,998 H Shares (without taking into account any Shares to be issued under the Pre-IPO Share Option Scheme) in issue as at July 28, 2021 upon the completion of the full exercise of the Over-allotment Option. The letter "L" denotes the shareholder's long position in such Shares.

(2) Pursuant to a concert party agreement dated January 21, 2021 (the "**Concert Parties Agreement I**") entered into by and between, among others, Dr. Jonathon Zhong Zhao (趙中) ("**Dr. Zhao**"), Dr. Shengping Sam Zhong (鍾生平) ("**Dr. Zhong**"), Dr. Zheng Li (李崢) ("**Dr. Li**"), Ms. Na Wei (衛娜) ("**Ms. Wei**"), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)) ("**Zhuhai Tongqiao**"), Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業 (有限合夥)) ("**Hangzhou Fujiang**"), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)) ("**Zhuhai Guichuang**"), Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥)) ("**Huzhou Guiqiao**"), WEA Enterprises, LLC ("**WEA**") and Nanjing Yuyihui Investment Partnership (Limited Partnership) (南京語意慧投資合夥企業(有限合夥)) ("**Nanjing Yuyihui**") (each, a "**Concert Party**"), the Concert Parties agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the concert party agreement. In the event they fail to reach such consensus, each of the Concert Parties shall exercise their respective voting rights in accordance with instructions of Dr. Zhao. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each Concert Party is also deemed to be interested in the interest of other Concert Parties.

(3) Pursuant to a concert party agreement dated March 11, 2021 (the "**Concert Parties Agreement II**") entered into by and between, among others, Highlight Medical Limited ("**Highlight Medical**"), Ourea Biotech HK Limited ("**Ourea Biotech**"), Five Investment Limited ("**Five Investment**"), Homehealth Investment Limited ("**Homehealth**"), Ningbo Free Trade Zone Tiesi Equity Investment Partnership (Limited Partnership) ("**Ningbo Tiesi**"), Suzhou Taihong Jinghui Investment Center (Limited Partnership) ("**Taihong Jinghui**") and Ganzhou Titan Equity Investment Partnership (Limited Partnership) ("**Ganzhou Titan**") (together, the "**Honghui Shareholders**"), the Honghui Shareholders agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the concert party agreement. In the event they fail to reach such consensus, each of the Honghui Shareholders shall exercise their respective voting rights in accordance with instructions of Five Investment. Therefore, under the SFO, in addition to their respective direct shareholding, each Honghui Shareholder is also deemed to be interested in the interest of other Honghui Shareholders. All of Five Investment, Highlight Medical and Homehealth are controlled by Highlight Capital Partners I L.P., which was managed by its general partner, Highlight Capital GP I Company Limited, which is in turn controlled by Mr. Stephen Hui Wang (王暉) ("**Mr. Wang**"). Thus, Highlight Capital Partners I L.P., Highlight Capital GP I Company Limited and Mr. Wang are deemed to be interested in the interest of Five Investment, Highlight Medical and Homehealth. Ourea Biotech is held by HL Partners II L.P., which is managed by HL GP II Company Limited, which is in turn controlled by Mr. Wang. Therefore, HL Partners II L.P., HL GP II Company Limited and Mr. Wang are deemed to be interested in the interest of Ourea Biotech. Ningbo Tiesi and Ganzhou Titan are both managed by their general partner, Shanghai Hehong Jinghui Equity Investment Management Co., Ltd. (上海合弘景暉股權投資管理有限公司) ("**Hehong Jinghui**"), which is controlled by Mr. Wang, Thus, Hehong Jinghui and Mr. Wang are deemed to be interested in the interest of Ningbo Tiesi and Ganzhou Titan. Taihong Jinghui is managed by its general partner, Suzhou Yuhui Equity Investment Management Partnership (Limited Partnership) (蘇州煜暉股權投資管理合夥企業(有限合夥)) ("**Suzhou Yuhui**"), which is in turn managed by its general partner, Jiangsu Highlight Equity Investment Management Co., Ltd. (江蘇弘暉股權投資管理有限公司) ("**Jiangsu Highlight**"), which is controlled by Mr. Wang. Therefore, Suzhou Yuhui, Jiangsu Highlight and Mr. Wang are deemed to be interested in the interest of Taihong Jinghui.

(4) Ms. Wei, being the general partner of Nanjing Yuyihui, controls Nanjing Yuyihui, which holds 4,983,293 Domestic Shares of our Company. Dr. Li and Ms. Wei are spouses and therefore, under the SFO, Dr. Li and Ms. Wei are deemed to be interested in 4,983,293 Domestic Shares of our Company through Nanjing Yuyihui.

(5) Mr. Yang Xie (謝陽) ("**Mr. Xie**") was granted 36.36% of economic interest in Zhuhai Tongqiao and 46.02% economic interest in Hangzhou Fujiang, both being the Employee Incentive Platforms, and therefore, under the SFO, Mr. Xie is deemed to be interested in 10,151,978 Domestic Shares through Zhuhai Tongqiao and 5,682,939 Domestic Shares through Hangzhou Fujiang.

(6) This includes (i) 41,441,991 Domestic Shares beneficially held by Dr. Zhao, and (ii) Dr. Zhao's entitlement to receive up to 1,053,004 Domestic Shares pursuant to the options granted to him under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

(7) Dr. Li is entitled to receive up to 239,427 Domestic Shares pursuant to the options granted to him under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

(8) Mr. Xie is entitled to receive up to 167,599 Domestic Shares pursuant to the options granted to him under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

(9) Ms. Jie Liang (梁婕) is entitled to receive up to 179,571 Domestic Shares pursuant to the options granted to her under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

(10) Ms. Hongbo Wang (王宏波) is entitled to receive up to 71,828 Domestic Shares pursuant to the options granted to her under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

Save as disclosed above, as at July 28, 2021 (upon the completion of the full exercise of the Over-allotment Option), none of the Directors, Supervisors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As the Company had not been listed on the Hong Kong Stock Exchange as at 30 June 2021, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the following persons other than the Directors, Supervisors and chief executives of the Company as at 30 June 2021.

To the best knowledge of the Company based on the public information, as at July 28, 2021 (upon the completion of the full exercise of the Over-allotment Option), the interests or short positions of the following persons (other than the Directors, Supervisors and chief executives of the Company) in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors, Supervisors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
Dr. Shengping Sam Zhong (鍾生平)[2][3]	Interest in controlled corporations	13,476,617 Domestic Shares (L)	6.68	4.05
	Interests held jointly with another person	84,088,302 Domestic Shares (L)	41.65	25.30

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
WEA Enterprises, LLC[2][3]	Beneficial owner	13,476,617 Domestic Shares (L)	6.68	4.05
	Interests held jointly with another person	84,088,302 Domestic Shares (L)	41.65	25.30
Ms. Na Wei (衛娜)[2][4]	Interest in controlled corporations	4,983,293 Domestic Shares (L)	2.47	1.50
	Deemed interest	239,427 Domestic Shares (L)	0.12	0.07
	Interests held jointly with another person	92,342,199 Domestic Shares (L)	45.74	27.78
Nanjing Yuyihui Investment Partnership (Limited Partnership) (南京語意慧投資合夥企業(有限合夥))[2][4]	Beneficial owner	4,983,293 Domestic Shares (L)	2.47	1.50
	Interests held jointly with another person	92,581,626 Domestic Shares (L)	45.86	27.85
Zhuhai Tongqiao Investment Centre (Limited Partnership) (珠海通橋投資中心(有限合夥))[2]	Beneficial owner	10,151,978 Domestic Shares (L)	5.03	3.05
	Interests held jointly with another person	87,412,941 Domestic Shares (L)	43.30	26.30
Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥))[2]	Beneficial owner	5,682,939 Domestic Shares (L)	2.81	1.71
	Interests held jointly with another person	91,881,980 Domestic Shares (L)	45.51	27.64
Zhuhai Guichuang Equity Investment Centre (Limited Partnership) (珠海歸創股權投資中心(有限合夥))[2]	Beneficial owner	10,958,575 Domestic Shares (L)	5.43	3.30
	Interests held jointly with another person	86,606,344 Domestic Shares (L)	42.90	26.05
Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥))[2]	Beneficial owner	9,577,095 Domestic Shares (L)	4.74	2.88
	Interests held jointly with another person	87,987,824 Domestic Shares (L)	43.58	26.47

