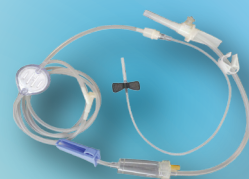


PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 01358.HK)



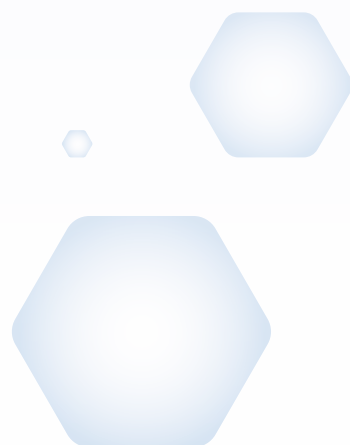
2025  
INTERIM  
REPORT

## **A TRUE PIONEER IN CHINA'S MEDICAL DEVICE INDUSTRY**

We are a leading medical device company with the focus on fast-growing and high-margin segments of China's medical device industry. We have a leading market position in our current business segments of infusion sets, blood purification products and regenerative medical biomaterials, with strong research and development capabilities and well-established distribution networks.

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## DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

"Audit Committee"	the audit committee of the Company
"Blood Purification Business"	the R&D, manufacturing and sales of blood purification medical devices
"Board"	the board of Directors
"CEO"	chief executive officer of the Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this interim report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "Group", "PW Medtech" or "we"	PW Medtech Group Limited (普华和顺集团公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 13, 2011 and except where the context indicated otherwise its subsidiaries
"Director(s)"	the director(s) of the Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS(s)"	Hong Kong Financial Reporting Standards
"Infusion Set Business"	the R&D, manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc.
"IPO"	the Company's initial public offering of its Shares
"Lepu Biopharma"	Lepu Biopharma Co., Ltd. (乐普生物科技股份有限公司), a limited liability company incorporated in the PRC on January 19, 2018 and the H shares of which is listed and traded on the Main Board of the Stock Exchange (stock code: 2157)
"Lepu Medical"	Lepu Medical Technology (Beijing) Co., Ltd. (乐普(北京)医疗器械股份有限公司), a joint stock company incorporated in the PRC on June 11, 1999 and listed on the Shenzhen Stock Exchange (stock code: 300003)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"NEEQS"	National Equities Exchange and Quotation System
"NEEQS Quotation"	the proposed spin-off of Sichuan Ruijian Medical, by way of a separate quotation on NEEQS without issuance of new shares

## DEFINITIONS

“Ningbo Zhengyao”	Ningbo Zhengyao Investment Management Center (Limited Partnership) (寧波正焱投資管理中心(有限合夥)), a limited partnership incorporated in the PRC on November 30, 2015, and one of the Sichuan Ruijian’s Original Minority Shareholders
“Prospectus”	the prospectus of the Company dated October 28, 2013
“R&D”	research and development
“Regenerative Medical Biomaterials Business”	the R&D and manufacturing of animal-derived regenerative medical biomaterials and human tissue repair alternative products
“Relevant Period”	the six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value US\$0.0001 each in the issued share capital of our Company
“Shareholder(s)”	holder(s) of Shares
“Sichuan Ruijian Medical”	Sichuan Rekind Medtec., Inc. (also known as Sichuan Ruijian Medical Technology Co. Ltd.) (四川睿健醫療科技股份有限公司), a joint stock limited liability company established in PRC on August 6, 2013, a non-wholly owned subsidiary of the Company
“Spin-off”	the NEEQS Quotation and the Subsequent Listing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Listing”	a subsequent listing of Sichuan Ruijian Medical on Beijing Stock Exchange subject to the then market conditions and its strategic development needs
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Director

Ms. Yue'e ZHANG (*Chairman and CEO*)

### Non-executive Directors

Mr. JIANG Liwei

Mr. LIN Junshan

### Independent Non-executive Directors

Mr. WANG Xiaogang

Mr. CHEN Geng

Ms. WANG Fengli

## COMPANY SECRETARY

Ms. SO Ka Man, *FCG, HKFCG*

## AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Ms. Yue'e ZHANG

Ms. SO Ka Man

## AUDIT COMMITTEE

Mr. WANG Xiaogang (*Chairman*)

Mr. LIN Junshan

Mr. CHEN Geng

## REMUNERATION COMMITTEE

Mr. CHEN Geng (*Chairman*)

