Zylox-Tonbridge Medical Technology Co., Ltd.
歸創通橋醫療科技股份有限公司

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

(Stock Code: 2190)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2021, together with comparative figures for the six months ended June 30, 2020. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus of our Company dated June 22, 2021.

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 announcement 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 registration as of the date of this announcement.

- 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.

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

INTERIM RESULTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

		Six months ended June 30,	
		2021	2020
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	4	**71,484**	2,108
Cost of sales		**(19,360)**	(1,529)
Gross profit		**52,124**	579
Selling and distribution expenses		**(25,747)**	(4,878)
Administrative expenses		**(54,164)**	(7,157)
Research and development expenses		**(48,979)**	(27,455)
Other income		**764**	3,693
Other expenses		**(272)**	(127)
Other gains		**4,360**	912
Operating loss		**(71,914)**	(34,433)
Finance income		**2,290**	77
Finance costs		**(93)**	(444)
Finance income/(costs) — net		**2,197**	(367)
Loss before income tax		**(69,717)**	(34,800)
Income tax expense	5	**—**	—
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)	6	**(0.27)**	(0.19)

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		**132,777**	105,224
Right-of-use assets		**15,517**	16,950
Intangible assets		**6,222**	7,556
Prepayments	7	**7,141**	4,099
Total non-current assets		**161,657**	133,829
Current assets			
Inventories		**43,077**	28,993
Prepayments, other receivables and other current assets	7	**47,507**	23,764
Trade receivables	8	**291**	129
Financial assets at fair value through profit or loss		**681,734**	157,700
Term deposits		**—**	100,000
Cash and cash equivalents		**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		**263,401**	225,062
Other reserves		**787,251**	561,147
Accumulated losses		**(159,646)**	(361,515)
Total equity		**891,006**	424,694

	Note	**As at June 30, 2021** ***RMB'000*** **(Unaudited)**	As at December 31, 2020 *RMB'000* (Audited)
Liabilities			
Non-current liabilities			
Borrowings		**—**	26,250
Lease liabilities		**27**	1,396
Total non-current liabilities		**27**	27,646
Current liabilities			
Trade and other payables	9	**78,035**	43,658
Contract liabilities	4	**1,808**	134
Borrowings		**—**	3,750
Lease liabilities		**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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

The Company was incorporated in Hangzhou, Zhejiang Province of 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 Group is principally providing solutions to patients and physician with the product portfolio covering peripheral-vascular interventional devices and neurovascular interventional devices in China and other countries.

These interim condensed consolidated financial information are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated. This interim condensed consolidated interim 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 Changes in 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

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

4 Segment and revenue information

(a) Description of segments and principal activities

The management of the Company has determined the operating segment based on the reports reviewed by 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.

(b) The amount of each category of revenue is as follows:

	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

(c) The Group recognised the following liabilities related to the contracts with customers:

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

Contract liabilities are recognised 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.

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

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

(e) Geographical information

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

5 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.

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 recognised in respect of the tax losses and temporary differences due to the unpredictability of future profit streams.

6 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. 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	2020
	(Unaudited)	(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) (Note)*	**259,218**	182,643
Basic and diluted loss per share *(RMB)*	**(0.27)**	(0.19)

Note: In March 2021, the Company was converted to a joint stock limited liability company. The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended June 30, 2020 and 2021 has been retrospectively adjusted for the abovementioned conversion.

7 Prepayments, other receivables and other current assets

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
	(Unaudited)	(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

8 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

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

9 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 ageing analysis of trade payables 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