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
Highlight Medical Limited[5]	Beneficial owner	6,263,113 H Shares (L)	4.80	1.88
	Interests held jointly with another person	3,700,568 H Shares (L)	2.84	6.92
		19,298,911 Domestic Shares (L)	9.56	
Ourea Biotech HK Limited[5]	Beneficial owner	2,565,219 H Shares (L)	1.97	1.74
		3,227,100 Domestic Shares (L)	1.60	
	Interests held jointly with another person	7,398,462 H Shares (L)	5.67	7.06
		16,071,811 Domestic Shares (L)	7.96	
Homehealth Investment Limited[5]	Beneficial owner	1,135,349 H Shares (L)	0.87	0.34
	Interests held jointly with another person	8,828,332 H Shares (L)	6.76	8.46
		19,298,911 Domestic Shares (L)	9.56	
Five Investment Limited[5]	Beneficial owner	9,227,691 Domestic Shares (L)	4.57	2.78
	Interests held jointly with another person	9,963,681 H Shares (L)	7.63	6.03
		10,071,220 Domestic Shares (L)	4.99	
Ningbo Free Trade Zone Tiesi Equity Investment Partnership (Limited Partnership) (寧波保稅區帖斯以股權投資合夥企業(有限合夥))[5]	Beneficial owner	2,927,696 Domestic Shares (L)	1.45	0.88
	Interests held jointly with another person	9,963,681 H Shares (L)	7.63	7.92
		16,371,215 Domestic Shares (L)	8.11	
Suzhou Taihong Jinghui Investment Center (Limited Partnership) (蘇州泰弘景暉投資中心(有限合夥))[5]	Beneficial owner	2,609,614 Domestic Shares (L)	1.29	0.79
	Interests held jointly with another person	9,963,681 H Shares (L)	7.63	8.02
		16,689,297 Domestic Shares (L)	8.27	
Ganzhou Titan Equity Investment Partnership (Limited Partnership) (贛州提坦股權投資合夥企業(有限合夥))[5]	Beneficial owner	1,306,810 Domestic Shares (L)	0.65	0.39
	Interests held jointly with another person	9,963,681 H Shares (L)	7.63	8.41
		17,992,101 Domestic Shares (L)	8.91	

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
OAP IV (HK) Limited[6]	Beneficial owner	25,335,535 H Shares (L)	19.41	7.62
Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥))[7]	Beneficial owner	20,470,199 Domestic Shares (L)	10.14	6.16
Lake Bleu Capital (Hong Kong) Limited[8]	Interest in controlled corporations	17,114,491 H Shares (L)	13.11	5.15
AIHC Master Fund[9]	Beneficial Owner	9,832,796 H Shares (L) 4,162,946 Domestic Shares (L)	7.53 2.06	4.21
Schroders Plc	Investment manager	20,038,500 H Shares (L)	15.35	6.03
Schroder International Selection Fund-Greater China Fund	Beneficial owner	9,003,500 H Shares (L)	6.90	2.71
Morgan Stanley	Interest in controlled corporations	7,465,305 H Shares (L)	5.72	2.25
		1,093,700 H Shares (S)	0.84	0.33

Notes:

(1) The calculation is based on the total number of 201,881,003 Domestic Shares in issue and 130,519,998 H Shares (without taking into account any Shares to be issued under the Pre-IPO Share Option Scheme) in issue as at July 28, 2021 upon the completion of the full exercise of the Over-allotment Option. The letter "S" denotes the shareholder's short position in such Shares. The letter "L" denotes the shareholder's long position in such Shares.

(2) Pursuant to the Concert Parties Agreement I, the Concert Parties agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the concert party agreement. In the event they fail to reach such consensus, each of the Concert Parties shall exercise their respective voting rights in accordance with instructions of Dr. Zhao. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each Concert Party including among others, Dr. Zhong, WEA, Ms. Wei, Nanjing Yuyihui, Zhuhai Tongqiao, Hangzhou Fujiang, Zhuhai Guichuang and Huzhou Guiqiao, are also deemed to be interested in the interest of other Concert Parties.

(3) Dr. Zhong holds 100% of the equity interests in WEA, which holds 13,476,617 Domestic Shares of our Company (without taking into account any Shares to be issued under the Pre-IPO Share Option Scheme). Therefore, under the SFO, Dr. Zhong is deemed to be interested in 13,476,617 Domestic Shares of our Company through WEA.

(4) Ms. Wei, being the sole general partner of Nanjing Yuyihui, controls Nanjing Yuyihui, which holds 4,983,293 Domestic Shares of our Company (without taking into account any Shares to be issued under the Pre-IPO Share Option Scheme). Dr. Li and Ms. Wei are spouses and therefore, under the SFO, Dr. Li and Ms. Wei are deemed to be interested in 4,983,293 Domestic Shares of our Company through Nanjing Yuyihui, and Ms. Wei is also deemed to be interest in the entitlement of Dr. Li to receive up to 239,427 Domestic Shares pursuant to the options granted to Dr. Li under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

(5) Pursuant to the Concert Parties Agreement II, the Honghui Shareholders agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the concert party agreement. In the event they fail to reach such consensus, each of the Honghui Shareholders shall exercise their respective voting rights in accordance with instructions of Five Investment. Therefore, under the SFO, in addition to their respective direct shareholding, each Honghui Shareholder is also deemed to be interested in the interest of other Honghui Shareholders. All of Five Investment, Highlight Medical and Homehealth are controlled by Highlight Capital Partners I L.P., which was managed by its general partner, Highlight Capital GP I Company Limited, which is in turn controlled by Mr. Wang. Thus, Highlight Capital Partners I L.P., Highlight Capital GP I Company Limited and Mr. Wang are deemed to be interested in the interest of Five Investment, Highlight Medical and Homehealth. Ourea Biotech is held by HL Partners II L.P., which is managed by HL GP II Company Limited, which is in turn controlled by Mr. Wang. Therefore, HL Partners II L.P., HL GP II Company Limited and Mr. Wang are deemed to be interested in the interest of Ourea Biotech. Ningbo Tiesi and Ganzhou Titan are both managed by their general partner, Hehong Jinghui, which is controlled by Mr. Wang, Thus, Hehong Jinghui and Mr. Wang are deemed to be interested in the interest of Ningbo Tiesi and Ganzhou Titan. Taihong Jinghui is managed by its general partner, Suzhou Yuhui, which is in turn managed by its general partner, Jiangsu Highlight, which is controlled by Mr. Wang. Therefore, Suzhou Yuhui, Jiangsu Highlight and Mr. Wang are deemed to be interested in the interest of Taihong Jinghui.

(6) OAP IV (HK) Limited ("**OAP**") is wholly-owned by OrbiMed Asia Partners IV, L.P., which was managed by OrbiMed Asia GP IV L.P., which was in turn managed by OrbiMed Advisors IV Limited, a company jointly controlled by David Guowei Wang, Sunny Sharma, Sven H. Borho, William Carter Neild, Jonathan T. Silverstein and Carl L. Gordon. Therefore, OrbiMed Asia Partners IV, L.P., OrbiMed Asia GP IV L.P., OrbiMed Advisors IV Limited, David Guowei Wang, Sunny Sharma, Sven H. Borho, William Carter Neild, Jonathan T. Silverstein and Carl L. Gordon are deemed to be interested in the interest of OAP under the SFO.