Mr. LIN Junshan

Ms. WANG Fengli

## NOMINATION COMMITTEE

Ms. Yue'e ZHANG (*Chairman*)

Mr. WANG Xiaogang

Ms. WANG Fengli

## AUDITOR

BDO Limited

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

## REGISTERED OFFICE

The Grand Pavilion Commercial Centre

Oleander Way, 802 West Bay Road

P.O. Box 32052

Grand Cayman KY1-1208

Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 1, No. 23 Panlong West Road

Pinggu District

Beijing, PRC 101204

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1928, 19/F, Lee Garden One

33 Hysan Avenue, Causeway Bay

Hong Kong

## PRINCIPAL BANKERS

Morgan Stanley & Co International PLC

31/F, International Commerce Centre

1 Austin Road West, Kowloon

Hong Kong

China CITIC Bank

Wanliu Branch

5-32, Xing Biao Garden

Wanliu Central Road

Haidian District

Beijing, PRC

## HONG KONG LEGAL ADVISOR

Wilson Sonsini Goodrich & Rosati

Suite 1509, 15/F, Jardine House

1 Connaught Place, Central

Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## STOCK CODE AND BOARD LOT

Stock code: 1358

Board lot: 1,000

## WEBSITE

[www.pwmedtech.com](http://www.pwmedtech.com)

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET AND BUSINESS REVIEW

PW Medtech Group Limited is a leading medical device company in China focusing on the fast-growing and high-margin segments in China's medical device industry, and is principally engaged in three sectors: infusion sets, blood purification and regenerative medical biomaterials.

Looking back at the first half of 2025, the overall global economic growth slowed down as affected by geopolitical tensions, trade frictions and policy uncertainties. In such complex and volatile external environment, China's medical device industry demonstrated strong resilience, maintaining its position as the second-largest market in the world. The industry's growth momentum was primarily driven by factors such as national policy support, demographic changes, and increased public awareness of health and wellness.

Specifically, the government continued to deepen industry reform, including the promotion of anti-corruption campaign in medical industry horizontally and vertically, continuous implementation of volume-based procurement of drugs and medical device as well as continuous introduction of medical device localization and innovation support policies by the government to promote the high-quality development of the medical device industry. Against the background of deepened industry reform, centralized procurement of medical consumables has been carried out on a normalized basis, which has not only squeezed the profit margins gained by medical device enterprises to some extent, but also posed challenges to such enterprises. However, centralized procurement has also enabled enterprises to accelerate innovation and optimize costs, sped up the process of domestic product substitution, enhanced industry concentration, and gradually reshaped the industry pattern. And the enhancement of residents' health awareness, faster pace of population ageing, technological progress of the industry and acceleration of development of overseas market for domestic medical devices are presenting brand-new development opportunities to the medical device enterprises in China. In 2025, China's medical device industry is in an era of both opportunities and challenges.

In the first half of 2025, the Group continued to focus on its principal business and was active in response to market changes. During the Relevant Period, the Group's revenue amounted to RMB414.4 million, representing a year-on-year increase of 22.4% compared with the first half of 2024, primarily driven by a significant increase in revenue from the Blood Purification Business segment. The Group recorded gross profit of RMB212.8 million, representing a year-on-year increase of 13.4%, and overall gross margin of 51.3% during the Relevant Period. Profit attributable to owners of the Company was RMB66.0 million, representing a decrease of 6.0% compared with the same period in 2024. In the first half of 2025, the Group maintained a stable financial position with robust cash flows, holding cash and cash equivalents of RMB1,693.3 million.

In order to share the benefit of our growth with the Shareholders, the Board has declared an interim dividend of HK4.4 cents per share for the six months ended June 30, 2025.

As a leading medical device company in China, PW Medtech will continue to address challenges in an active manner and seize development opportunities to enhance its capabilities, further consolidate its leading position in the industry and achieve high-quality growth.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS STRATEGIES AND FUTURE OUTLOOK

PW Medtech focuses on fast-growing and high-margin segments in the medical device industry, and has currently established three principal business segments: Infusion Set Business, Blood Purification Business and Regenerative Medical Biomaterials Business. With continuous technological innovation and product development, the Group endeavors to expand production capacity and product portfolio, broaden marketing network and improve operation management efficiency for stronger market competitiveness.