10 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

11 Dividend

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

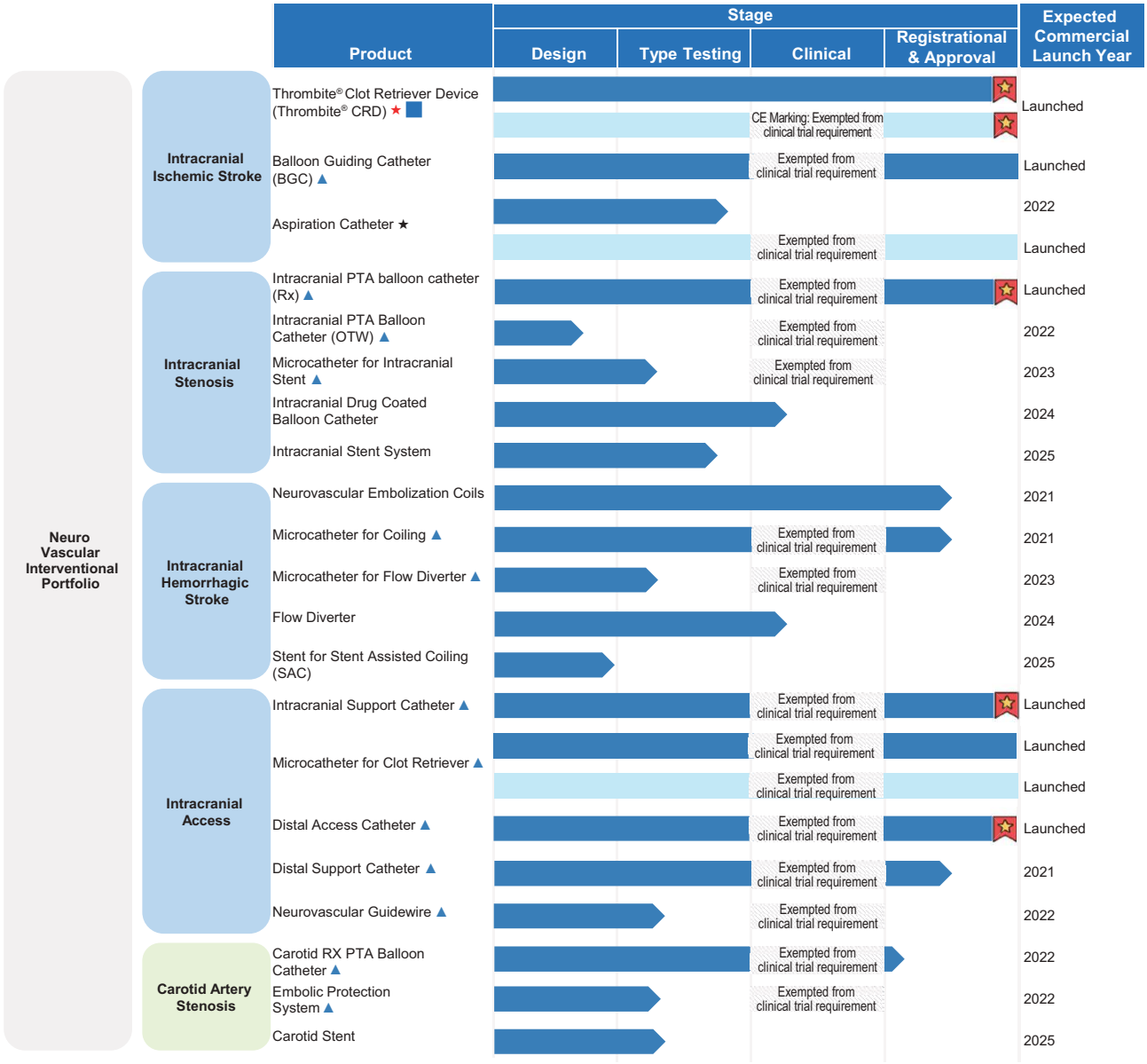
OVERVIEW

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 of the date of this announcement, 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 of the date of this announcement:



★ 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.