(7) Future Industry Investment Fund (Limited Partnership) ("**FIIF**") was managed by its general partner SDIC Fund Management Co., Ltd. (國投創新投資管理有限公司), which was held as to 40% by China State Investment High-Tech Industrial Investment Co., Ltd. (中國國投高新產業投資有限公司), which in turn was controlled by State Development and Investment Corporation (國家開發投資集團有限公司). Therefore, SDIC Fund Management Co., Ltd., China State Investment High-Tech Industrial Investment Co., Ltd. and State Development and Investment Corporation are deemed to be interested in the interest of FIIF under the SFO.

(8) Lake Bleu Capital (Hong Kong) Limited ("**LBC Capital**") manages both Lake Bleu Prime Healthcare Master Fund Limited ("**Lake Bleu Prime**") and LBC Sunshine Healthcare Fund II L.P. ("**LBC Sunshine**") as a fund manager. LBC Sunshine is an existing Shareholder of the Company and holds 11,353,491 H Shares as at July 28, 2021. Lake Bleu Prime is a cornerstone investor of the Company and subscribed for 3,763,000 H Shares based on the Offer Price of HK$41.25 (being the mid-point of the Offer Price range) in the Global Offering. Lake Bleu Prime holds 5,761,000 H Shares as at July 28, 2021. LBC Capital is controlled by Mr. Bin Li. Therefore, Mr. Bin Li is deemed to be interested in the 17,114,491 H Shares held by LBC Capital under the SFO.

(9) AIHC Master Fund ("**AIHC**") is an existing Shareholder and a cornerstone investor of the Company, and holds (i) 9,832,796 H Shares and (ii) 4,162,946 Domestic Shares as at July 28, 2021. AIHC is wholly-owned by AIH Capital Group Limited, which is in turn wholly-owned by Wei Zhang. Therefore, AIH Capital Group Limited and Wei Zhang are deemed to be interested in the 9,832,796 H Shares and 4,162,946 Domestic Shares held by AIHC under the SFO.

Save as disclosed above, as at July 28, 2021 (upon the completion of the full exercise of the Over-allotment Option), no person (other than the Directors, Supervisor and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified the Company or the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO SHARE OPTION SCHEME

The Pre-IPO Share Option Scheme was adopted and approved by resolutions in writing by the Board on January 18, 2021. The purpose of the Scheme is to strengthen the human resources management of our Company by providing a means through which the Company may grant equity-based incentives to attract and retain skilled management, R&D, business and marketing personnel in order to raise the competitiveness of our Company. All shares to be issued under the Pre-IPO Share Option Scheme are Domestic Shares of our Company. The Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it will not involve the grant of options by us after the Listing.

The following is a summary of the principal terms of the Scheme.

1. Summary of terms

(a) Duration

Subject to the termination provisions under the Scheme, the Scheme shall be valid and effective for the period of 10 years commencing on the adoption date; or when all options have been exercised or lapse pursuant to the Scheme, whichever is the earlier.

(b) Administration

The Scheme shall be subject to the administration of Dr. Jonathon Zhong Zhao (the "**Administrator**") and the supervision of the Supervisors of our Company. The Administrator shall have the right to (i) request for Board approval regarding the implementation, amendment and termination of the Scheme; (ii) report to the Board the method of selecting participants, the actual participants selected and the number and exercise price of the options granted; (iii) the interpretation of the Scheme; and (iv) other administrative matters in relation to the Scheme.

(c) Award Agreement

Each award granted under the Scheme shall be evidenced by an award agreement between the Company and the participant, the form of which shall be approved by the Administrator.

(d) Type of Award

Subject to the Scheme, the Administrator shall be entitled to award any eligible participant to take up options in respect of such number of Shares as the Administrator may determine and at the exercise price as disclosed under the award agreement. Any exercisable option will be deemed to be exercised when (a) the Company has received the written notice required pursuant to the Scheme; and (b) the Company has received the required payment made in accordance with the Scheme.

(e) Payment

The exercise price for the options to be granted under the Scheme is RMB2.13 per Share. The consideration to be paid, including the method of payment, shall be subject to the provisions in the Scheme. No consideration is payable upon the grant of options under the Scheme.

(f) Exercise Price Adjustment

The exercise price for the options granted under the Scheme is subject to adjustment under the following circumstances: (i) there are changes to the registered share capital of the Company due to the conversion of capital reserve to registered capital; (ii) the Company distributes dividend in cash or stock dividend; or (iii) there has been share subdivision, capital reduction or share allotment.

(g) Participants of the Scheme

Eligible participants of the Scheme include senior management members, core technician or other employee (excluding the Company's independent non-executive Director) as determined by the Board or the Administrator. The Administrator has the discretion to determine the eligibility of an employee to participate in the Scheme depending on Company's need to attract talent and reward employees who have made substantial contribution to the Company and other factors such as the change of title of the employee, resignation or injury or death of the employee.

(h) Period Between the Granting of Award and the Exercise of Award

The grantee may exercise the option between the date of granting the relevant award and the earliest date the grantee is entitled to exercise the option as specified in each award agreement.

(i) Lock-Up Period

Subject to the provisions of the Scheme, the PRC Company Law, the Company's Articles of Association, and rules and regulations in relation to lock-up period in the jurisdiction where the Company's Shares are listed in:

1. For grantees who are the Directors, Supervisors or senior management members of the Company, they are not allowed to transfer Shares representing more than 25% of their equity interest held in the Company during the period of their employment, and they are not allowed to transfer the Shares held within the half year period immediately following the termination of their employment.

2. To avoid conflict of interest and insider trading, apart from the rules and regulations aforementioned, all grantees shall abide by the Company's internal regulations in relation to lock-up period after the vesting of the options.

(j) Non-transferability of Awards

Unless expressly provided in the Scheme, by applicable law and by the applicable award agreement, all awards are non-transferable and shall not be used as a form of guarantee or as a repayment of debt.

(k) Maximum Number of Options to be Granted

The maximum number of options that may be granted pursuant to the Scheme shall not exceed RMB4,788,547 equivalent of registered share capital of our Company, representing 4,788,547 Domestic Shares of the Company.

(l) Change in Control

Despite a change in control, amalgamation or separation of our Company, there shall not be any amendments to the options already granted, and the award participants may not accelerate the exercise of their options.

2. Options Granted

As at June 30, 2021, share options have been granted to 22 grantees, including 3 Directors, 2 Supervisors and 17 other employees of our Group (who were granted options to subscribe for 1,460,030 Shares, 251,399 Shares and 3,077,118 Shares, respectively), to subscribe for an aggregate of 4,788,547 Shares.

Below is a list of Directors and Supervisors of our Group who are grantees of the options under the Pre-IPO Share Option Scheme, and the number of the underlying Shares of their respective options. No option under the Pre-IPO Share Option Scheme has been granted to other connected persons of our Group. In relation to the fair value of the options granted under the Pre-IPO Share Option Scheme, please refer to Note 25 to the Interim Condensed Consolidated Financial Information in this report.