#### Infusion Set Business

Infusion treatment is one of the most commonly adopted treatment methods in clinical practice, and due to the huge population base in China, there is a large and stable demand for infusion consumables in the domestic market. However, due to the volume-based procurement policy, enterprises are facing certain market pressures.

The Group is a leading company in advanced infusion set business in China, focusing on the R&D, manufacturing and sale of products including infusion sets, cannula and insulin needles and pens, etc. During the Relevant Period, the business achieved revenue of RMB113.4 million, representing a year-on-year decrease of 14.5% and accounting for 27.4% of the Group's total revenue. The Group continues to implement a low-cost and high-quality strategy by taking multiple measures to improve operating efficiency and ensure product quality; making timely adjustment to marketing strategies and addressing market challenges flexibly. Meanwhile, the Group makes continuous efforts to improve the functionality and safety of its existing products, with an eye on new hot points relating to infusion products, aiming to expand its product portfolio and explore new markets through R&D innovation.

#### Blood Purification Business

The Group's Blood Purification Business is primarily operated through its subsidiary Sichuan Ruijian Medical, which is a leading blood purification medical device company in China, offering a comprehensive range of blood purification consumables, such as hemodialyzer, hemodiafilter and hemoperfutor, and blood purification equipment such as haemodialysis machines and continuous blood purification devices. Blood purification is primarily applied for the treatment of patients with end-stage renal disease (ESRD). While the number of ESRD patients continues to grow, the treatment rate for hemodialysis among Chinese patients remains relatively low, resulting in a significant gap in demand for blood purification devices. China's hemodialysis medical device market has broad room for development.

Currently, domestic brands in the blood purification medical device market are gradually rising, and making breakthroughs from domestic substitution of consumables to the equipment sector. The Group is a pioneer in this trend. In the area of consumables such as hemodialyzers, the Group maintains a leading market position by virtue of its quality and cost advantages, and is actively expanding sales of blood purification equipment. The Group is also actively seizing overseas opportunities to continuously expand into overseas markets, and has achieved good results.

Since 2024, the implementation of volume-based procurement of blood purification consumables has accelerated. During the volume-based procurement of hemodialysis medical consumables carried out by the inter-provincial alliance of 23 provinces/regions/corps including Henan province and the centralized volume-based procurement of hemodialysis medical consumables carried out by the Beijing-Tianjin-Hebei region "3+N" alliance in 2024, the Company won the bid for its hemodialyzer, hemodiafilter, dialysis tube and arteriovenous fistula puncture needle. Although product profit margin is reduced through the "exchange quantity for price" model, in the long run, volume-based procurement will help to provide stable purchases for the industry, reduce marketing investment, focus on production and R&D, so as to improve product quality. During the Relevant Period, the impact of volume-based procurement on the sales and prices of the Group's Blood Purification Business has gradually become apparent.



## MANAGEMENT DISCUSSION AND ANALYSIS

During the Relevant Period, the Blood Purification Business recorded significant growth, recording revenue of RMB297.4 million, representing an increase of 44.5% over the same period last year and accounting for approximately 71.8% of the Group's total revenue for the Relevant Period.

### Regenerative Medical Biomaterials Business

In terms of the Regenerative Medical Biomaterials Business segment, driven by increasing demands for medical beauty and wounds repairing as a result of the development of national economy and improvement in residents' quality of life, and the fact that the medical biomaterials in China are in a state of rapid development, the regenerative medical biomaterials are embracing a broad market.

The Group's Regenerative Medical Biomaterials Business segment focuses on the R&D and manufacturing of animal-derived regenerative medical biomaterials and human tissue repair alternative products, with a complete product pipeline and applications covering breast reconstruction, oral repairing, injection cosmetology, herniorrhaphy, burns and scalds and other medical and medical aesthetics fields. During the Relevant Period, the business achieved revenue of RMB3.5 million, accounting for 0.9% of the Group's total revenue. The Group believes that the Regenerative Medical Biomaterials Business segment has extremely high growth potential and is expected to become one of the Group's new business growth engines.

As of June 30, 2025, the Group had obtained 58 registration certificates for products, covering infusion set, cannula, hemodialyzer, hemoperfutor, hemodialysis equipment, biologic patch, breast tissue patch, absorbable oral cavity repair membrane, intestinal feeding device, insulin injection pen, insulin injection needle and blood transfusion set. In addition, the Group also has a number of product candidates in various stages of development.