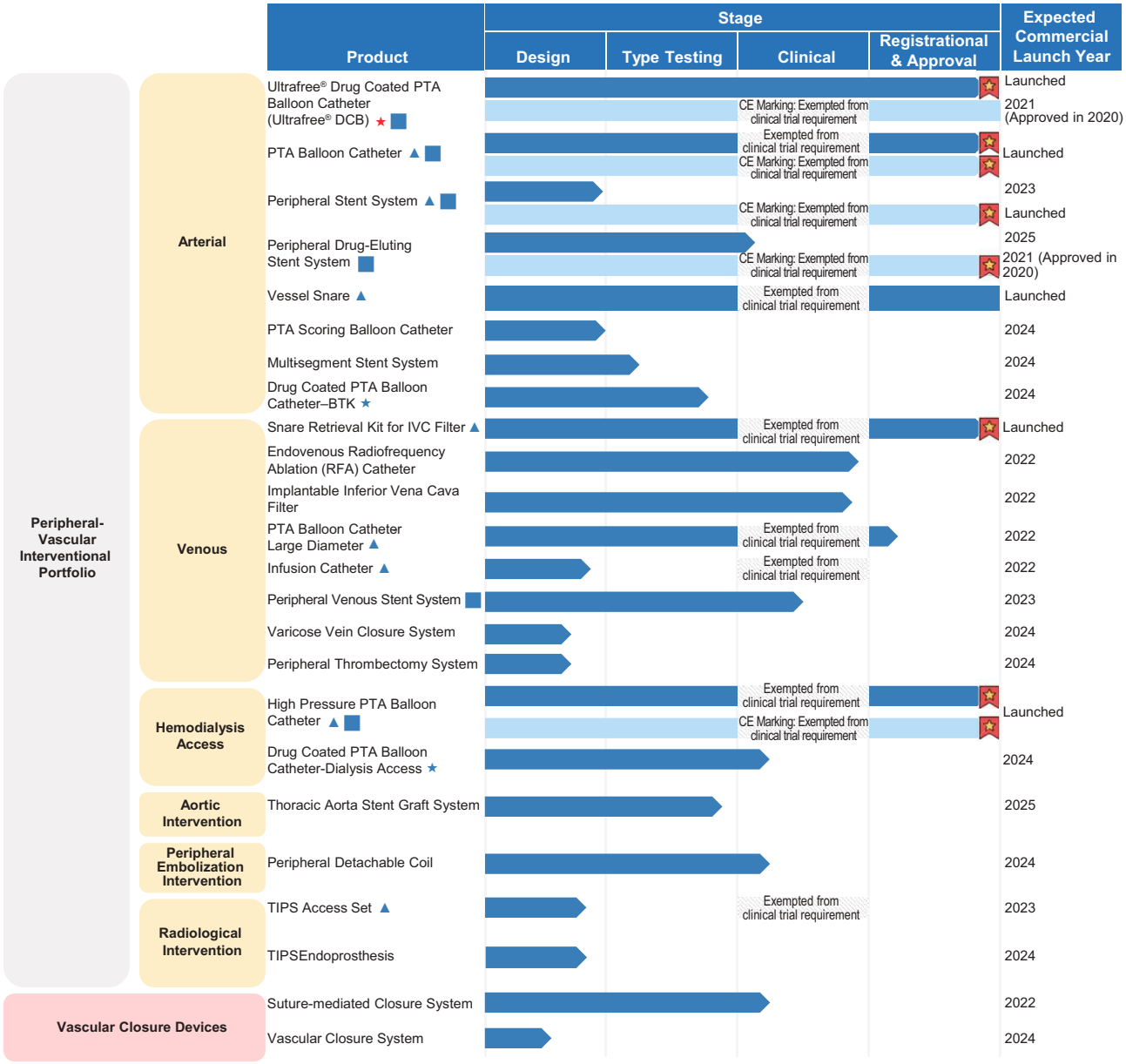
These devices are exempted from clinical trial requirement for obtaining CE marking, considering that clinical evaluation reports were provided.

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

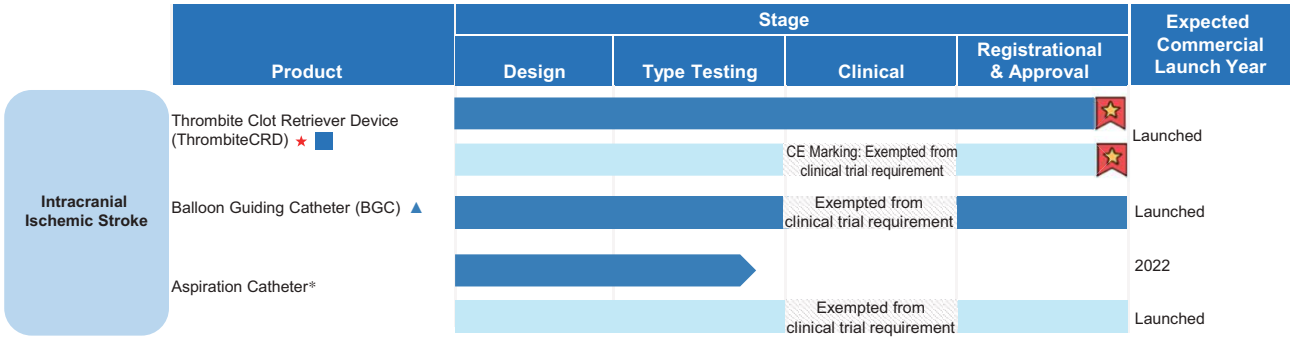
These devices are exempted from clinical trial requirement for obtaining CE marking, considering that clinical evaluation reports were provided.