Name of Director or Supervisor	Date of Grant	Granted	Exercised	Canceled	Lapsed	Outstanding as at June 30, 2021	Exercise Price per Option *(RMB)*	Vesting Period (subject to other conditions in the Pre-IPO Share Option Scheme)
Dr. Jonathon Zhong Zhao (趙中)	June 10, 2021	1,053,004	0	0	0	1,053,004	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023
Mr. Yang Xie (謝陽)	June 10, 2021	167,599	0	0	0	167,599	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023

Name of Director or Supervisor	Date of Grant	Granted	Exercised	Canceled	Lapsed	Outstanding as at June 30, 2021	Exercise Price per Option (RMB)	Vesting Period (subject to other conditions in the Pre-IPO Share Option Scheme)
Dr. Zheng Li (李崢)	June 10, 2021	239,427	0	0	0	239,427	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023
Ms. Jie Liang (梁婕)	June 10, 2021	179,571	0	0	0	179,571	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023
Ms. Wang Hongbo (王宏波)	June 10, 2021	71,828	0	0	0	71,828	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023

Below sets out the details in relation to the employees of our Group who are grantees of the options under the Pre-IPO Share Option Scheme, and the aggregate number of the underlying Shares of their respective options.

Number of Grantee	Date of Grant	Granted	Exercised	Canceled	Lapsed	Outstanding as at June 30, 2021	Exercise Price per Option (RMB)	Vesting Period (subject to other conditions in the Pre-IPO Share Option Scheme)
17 employees	June 10, 2021	3,077,118	0	0	0	3,077,118	2.13	• 30% of which is expected to be vested on December 1, 2021 • 30% of which is expected to be vested on December 1, 2022 • 40% of which is expected to be vested on December 3, 2023

Note:

(1) The Scheme was adopted on January 18, 2021, hence there was no options granted at the beginning of the Reporting Period, i.e. January 1, 2021.

2021 H SHARE AWARD AND TRUST SCHEME

The Board has resolved at a meeting of the Board held on August 30, 2021, to propose the adoption of the 2021 H Share Award and Trust Scheme (the "**H Share Scheme**"). The H Share Scheme has been approved by the Shareholders at the extraordinary general meeting held on September 23, 2021. The H Share Scheme does not constitute a share option scheme or an arrangement similar to a share option scheme as defined and regulated under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

For the principal terms and further details of the H Share Scheme, please refer to the announcement of the Company dated August 30, 2021 and the circular of the Company dated September 7, 2021.

Report On Review of Interim Financial Information

To the Board of Directors of Zylox-Tonbridge Medical Technology Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 45 to 76, which comprises the interim condensed consolidated balance sheet of Zylox-Tonbridge Medical Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at June 30, 2021 and the interim condensed consolidated statement of comprehensive loss, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. 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". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information 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". A review of interim financial information 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 interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Other matters

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at December 31, 2020. The comparative information for the interim condensed consolidated statements of comprehensive loss, changes in equity and cash flows, and related explanatory notes, for the six months ended June 30, 2020 has not been audited or reviewed.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 30, 2021

Interim Condensed Consolidated Statement of Comprehensive Loss

For the six months ended June 30, 2021

	Note	Six months ended June 30, 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	7	**71,484**	2,108
Cost of sales	8	**(19,360)**	(1,529)
Gross profit		**52,124**	579
Selling and distribution expenses	8	**(25,747)**	(4,878)
Administrative expenses	8	**(54,164)**	(7,157)
Research and development expenses	8	**(48,979)**	(27,455)
Other income	9	**764**	3,693
Other expenses	10	**(272)**	(127)
Other gains	11	**4,360**	912
Operating loss		**(71,914)**	(34,433)
Finance income	12	**2,290**	77
Finance costs	12	**(93)**	(444)
Finance income/(costs) — net		**2,197**	(367)
Loss before income tax		**(69,717)**	(34,800)
Income tax expense	13	**—**	—
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		**(69,717)**	(34,800)
Loss per share attributable to the equity holders of the Company			
Basic and diluted loss per share (in RMB per share)	14	**(0.27)**	(0.19)

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

Interim Condensed Consolidated Balance Sheet

As at June 30, 2021

	Note	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	15	**132,777**	105,224
Right-of-use assets	16	**15,517**	16,950
Intangible assets	17	**6,222**	7,556
Prepayments	20	**7,141**	4,099
Total non-current assets		**161,657**	133,829
Current assets			
Inventories	19	**43,077**	28,993
Prepayments, other receivables and other current assets	20	**47,507**	23,764
Trade receivables	21	**291**	129
Financial assets at fair value through profit or loss	5, 18	**681,734**	157,700
Term deposits	22	**—**	100,000
Cash and cash equivalents	22	**41,111**	59,556
Total current assets		**813,720**	370,142
Total assets		**975,377**	503,971
Equity attributable to equity holders of the Company			
Paid-in capital/share capital	23	**263,401**	225,062
Other reserves	24	**787,251**	561,147
Accumulated losses		**(159,646)**	(361,515)
Total equity		**891,006**	424,694
Liabilities			
Non-current liabilities			
Borrowings	27	**—**	26,250
Lease liabilities	16	**27**	1,396
Total non-current liabilities		**27**	27,646
Current liabilities			
Trade and other payables	26	**78,035**	43,658
Contract liabilities	7	**1,808**	134
Borrowings	27	**—**	3,750
Lease liabilities	16	**2,629**	2,825
Other current liabilities		**1,872**	1,264
Total current liabilities		**84,344**	51,631
Total liabilities		**84,371**	79,277
Total equity and liabilities		**975,377**	503,971

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Director: Jonathon Zhong Zhao

Director: Yang Xie

Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended June 30, 2021

	Note	Paid-in capital/share capital RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at January 1, 2021 (Audited)		**225,062**	**561,147**	**(361,515)**	**424,694**
Comprehensive loss:					
Loss for the period		**—**	**—**	**(69,717)**	**(69,717)**
Transactions with equity holders of the Company:					
Capital injection from equity holders	23,24	**38,339**	**475,235**	**—**	**513,574**
Conversion into a joint stock company	24	**—**	**(271,586)**	**271,586**	**—**
Share-based compensation	25	**—**	**22,455**	**—**	**22,455**
Balance at June 30, 2021 (Unaudited)		**263,401**	**787,251**	**(159,646)**	**891,006**
Balance at January 1, 2020 (Audited)		182,643	244,079	(261,047)	165,675
Comprehensive loss:					
Loss for the period		—	—	(34,800)	(34,800)
Transactions with equity holders of the Company:					
Share-based compensation	25	—	748	—	748
Balance at June 30, 2020 (Unaudited)		182,643	244,827	(295,847)	131,623

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2021

	Note	Six months ended June 30, 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash used in operations		**(46,959)**	(29,252)
Interest received		**2,290**	77
Net cash outflow from operating activities		**(44,669)**	(29,175)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(32,963)**	(10,358)
Purchases of financial assets at fair value through profit or loss		**(1,177,000)**	(108,000)
Proceeds from disposals of financial assets at fair value through profit or loss		**658,934**	120,400
Proceeds from term deposits upon maturity		**100,000**	—
Net cash (outflow)/inflow from investing activities		**(451,029)**	2,042
Cash flows from financing activities			
Capital injection from equity holders	23, 24	**513,574**	—
Proceeds from borrowings		**5,000**	14,500
Repayment of borrowings		**(35,000)**	(12,000)
Interest paid for borrowings		**(7)**	(310)
Principal elements of lease payments		**(1,732)**	(1,506)
Interest elements of lease payments		**(86)**	(134)
Payments of listing expenses		**(4,543)**	—
Net cash inflow from financing activities		**477,206**	550
Net decrease in cash and cash equivalents		**(18,492)**	(26,583)
Cash and cash equivalents at beginning of the period		**59,556**	46,130
Exchange gain/(losses) on cash and cash equivalents		**47**	(35)
Cash and cash equivalents at end of the period	22	**41,111**	19,512

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 General information

Zylox-Tonbridge Medical Technology Co., Ltd. (the "Company", or "Zylox-Tonbridge Medical") was incorporated in Hangzhou, Zhejiang Province of the People's Republic of China (the "PRC") on November 6, 2012 as a limited liability company. On March 2, 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Zhejiang Zylox Medical Device Co., Ltd." to "Zylox-Tonbridge Medical Technology Co., Ltd."