Looking ahead, driven by factors including technological innovation and market demand, the Group will continue to increase its R&D investment to promote technological upgrades and market expansion of key products, strictly control product quality, and optimize marketing strategies to address the challenges posed by the normalization of centralized procurement, thereby enhancing the Group's overall competitiveness in the industry. By deepening our local market advantage of domestic substitution, accelerating the internationalization process of, inter alia, blood purification products, seeking development opportunities amid industry challenges and consolidating our leading position, the Group strives to repay its Shareholders and investors with even better performance.

### Emphasis on Innovation and R&D

The Group has always believed that innovation and R&D is one of the key drivers for the long-term development of the medical device industry, and has always focused on improving the Group's technological innovation and R&D capabilities and proactively promoting the R&D progress of its products. At present, the Group has an experienced R&D team with strong academic and research background, which helps the Group develop innovative products and continuously enhance its R&D capabilities.

In 2025, the Group's product registration and R&D processes progressed smoothly:

- In the Infusion Set Business segment, the Group's single-use blunt-tip injection needle for medical aesthetics products is currently under registration review and is expected to obtain a registration certificate in the second half of 2025; and the Group has submitted an application for the registration of its electronic pen-style injector for insulin injections, expanding its product portfolio in the diabetes care sector.
- In the Blood Purification Business segment, the Group has submitted applications for the registration of a hemodiafilter for continuous blood purification therapy and a single-use hemoperfutor for removing exogenous drugs or toxins in the first half of 2025, further expanding its product portfolio in the blood purification consumables sector.

## MANAGEMENT DISCUSSION AND ANALYSIS

- In the Regenerative Medical Biomaterials Business segment, the Group has submitted an application for the registration of injectable tissue filler products for injection cosmetology in the first half of 2025, expanding its product portfolio from the medical sector into the medical aesthetics sector; the Group also expects to initiate clinical trials for a bio-sponge product for tissue defect filling and repair regeneration in the second half of 2025; and a dura mater patch product for dura mater defect repair is currently under registration review.

The Group continues to promote product registration and technological innovation. As of June 30, 2025, the Group has obtained 58 product registration certificates and owned 177 product patents and copyrights, including 72 patents in relation to infusion set products, 82 patents and copyrights for blood purification products and 23 patents for regenerative medical biomaterial products, and has applied for 58 new patents. The Group will continue to focus on product innovation and R&D. Following the R&D strategy of “produce and focus our R&D efforts for a leading next generation of products”, the Group will focus on R&D and innovation of medical devices, improve comprehensive competitive edge and consolidate our leading position in the industry.

### Expansion of Distribution Networks

The Group has an experienced and strong professional sales and marketing team to support and consolidate our distribution networks in China and several overseas regions and to fortify product promotion for all business segments. The Group's sales force has an average of 10 years of experience in their respective fields, and nearly half of the members of the sales and marketing team have a medical education background, which facilitates their professional and effective communication with doctors and nurses.

The Group continued to optimize sales structure and marketing strategies, keep abreast of policies in the medical industry and flexibly adjust bidding strategies. In terms of operation and management, the Group continued to implement the “low cost and high quality” strategy to improve operation efficiency.

### Progress on Spin-off and Listing of Sichuan Ruijian Medical

Sichuan Ruijian Medical submitted an application for its subsequent listing on Beijing Stock Exchange by way of issuance of new A-shares on March 25, 2025. As of the date of this report, Sichuan Ruijian Medical is steadily advancing the process of the Subsequent Listing. The completion date of the Subsequent Listing will be subject to (i) the vetting process of the relevant listing application by Beijing Stock Exchange and CSRC, and (ii) market conditions. The Company will provide further update on the progress of the Subsequent Listing as and when appropriate.