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 2 are at clinical stage as of the date of this announcement. 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.

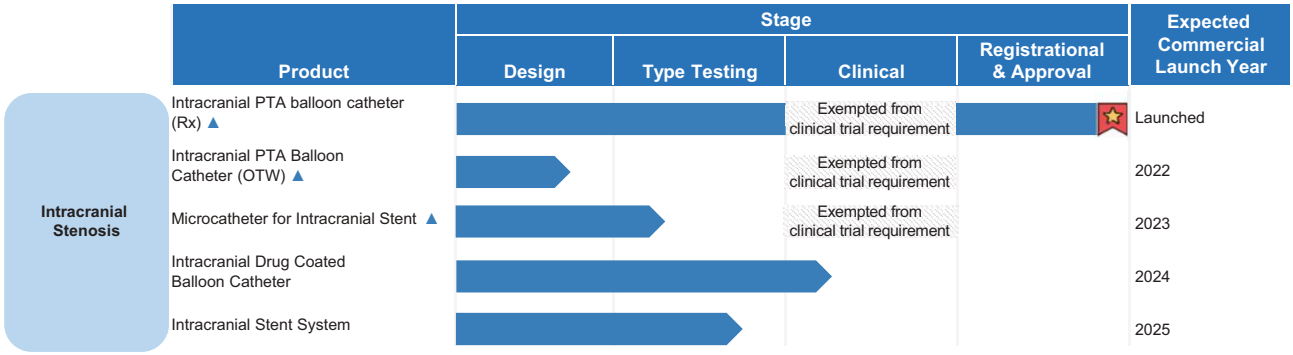
Aspiration Catheter

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

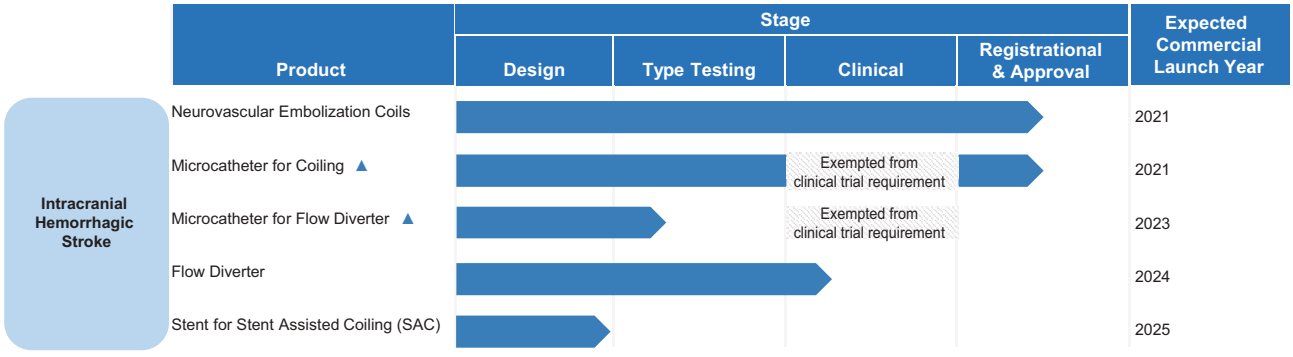
With the development of imaging technology and the increasing social awareness of stroke prevention, intracranial stenosis has attracted great clinical attention and been under rapid development in recent years. Our intracranial stenosis treatment portfolio consists of 5 products as below:



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.