The Company and its subsidiaries (together, the "Group") are providing solutions to patients and physicians with the product portfolio covering peripheral-vascular interventional devices and neurovascular interventional devices in China and other countries.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on July 5, 2021.

The interim condensed consolidated financial information is presented in thousands of Renminbi ("RMB'000"), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the Board of Directors on August 30, 2021.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended June 30, 2021 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information should be read in conjunction with the consolidated financial information of the Company for the years ended December 31, 2019 and 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as set out in the accountant's report (the "Accountant's Report") included in the Appendix I to the Company's prospectus dated June 22, 2021.

3 Significant accounting policies

The interim condensed consolidated financial information has been prepared under historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss which are carried at fair value. The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those presented in the consolidated financial information of the Company for the years ended December 31, 2019 and 2020, which have been prepared in accordance with IFRSs, as set out in the Accountant's Report.

(a) New and amended standards adopted by the Group

The following new and amended standard has been adopted by the Group for the first time for the financial period beginning on or after January 1, 2021:

- Amendments to IFRS 16, Covid-19-Related Rent Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 — Interest Rate Benchmark Reform — Phase 2

3 Significant accounting policies (Continued)

(a) New and amended standards adopted by the Group (Continued)

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

(b) New Standards, amendments to standards and interpretations not yet adopted

The following new standards, amendments to existing standards and interpretations have been issued but are not yet effective for the financial year beginning on January 1, 2021 and have not been early adopted by the Group:

	New standards, amendments	Effective for annual periods beginning on or after
Amendments to IFRS 3	Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract	January 1, 2022
Annual Improvements to IFRSs 2018–2020 Cycle	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41	January 1, 2022
IFRS 17	Insurance contracts and related Amendments	January 1, 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IFRS 4	Extension of the temporary exemption from applying IFRS 9	January 1, 2023
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the related impact of the above standards and amendments to standards which are relevant to the Group's operation. There are no other standards that are not yet effective and that are expected to have a material impact on the Group's financial performance and position.

4 Estimation

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements in the Accountant's Report presented in the Prospectus.

5 Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Accountant's Report. There have been no changes in the risk management policies since December 31, 2020.

(b) Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

5 Financial risk management (Continued)

(b) Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the financial assets which are measured at amortized cost, approximate their carrying amount as at December 31, 2020 and June 30, 2021.

The following table presents the Group's assets that were measured at fair value at December 31, 2020:

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets:				
Financial assets at fair value through profit or loss ("FVPL")	—	—	157,700	157,700

The following table presents the Group's assets that were measured at fair value at June 30, 2021:

	Level 1 *RMB'000*	**Level 2 *RMB'000***	**Level 3 *RMB'000***	**Total *RMB'000***
Assets:				
Financial assets at FVPL	**—**	**—**	**681,734**	**681,734**

The components of the level 3 instruments mainly include investments in wealth management products issued by banks in the PRC with floating return of investment. The Group used discounted cash flows approach to value the fair value of the financial product as at period end and the inputs include expected return rate ranging from 1.30% to 3.80% per annum.

If the fair values of financial assets at FVPL held by the Group had been 10% higher/lower, the loss before income tax for the year ended December 31, 2020 and six months ended June 30, 2021 would have been RMB15,770,000 lower/higher and RMB68,173,000 lower/higher, respectively.

There were no changes in valuation techniques for the year ended December 31, 2020 and the six months ended June 30, 2021.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements for the year ended December 31, 2020 and the six months ended June 30, 2021.

6 Segment

The management of the Company has determined the operating segment based on the reports reviewed by chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive Directors. On this basis, the Group has determined that it only has one operating segment which is the production and sales of neurovascular and peripheral-vascular interventional surgical devices for the six months ended June 30, 2020 and 2021.

(i) Revenue from external customers

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC	**69,654**	930
Others	**1,830**	1,178
	71,484	2,108

The geographical information above is based on the locations of the customers.

(ii) Non-current assets

All of the non-current assets of the Group are physically located in the PRC.

7 Revenue

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of goods		
— at a point in time	**71,484**	2,108

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of goods		
— Neurovascular interventional devices	**42,912**	15
— Peripheral-vascular interventional devices	**28,572**	2,093
	71,484	2,108

7 Revenue (Continued)

(i) The Group recognized the following liabilities related to the contracts with customers:

	As at June 30, 2021 ***RMB'000*** **(Unaudited)**	As at December 31, 2020 *RMB'000* (Audited)
Contract liabilities	**1,808**	134

Contract liabilities are recognized when payments are received before the transfer of goods. As at December 31, 2020 and June 30, 2021, there are no material unsatisfied performance obligations resulting from contracts.

(ii) Revenue recognized that was included in the balance of contract liabilities at the beginning of the period:

	Six months ended June 30,	
	2021 ***RMB'000*** **(Unaudited)**	2020 *RMB'000* (Unaudited)
Revenue from sales of goods	**134**	19

8 Expenses by nature

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefits expenses	**67,652**	22,562
Listing expenses	**25,852**	—
Raw materials and consumables used		
— Cost of sales	**11,686**	529
— Research and development expenses	**8,725**	3,597
Professional services	**6,065**	2,033
Testing and clinical trial fees	**5,871**	4,048
Utilities and office expenses	**4,911**	1,220
Depreciation of property, plant and equipment *(Note 15)*	**2,856**	2,311
Travelling and transportation expenses	**2,589**	746
Auditor's remuneration		
— Audit service	**886**	272
— Non-audit service	**786**	—
Amortization of intangible assets *(Note 17)*	**1,334**	1,334
Depreciation and Amortization of right-of-use assets, net of amounts capitalized in property, plant and equipment *(Note 16), (Note 15(ii))*	**1,182**	1,211
Others	**7,855**	1,156
Total cost of sales, selling and distribution expenses, administration expenses and research and development expenses	**148,250**	41,019

9 Other income

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Rental income	**424**	200
Government grants *(i)*	**340**	3,493
	764	3,693

(i) The government grants mainly represent subsidies received from the government as support on expenses relating to certain research and development projects. There are no unfulfilled conditions or other contingencies attached to these grants.

10 Other expenses

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of rental income —		
Depreciation and Amortization of right-of-use assets *(Note 16)*	**272**	127

11 Other gains

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net fair value gains from FVPL	**5,969**	900
Foreign exchange (losses)/gains — net	**(1,564)**	12
Losses on disposal of property, plant and equipment	**(9)**	—
Others	**(36)**	—
	4,360	912

12 Finance income/(costs) — net

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income:		
Bank interest income	**2,290**	77
Finance costs:		
Interest expense on lease liabilities *(Note 16(b))*	**(86)**	(134)
Interest expense on bank borrowings	**(463)**	(421)
Less: borrowing costs capitalized in qualifying assets *(Note 15(i))*	**456**	111
	(93)	(444)
Finance income/(costs) — net	**2,197**	(367)

13 Income tax expense

Pursuant to the PRC Enterprise Income Tax Law and the respective regulations (the "EIT Law"), the Group is subject to enterprise income tax at a rate of 25% on the taxable income.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2018 onwards, the enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses incurred as tax deductible expenses when determining their taxable income for that year. Pursuant to the relevant tax regulations, effective from 2021 onwards, manufacturing enterprises are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses.