### Strategic Share Repurchase Plan

The general mandate to repurchase shares of the Company on the Stock Exchange of not exceeding 10% of the total number of shares in issue (excluding treasury Shares) as at the date of the annual general meeting of the Company held on June 10, 2025 (i.e. up to 148,673,509 Shares) was granted to the Directors on June 10, 2025 (the “**Repurchase Mandate**”). The Repurchase Mandate will lapse at the conclusion of the next annual general meeting to be held by the Company (the “**2026 AGM**”) or the revocation or variation of such mandate by the Shareholders in a general meeting. On July 4, 2025, the Group announced that, the Board has decided that the Company will, from time to time, repurchase the shares on the open market during the twelve-month period from July 4, 2025 (the “**Share Repurchase Plan**”), subject to market conditions and pursuant to the Repurchase Mandate. For the avoidance of doubt, any repurchase of shares at a time falling within the above-mentioned twelve-month period of the Share Repurchase Plan but subsequent to the 2026 AGM will be subject to the Shareholders' approval of the repurchase mandate at the 2026 AGM.

The Board has designated specific staff of the Company to implement the Share Repurchase Plan, subject to market conditions and pursuant to the Repurchase Mandate. The timing, price and amount of repurchases will be determined based upon market conditions and other factors. Under the Listing Rules, the actual purchase price for each repurchase shall not be higher by 5% or more over the average closing market price for the five trading days immediately preceding each repurchase. The Company will finance the Share Repurchase Plan from its existing available cash.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Active Sharing of Operating Achievements

In order to continue to share the Group's operating achievements with the Shareholders at large, the Board has adopted a revised dividend policy since August 2023. Under the revised dividend policy, the Board intends to distribute not less than 70% of the profit attributable to Shareholders of the Company for the financial year as dividends. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. Depending on the Group's financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, and other factors as set out in the revised dividend policy, the Board may recommend and/or declare dividends during the financial year.

The Board has declared the payment of an interim dividend of HK4.4 cents per share for the six months ended June 30, 2025. For details, please refer to the section headed "Interim Dividend" in this report.

Going forward, the Group will adhere to its dividend policy and review it from time to time as appropriate. The management of the Group will also work with integrity, diligence and prudence in order to continue to maximize value for Shareholders.

## FINANCIAL REVIEW

### Overview

	Six months ended June 30,		
	2025 RMB'000	2024 RMB'000	Change
Revenue			
— Infusion Set Business	113,387	132,618	–14.5%
— Blood Purification Business	297,444	205,799	44.5%
— Regenerative Medical Biomaterials Business	3,542	—	Not applicable
Total Revenue	414,373	338,417	22.4%
Gross profit	212,779	187,621	13.4%
Gross profit margin	51.3%	55.4%	
Profit for the period	86,619	93,639	–7.5%
Profit attributable to owners of the Company	65,999	70,219	–6.0%
Adjusted profit for the period <sup>(1)</sup>	119,131	103,341	15.3%
Adjusted Profit attributable to owners of the Company <sup>(1)</sup>	83,402	75,229	10.9%

Note:

- (1) Please refer to the section entitled "Non-HKFRS Measure — Adjusted Net Profit and Adjusted Profit Attributable to Owners of the Company" for more information about the non-HKFRS measures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

The revenue of the Group increased by 22.4% from approximately RMB338.4 million for the six months ended June 30, 2024 to approximately RMB414.4 million for the Relevant Period. The growth was primarily attributable to a strong increase in sales from the Blood Purification Business, alongside the first-ever recorded revenue from Regenerative Medical Biomaterials Business, partially offset by the decrease in sales from the Infusion Set Business.

Revenue from the Blood Purification Business for the Relevant Period amounted to approximately RMB297.4 million, representing an increase of 44.5% compared to approximately RMB205.8 million for the six months ended June 30, 2024. The significant increase was mainly contributed by the increase in sales volume due to efforts in expanding domestic and overseas markets and growth in demand, partially offset by the decrease in unit sales price.

Revenue from the Infusion Set Business amounted to approximately RMB113.4 million for the Relevant Period, representing a decrease of 14.5% from the six months ended June 30, 2024. The decrease was mainly due to the expansion of implementation areas of volume-based procurement policy and a soft market demand.

Revenue from the Regenerative Medical Biomaterials Business amounted to approximately RMB3.5 million for the Relevant Period, marking its revenue debut, mainly contributed by the successful launch of breast tissue patch in the market.

### Gross Profit

The Group's gross profit increased by 13.4% from approximately RMB187.6 million for the six months ended June 30, 2024 to approximately RMB212.8 million for the Relevant Period. The gross profit margin decreased from 55.4% for the six months ended June 30, 2024 to 51.3% for the Relevant Period, which was mainly due to the decrease in the gross profit margin of the Blood Purification Business.