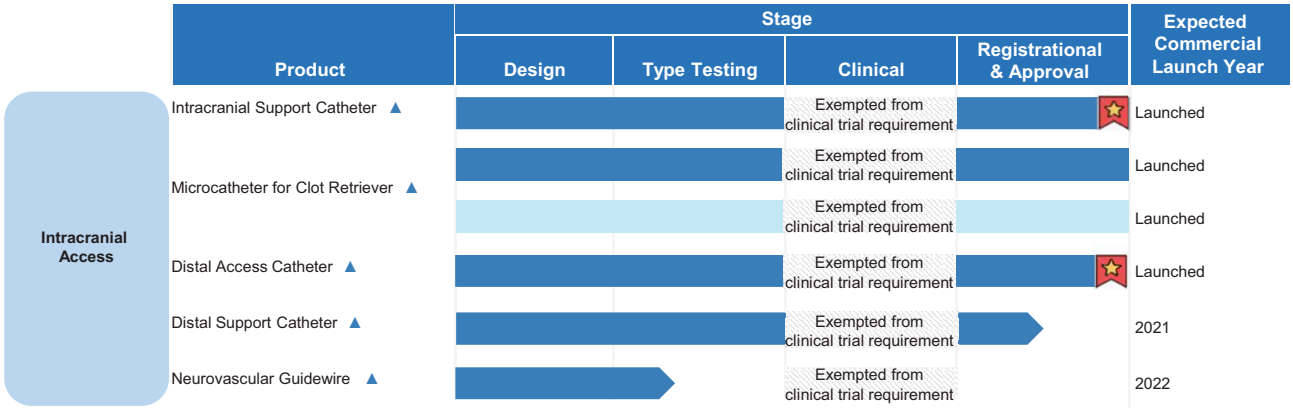
Flow diverter

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:



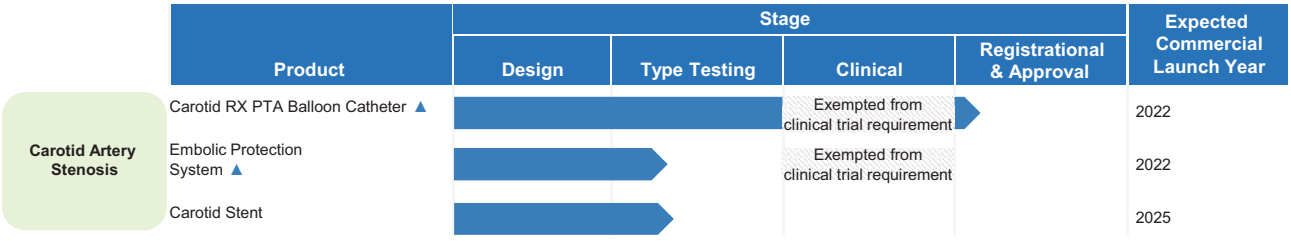
Our intracranial access products are designed to work together with other treatment products with high compatibility to offer seamless treatment solutions with better prognosis.

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.

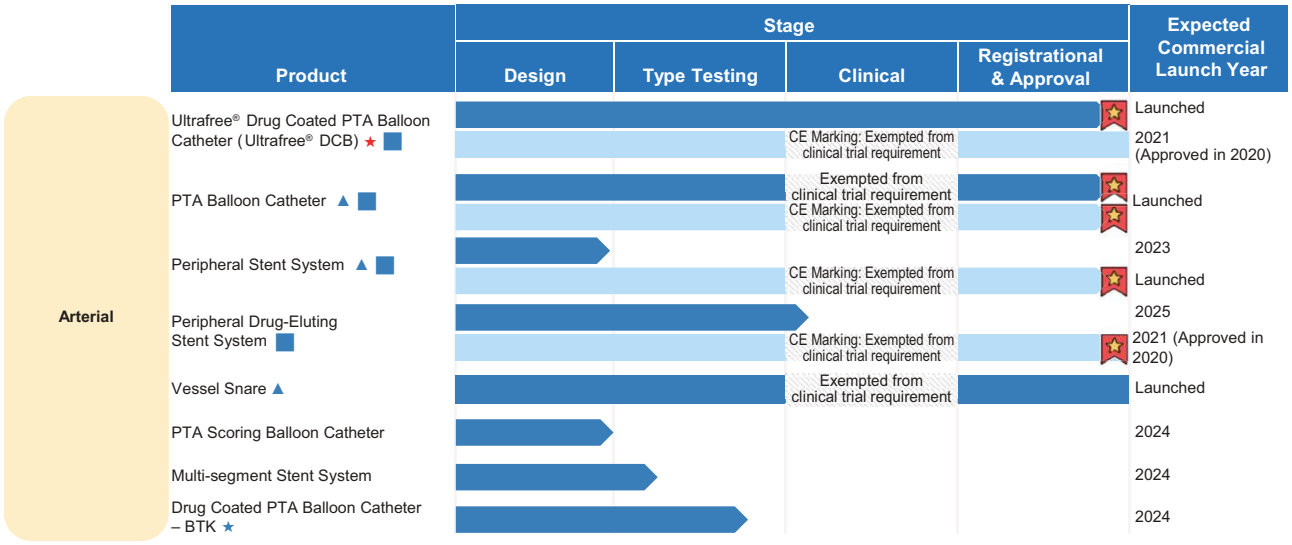
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CAROTID ARTERY STENOSIS TREATMENT PRODUCTS SUCCESSFULLY.