No provision for the PRC enterprise income tax was made for the six months ended June 30, 2020 and 2021, as the Group had no assessable profits subject to the EIT Law. No deferred tax asset has been recognized in respect of the tax losses and temporary differences due to the unpredictability of future profit streams.

The tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extending the expired years of tax losses of High-Tech Enterprises and Small and Medium-sized Technological Enterprises issued in July 2018, which retrospectively effects from January 1, 2018, the expiration year of the unused tax losses extended from 5 years to 10 years from then on.

14 Loss per share

In March 2021, the Company was converted to a joint stock limited liability company and total 263,401,001 ordinary shares with par value of RMB1.00 each were issued and allotted to the respective equity holders of the Company according to the paid-in capital registered under these equity holders on that day. The conversion to ordinary shares with par value of RMB1.00 each issued after the conversion is applied retrospectively for the six months ended June 30, 2020 and 2021 for the purpose of computation of basic loss per share.

Basic loss per share is calculated by dividing the loss of the Group attributable to equity holders of the Company by weighted average number of paid-in capital in issue during the six months ended June 30, 2020 and 2021.

For the six months ended June 30, 2020, diluted loss per share was same as basic loss per share as there was no dilutive potential ordinary shares.

For the six months ended June 30, 2021, the Group has potential dilutive shares related to the shares held for Pre-IPO Share Option Scheme (Note 25(b)). Due to the Group's losses, the potential ordinary shares are not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share is the same as basic loss per share.

The calculations of basic and diluted loss per share are based on:

	Six months ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to equity holders of the Company (RMB'000)	**(69,717)**	(34,800)
Weighted average number of ordinary shares in issue during the period (thousand)	**259,218**	182,643
Basic and diluted loss per share (RMB)	**(0.27)**	(0.19)

15 Property, plant and equipment

	Buildings RMB'000	Office equipment and furniture RMB'000	Equipment and instruments RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
At December 31, 2020 (Audited)							
Cost	—	2,046	19,332	1,874	91,396	13,405	128,053
Accumulated depreciation	—	(971)	(9,833)	(508)	—	(11,517)	(22,829)
Net book value	—	1,075	9,499	1,366	91,396	1,888	105,224
Six months ended June 30, 2021 (Unaudited)							
Opening net book value	**—**	**1,075**	**9,499**	**1,366**	**91,396**	**1,888**	**105,224**
Additions	**—**	**1,418**	**7,497**	**574**	**20,759**	**170**	**30,418**
Disposals	**—**	**(8)**	**(1)**	**—**	**—**	**—**	**(9)**
Transfer upon completion	**36,730**	**—**	**—**	**—**	**(36,730)**	**—**	**—**
Depreciation charge *(Note 8)*	**(145)**	**(259)**	**(1,551)**	**(249)**	**—**	**(652)**	**(2,856)**
Closing net book value	**36,585**	**2,226**	**15,444**	**1,691**	**75,425**	**1,406**	**132,777**
At June 30, 2021 (Unaudited)							
Cost	**36,730**	**3,442**	**26,823**	**2,448**	**75,425**	**13,575**	**158,443**
Accumulated depreciation	**(145)**	**(1,216)**	**(11,379)**	**(757)**	**—**	**(12,169)**	**(25,666)**
Net book value	**36,585**	**2,226**	**15,444**	**1,691**	**75,425**	**1,406**	**132,777**

(i) The Group has capitalized borrowing costs of RMB456,000 on qualifying assets for the six months ended June 30, 2021 (for the six months ended June 30, 2020: RMB111,000). Borrowing costs were capitalized at the weighted average of its borrowings rate of 4.9% per annum during the respective period (Note 27).

(ii) During the six months ended June 30, 2021, the Group has capitalized the depreciation of right-of-use assets amounting to RMB146,000 (for the six months ended June 30, 2020: RMB146,000), respectively.

(iii) As at December 31, 2020, certain property, plant and equipment and right-of-use assets of the Group were pledged as collateral under a loan agreement (Note 27 (a)), with carrying amount of RMB105,049,000. In June 2021, the borrowings with collateral were fully repaid.

15 Property, plant and equipment (Continued)

(a) Depreciation of property, plant and equipment has been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses	**1,295**	1,373
Cost of sales	**730**	636
Administrative expenses	**703**	201
Selling and distribution expenses	**128**	101
Total	**2,856**	2,311

16 Right-of-use assets

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Right-of-use assets		
— Land use rights (a)	**13,507**	13,653
— Buildings (b)	**2,010**	3,297
	15,517	16,950

16 Right-of-use assets (Continued)

(a) Land use rights

(i) The Group's interests in land use rights represent prepaid operating lease payments for land located in the PRC and the lease term is 50 years. The movements of land use rights are analyzed as follows:

	Land use rights *RMB'000*
At December 31, 2020 (Audited)	
Cost	14,550
Accumulated Amortization	(897)
Net book value	13,653
Six months ended June 30, 2021 (Unaudited)	
Opening net book value	**13,653**
Amortization charge *(Note 8)*	**(146)**
Closing net book value	**13,507**
At June 30, 2021 (Unaudited)	
Cost	**14,550**
Accumulated Amortization	**(1,043)**
Net book value	**13,507**

(ii) Amortization of land use rights has been charged to the financial statements as follows:

	Six months ended June 30,	
	2021 ***RMB'000*** **(Unaudited)**	2020 *RMB'000* (Unaudited)
Amounts capitalized in property, plant and equipment *(Note 15(ii))*	**146**	146

16 Right-of-use assets (Continued)

(b) Buildings

(i) The Group leases offices for own use. Information about leases for which the Group is a lessee is presented below:

	Buildings *RMB'000*
At December 31, 2020 (Audited)	
Cost	11,744
Accumulated depreciation	(8,447)
Net book value	3,297
Six months ended June 30, 2021 (Unaudited)	
Opening net book value	**3,297**
Additions	**167**
Depreciation charge *(Note 8) (Note 10)*	**(1,454)**
Closing net book value	**2,010**
At June 30, 2021 (Unaudited)	
Cost	**11,911**
Accumulated depreciation	**(9,901)**
Net book value	**2,010**

(ii) Lease liabilities recognized in the balance sheets:

	As at June 30, 2021 *RMB'000* (Unaudited)	As at December 31, 2020 *RMB'000* (Audited)
Lease liabilities		
— current	**2,629**	2,825
— non-current	**27**	1,396
	2,656	4,221

16 Right-of-use assets (Continued)

(b) Buildings (Continued)

(iii) Amounts recognized in the consolidated statements of comprehensive loss:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets *(Note 8) (Note 10)*	**1,454**	1,338
Interest expense *(Note 12)*	**86**	134

17 Intangible assets

	Non-proprietary technologies
	RMB'000
At December 31, 2020 (Audited)	
Cost	26,670
Accumulated Amortization	(19,114)
Net book value	7,556
Six months ended June 30, 2021 (Unaudited)	
Opening net book value	**7,556**
Amortization charge *(Note 8)*	**(1,334)**
Closing net book value	**6,222**
At June 30, 2021 (Unaudited)	
Cost	**26,670**
Accumulated Amortization	**(20,448)**
Net book value	**6,222**

17 Intangible assets (Continued)

(a) Amortization of intangible assets has been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses *(Note 8)*	**1,334**	1,334

18 Financial instruments by Category

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Financial assets at amortized cost		
Cash and cash equivalents *(Note 22)*	**41,111**	59,556
Term deposits *(Note 22)*	**—**	100,000
Trade receivables *(Note 21)*	**291**	129
Prepayment, other receivables and other current assets (excluding non-financial assets) *(Note 20)*	**4,265**	3,842
	45,667	163,527
Financial assets at FVPL	**681,734**	157,700
Financial liabilities at amortized cost		
Trade and other payables (excluding non-financial liabilities) *(Note 26)*	**61,293**	24,398
Lease liabilities *(Note 16)*	**2,656**	4,221
Borrowings *(Note 27)*	**—**	30,000
	63,949	58,619

19 Inventories

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Raw materials	**27,325**	17,216
Finished goods	**10,834**	6,971
Work in progress	**4,918**	4,806
	43,077	28,993

As at December 31, 2020 and June 30, 2021, no inventory provision was made as the net realizable value of the inventory balances were higher than their carrying amounts.