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 of the date of this announcement. 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:

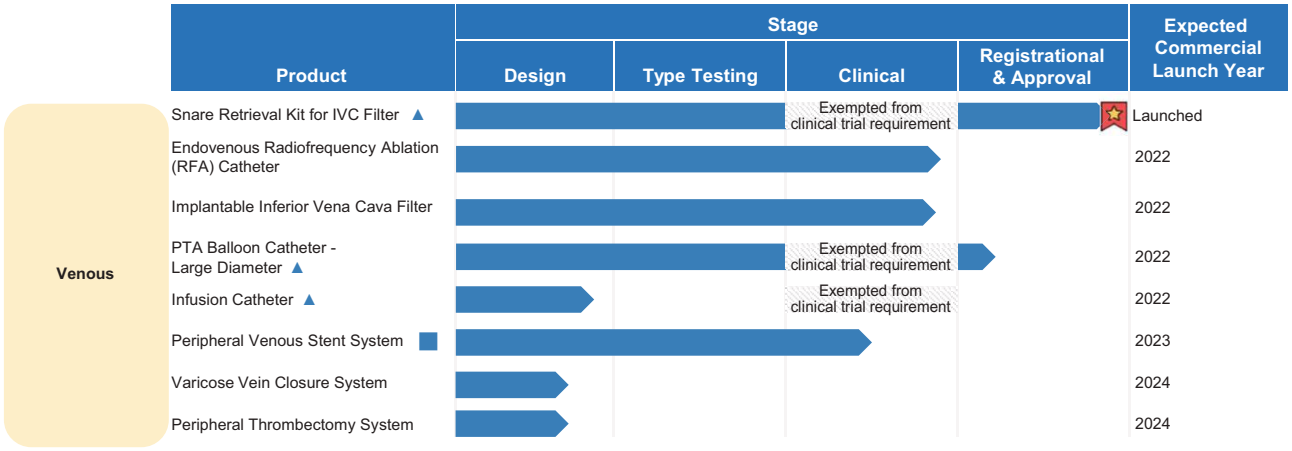
- Drug Coated PTA Balloon Catheter — BTK: We expect to initiate a clinical trial in the second half of 2021 and to launch Drug Coated PTA Balloon Catheter — BTK in 2024.

- 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.