20 Prepayments, other receivables and other current assets

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Deferred listing expenses	**24,146**	—
Prepayments for purchase of goods	**11,173**	10,694
Prepayments for purchase of property, plant and equipment	**7,141**	4,099
Prepayments for purchase of service	**4,925**	2,854
Deposits	**3,484**	3,446
Value-added tax recoverable	**2,998**	6,374
Staff advances	**178**	75
Others	**603**	321
	54,648	27,863
Less : Non-current portion	**7,141**	4,099
Current portion	**47,507**	23,764

21 Trade receivables

	As at June 30, 2021 *RMB'000* (Unaudited)	As at December 31, 2020 *RMB'000* (Audited)
Trade receivables from contracts with customers	**291**	129
Less: Loss allowance	**—**	—
	291	129

For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information. The Group has applied simplified approach in calculating expected credit loss prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Management has assessed that for the year ended December 31, 2020 and the six months ended June 30, 2021, trade receivables are within the credit terms and have not had a significant increase in credit risk since initial recognition.

As at December 31, 2020 and June 30, 2021, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at June 30, 2021 *RMB'000* (Unaudited)	As at December 31, 2020 *RMB'000* (Audited)
Up to 3 months	**291**	128
Over 6 months	**—**	1
	291	129

22 Cash and cash equivalents and term deposits

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Cash in bank	**41,111**	159,556
Less: term deposits with initial term of over three months(a)	**—**	(100,000)
	41,111	59,556

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Cash and cash equivalents and term deposits are denominated in:		
— USD	**5,965**	30,946
— RMB	**35,146**	128,610
	41,111	159,556

(a) The directors of the Company considered that the carrying amount of the term deposits with initial terms of over three months approximated to their fair value as at December 31, 2020.

23 Paid-in capital/share capital

	Number of ordinary shares	Paid-in capital/ share capital *RMB'000*
Issued and fully paid		
As at January 1, 2020 (Audited) and June 30, 2020 (Unaudited)	N/A	182,643
As at January 1, 2021 (Audited)	**N/A**	**225,062**
Capital injection from equity holders *(Note (a))*	**N/A**	**38,339**
Conversion into a joint stock company *(Note (b))*	**263,401,001**	**—**
As at June 30, 2021 (Unaudited)	**263,401,001**	**263,401**

(a) On January 19, 2021, Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership), which was controlled by Jonathon Zhong Zhao, entered into a subscription agreement with the Company to increase registered capital of RMB9,577,095 at the consideration of RMB20,400,000 for the purpose of the Employee Incentive Plan.

On January 20, 2021, several new investors and the existing equity holders of the Company entered into a capital increase agreement to subscribe for the increased registered capital of RMB28,762,178 at a total consideration of USD76,000,000 (equivalent to RMB493,173,273).

The above transactions resulted increases in paid-in capital and other reserves of RMB38,339,273 and RMB475,235,000 respectively.

(b) In March 2021, the Company was converted from a limited liability company into a joint stock company with limited liability under PRC Company Law. The net assets of the Company as at the conversion base date, including paid-in capital, other reserve and accumulated losses, amounting to RMB974,022,365 were converted into 263,401,001 ordinary shares at RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was debited to the Company's capital reserve.

24 Other reserves

	Capital reserve *RMB'000*	Share-based compensation *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at January 1, 2020 (Audited)	158,966	40,061	45,052	244,079
Share-based compensation expenses *(Note 25)*	—	748	—	748
As at June 30, 2020 (Unaudited)	158,966	40,809	45,052	244,827

	Capital reserve *RMB'000*	**Share-based compensation *RMB'000***	**Others *RMB'000***	**Total *RMB'000***
As at January 1, 2021 (Audited)	**452,923**	**63,172**	**45,052**	**561,147**
Share-based compensation expenses *(Note 25)*	**—**	**22,455**	**—**	**22,455**
Capital injection from equity holders *(Note 23 (a))*	**475,235**	**—**	**—**	**475,235**
Conversion into a joint stock company *(Note 23 (b))*	**(271,586)**	**—**	**—**	**(271,586)**
As at June 30, 2021 (Unaudited)	**656,572**	**85,627**	**45,052**	**787,251**

25 Share-based payments

(a) Employee Incentive Scheme

Certain eligible employees of the Group were granted with shares of the Company through Hangzhou Fujiang Investment Partnership (Limited Partnership), Zhuhai Tongqiao Investment Center (Limited Partnership) and Zhuhai Guichuang Equity Investment Center (Limited Partnership) as rewards for their services and in exchange for their full-time devotion and professional expertise.

(i) The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the consideration received by the Group. The fair value of the share award granted is measured at the market value of the share award at the grant date, which is by reference to the transaction value during the recent rounds of financing.

(ii) The financial impact of granted shares for the six months ended June 30, 2020 and 2021 is as follows:

Movements in the number of shares granted but not vested for the six months ended June 30, 2020 and 2021 are as follows:

	Six months ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)
At the beginning of the period	**13,430**	2,874
Granted during the period	**—**	—
Vested during the period	**—**	—
At the end of the period	**13,430**	2,874

25 Share-based payments (Continued)

(b) Pre-IPO Share Option Scheme

On January 18, 2021, the Board of Directors ratified and adopted an equity-settled Pre-IPO Share Option Scheme with an aggregate of 4,788,547 shares of the Company. All the options were granted to certain eligible employees of the Group (collectively, the "Grantees") in June 2021 and will be vested in batches on vesting dates and shall be subject to the Group's and the relevant Grantee's performance target.

(i) The movements in the number of share options outstanding and their related exercise prices under the Pre-IPO Share Option Scheme are as follows:

	Exercise price per share *RMB*	Outstanding options
As at January 1, 2021 (Audited)	**—**	**—**
Granted during the period	**2.13**	**4,788,547**
As at June 30, 2021 (Unaudited)	**2.13**	**4,788,547**

(ii) The share options outstanding as at June 30, 2021 have the following vesting dates and exercise prices:

Vesting date	Exercise price per share *RMB*	Number of options
December 1, 2021	2.13	1,436,564
December 1, 2022	2.13	1,436,564
December 3, 2023	2.13	1,915,419
	2.13	4,788,547

The contractual life of above options is ten years.