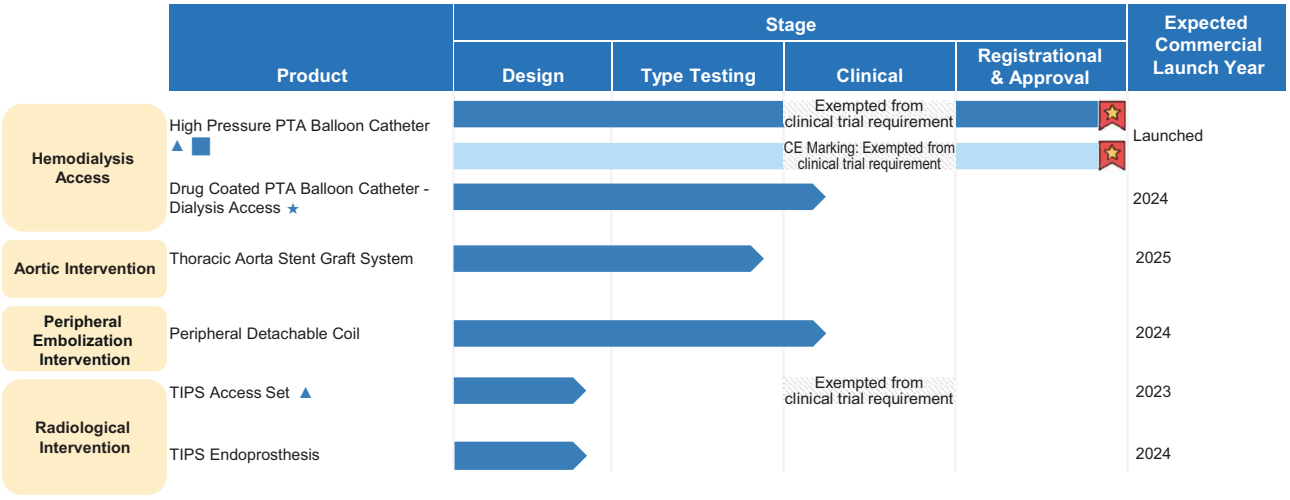
Peripheral venous stent system

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

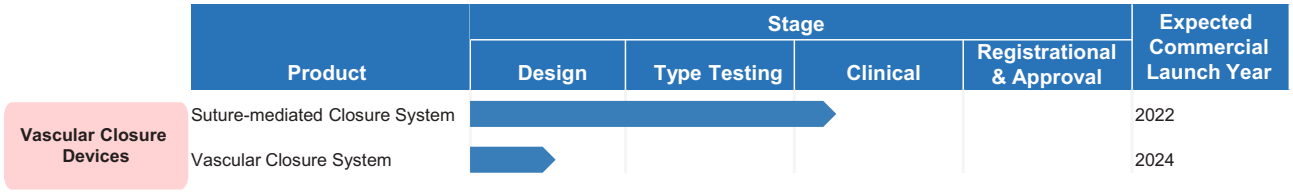
In addition to the peripheral arterial and venous products above, our peripheral-vascular portfolio also covers hemodialysis access, aortic intervention, peripheral embolization intervention and radiological intervention, as illustrated below:



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.



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 8 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 of 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 announcement.

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 of 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:

	Six months ended June 30, 2021 (Unaudited)		Six months ended June 30, 2020 (Unaudited)	
Revenue	***RMB'000***	***Proportion***	*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 of 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 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 of 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.

Employees and Remuneration Policies

As of 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.

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.

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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 of the date of this announcement, 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 13 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 of the date of this announcement, 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 recognises 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 announcement, 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 announcement, 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 announcement. 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 announcement.

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 announcement.

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 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.

PUBLICATION OF INTERIM RESULTS AND 2021 INTERIM REPORT

This announcement is published on the websites of the Company (http://www.zyloxtb.com) and the Hong Kong Stock Exchange (http://www.hkexnews.hk). The 2021 interim report will be dispatched to the Shareholders and will be made available on the websites of the Company and the Hong Kong Stock Exchange as and when appropriate.

"Audit Committee"	the audit committee of the Board
"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
"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 announcement 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
"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))
"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
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on 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 Growth Enterprise Market 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
"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

"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
"Share(s)"	ordinary shares 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
"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

By order of the Board
Zylox-Tonbridge Medical Technology Co., Ltd.
Dr. Jonathon Zhong Zhao
Chairman and Executive Director

Hong Kong, August 30, 2021

As at the date of this announcement, the Board comprises Dr. Jonathon Zhong Zhao, Mr. Yang Xie and Dr. Zheng Li as executive Directors, Mr. Stephen Hui Wang, Dr. Hai Lu and Dr. Steven Dasong Wang as non-executive Directors, and Dr. Jian Ji, Mr. Hongze Liang and Ms. Yun Qiu as independent non-executive Directors.