25 Share-based payments (Continued)

(b) Pre-IPO Share Option Scheme (Continued)

(iii) Fair value of options granted

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

	Pre-IPO Share Option Scheme
Expected price volatility	59%
Expected option life (year)	10
Risk free interest rate	3.38%
Fair value of ordinary shares (RMB)	25.68–25.90

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

(c) Expenses arising from share-based payment transactions

Total expense for the share-based payments has been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses	**9,544**	301
Administrative expenses	**7,132**	447
Selling and distribution expenses	**5,343**	—
Cost of sales	**436**	—
Total	**22,455**	748

26 Trade and other payables

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Trade payables *(a)*	**6,606**	4,604
Accrued listing expense	**32,358**	—
Payables for purchase of property, plant and equipment	**19,068**	18,717
Staff salaries and welfare payables	**15,259**	18,595
Accrued taxes other than income tax	**1,483**	665
Others	**3,261**	1,077
	78,035	43,658

(a) The aging analysis of trade payables based on invoice date at the respective balance sheet dates is as follows:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Within 1 year	**6,538**	4,513
Between 1 and 2 years	**68**	91
	6,606	4,604

27 Borrowings

	As at June 30, 2021 (Unaudited) RMB'000		As at December 31, 2020 (Audited) RMB'000	
	Current	Non-Current	Current	Non-Current
Secured				
Bank loans				
— secured by property, plant and equipment *(a)*	—	—	3,750	26,250
Total secured borrowings	—	—	3,750	26,250

(a) On December 24, 2019, the Group entered into a loan agreement with a total amount of RMB30,000,000, of which RMB4,500,000 and RMB25,500,000 was drawn down in 2019 and 2020 respectively. The interests were paid monthly at a rate of 4.90% per annum. Certain property, plant and equipment (Note 15) and right-of-use assets (Note 16) of the Group were pledged as collateral under this loan agreement, with carrying amount of RMB105,049,000 as at December 31, 2020. All collateral borrowings were fully repaid as at June 30, 2021.

(b) At December 31, 2020 and June 30, 2021, the Group's borrowings were repayable as follows:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Within 1 year	—	3,750
Between 1 and 2 years	—	3,750
Between 2 and 5 years	—	22,500
	—	30,000

The carrying amounts of borrowings were denominated in RMB.

28 Commitments and contingent liabilities

(a) Capital commitments

Capital expenditures contracted for at each balance sheet date, but not yet incurred are as follows:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Property, plant and equipment	**20,979**	20,098

(b) Operating lease commitments

Minimum lease payments under non-cancellable leases (short-term or low-value lease) for at the end of each reporting period but not recognized in the financial statements are as follows:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Operating lease contract	**331**	80

(c) The Group had no material contingent liabilities as at December 31, 2020 and June 30, 2021.

29 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, 2020 and 2021 respectively.

29 Related party transactions (Continued)

(a) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, wages and bonuses	**3,408**	2,778
Housing fund, medical insurance and other social insurance	**141**	73
Share-based compensation expenses	**8,135**	421
	11,684	3,272

30 Dividend

No dividend has been paid or declared by the Company for each of the six months ended June 30, 2020 and 2021 respectively.

31 Events after the reporting period

Save as disclosed elsewhere in the condensed consolidated financial statements, events and transactions took place subsequent to June 30, 2021 are detailed as below:

On July 5, 2021, the Company successfully completed its initial public offering of 60,000,000 shares at HK$42.70 per H Share, and its shares were listed on the Main Board of the Stock Exchange. On July 25, 2021, the Over-allotment Option described in the Prospectus has been fully exercised by the Joint Representatives, on behalf of the International Underwriters in respect of an aggregate of 9,000,000 H Shares at the Offer Price of HK$42.70 per H Share. Total gross proceeds from the Global Offering amounted to HK$2,946.3 million after the completion of the full exercise of the Over-allotment Option.

"AIS — acute ischemic stroke"	one subtype of ischemic intracranial vascular diseases, which is caused by thrombotic or embolic occlusion of an intracranial artery
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"BGC — balloon guiding catheter"	a large lumen catheter with a compliance balloon at the distal tip of the catheter. intending to facilitate the insertion and guidance of an intravascular catheter
"Board of Directors" or "Board"	our board of Directors
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CG Code"	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this interim results report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "our Company", "Group", "our Group", "We" "our" or "us"	Zylox-Tonbridge Medical Technology Co., Ltd. (歸創通橋醫療科技股份有限公司), a limited liability company incorporated in the PRC on November 6, 2012 and converted into a joint stock limited liability company incorporated in the PRC on March 2, 2021, whose predecessor was Zhejiang Zylox Medical Device Co., Ltd. (浙江歸創醫療器械有限公司) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2190) and which includes its subsidiaries (from time to time) as required by the context
"Core Products"	Thrombite® CRD and Ultrafree® DCB, the designated "core products" as defined under Chapter 18A of the Listing Rules
"CRD — clot retriever device"	a minimally invasive device to capture and remove the clot blocking blood vessels to treat neurovascular diseases such as acute ischemic stroke
"DCB — drug-coated balloon"	angioplasty balloons (usually semi-compliant) coated with a cytotoxic chemotherapeutic agent

"Director(s)"	the director(s) of the Company or any one of them
"Domestic Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which are subscribed for or credited as paid in Renminbi
"DVT — deep vein thrombosis"	occurring when a blood clot forms in one or more of the deep veins in the body, usually in the leg
"Employee Incentive Platforms"	Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)) and Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥))
"Frost & Sullivan"	Frost & Sullivan International Limited, an independent market, research and consulting company
"Global Offering"	the Hong Kong Public Offering and the International Offering (each as defined in the Prospectus)
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"HKD" or "HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"ischemic stroke"	a stroke caused by a blockage in an artery that supplies blood to the brain
"IVC — inferior vena cava"	a large vein that carries the deoxygenated blood from the lower and middle body into the right atrium of the heart
"IVCS — iliac vein compression syndrome"	a syndrome in which the iliac vein is compressed by the iliac artery that spans from its front, resulting in changes such as intraluminal adhesion, luminal stenosis, or occlusion of the vein, which in turn causes obstruction of the iliac vein flow, producing a range of clinical symptoms
"KOL(s)"	Key Opinion Leader(s), renowned physicians that are able to influence their peers' medical practice

"LINC"	Leipzig Interventional Course, an interdisciplinary live course widely regarded as one of the most authoritative industry events for the discussion of advanced technologies used in endovascular interventions
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on July 5, 2021
"Listing Date"	the date on which our H Shares are listed and from which dealings are permitted to take place on the Stock Exchange, being July 5, 2021
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"non-inferiority clinical trial"	a clinical trial that tests whether a new treatment is not worse than an active treatment it is being compared to
"Over-allotment Option"	the over-allotment option which had been granted by the Company to the relevant underwriters to allot and issue up to an aggregate of 9,000,000 additional H Shares, representing 15% of the offer shares initially available under the Global Offering
"PE — pulmonary embolism"	a blockage in one of the pulmonary arteries in the lungs. Caused by blood clots that travel to the lungs from deep veins in the legs or, rarely, from veins in other parts of the body
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"Pre-IPO Share Option Scheme" or "Scheme"	the pre-IPO share option scheme of our Company approved and adopted by the Board on January 18, 2021, as amended from time to time
"Prospectus"	the prospectus issued by the Company dated June 22, 2021
"PTA — percutaneous transluminal angioplasty"	a percutaneous interventional procedure that can open up blocked peripheral arteries using a catheter with a balloon at the end of it, allowing blood to circulate unobstructed

"Reporting Period"	the six months ended June 30, 2021
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (as amended from time to time)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Shares
"Single Largest Group of Shareholders"	refers to Dr. Jonathon Zhong Zhao (趙中), Dr. Shengping Sam Zhong (鍾生平), Dr. Zheng Li (李崢), Ms. Na Wei (衛娜), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)), Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)), Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥)), WEA Enterprises, LLC and Nanjing Yuyihui Investment Partnership (Limited Partnership) (南京語意慧投資合夥企業(有限合夥))
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Unlisted Foreign Shares"	ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, which is/are subscribed for or credited as paid in a currency other than Renminbi, held by foreign investors and not listed on any stock exchange
"USD"	United States dollars, the lawful currency of the United States of America
"vascular intima"	the inner layer of the blood vessel that is in contact with blood flow
"VCD — vascular closure device"	a medical device used to achieve hemostasis of the small hole in the artery after a cardiovascular procedure of endovascular surgery requiring a catheterization
"%"	percent