The gross profit margin of the Blood Purification Business decreased from 52.4% for the six months ended June 30, 2024 to 48.2% for the Relevant Period, primarily due to (i) the decrease in unit sales prices resulting from the volume-based procurement implemented since June 2024; (ii) a higher proportion of export sales, which have lower gross margin rates.

The gross profit margin of the Infusion Set Business decreased from 60.2% for the six months ended June 30, 2024 to 59.4% for the Relevant Period, which was mainly due to the decrease of the unit sales price.

The gross profit margin of the Regenerative Medical Biomaterials Business was 58.0% for the Relevant Period, reflecting its early-phase production scale.

### Selling and Marketing Expenses

Selling and marketing expenses increased by 9.6% from approximately RMB39.9 million for the six months ended June 30, 2024 to approximately RMB43.8 million for the Relevant Period. This increase was attributable to the increase in selling and marketing expenses incurred by the Blood Purification Business and the Regenerative Medical Biomaterials Business, partially offset by the decrease in selling and marketing expenses incurred by the Infusion Set Business.

## MANAGEMENT DISCUSSION AND ANALYSIS

Selling and marketing expenses of the Blood Purification Business increased by 55.6% from approximately RMB14.5 million for the six months ended June 30, 2024 to approximately RMB22.6 million for the Relevant Period, which was mainly due to (i) the share-based compensation expenses increased from RMB1.4 million for the six months ended June 30, 2024 to approximately RMB4.3 million for the Relevant Period resulting from implementation of the stock incentive plan by Sichuan Ruijian Medical in April 2024; and (ii) increased staff remuneration caused by increased headcount.

Selling and marketing expenses of the Regenerative Medical Biomaterials Business amounted to approximately RMB2.3 million for the Relevant Period, which was nil for the six months ended June 30, 2024. The increase was in line with the sales growth for the Relevant Period. Selling and marketing expenses of the Regenerative Medical Biomaterials Business mainly consist of personnel expenses of sales team.

Selling and marketing expenses of the Infusion Set Business decreased from approximately RMB25.4 million for the six months ended June 30, 2024 to approximately RMB18.9 million for the Relevant Period due to reduced promotion expenses from efficient cost control and reduced promotional activities.

### General and Administrative Expenses

General and administrative expenses increased by 33.3% from approximately RMB62.6 million for the six months ended June 30, 2024 to approximately RMB83.5 million for the Relevant Period. The increase was mainly attributable to the increase of administrative expenses incurred by the Blood Purification Business and the Regenerative Medical Biomaterials Business, partially offset by the decrease of administrative expenses incurred by the group headquarters and the Infusion Set Business.

The general and administrative expenses of the Blood Purification Business increased by 31.5% from approximately RMB28.6 million for the six months ended June 30, 2024 to approximately RMB37.6 million for the Relevant Period. The increase was mainly due to: (i) the increase of share-based compensation expense from RMB3.3 million for the six months ended June 30, 2024 to RMB9.3 million for the Relevant period as a result of the implementation of the stock incentive plan of Sichuan Ruijian Medical in April 2024; and (ii) increased staff remuneration caused by increased headcount.

The general and administrative expenses of the Blood Purification Business included effect of amortisation of the intangible assets and depreciation of property, plant and equipment valuation surplus identified and recorded in the Group's consolidated financial statements during the business combination accounting process under HKFRSs, which amounted to approximately RMB10.8 million for the Relevant Period (approximately RMB10.8 million for the six months ended June 30, 2024).

The general and administrative expenses of the Regenerative Medical Biomaterials Business increased by 195.3% from approximately RMB7.3 million for the six months ended June 30, 2024 to approximately RMB21.7 million for the Relevant Period. The increase was primarily attributed to the amortisation of the fair value increments on intangible assets identified and recognised during the business combination accounting process under HKFRSs, which increased by approximately RMB16.1 million from approximately RMB3.7 million for the six months ended June 30, 2024 to approximately RMB19.8 million for the Relevant Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the accounting process for the acquisition of Beijing Ruijian Biological, the Group recognised certain fair value increments on intangible assets which totaling approximately RMB793.7 million. These intangible assets relate to certain products under development as at the date of acquisition. The amortisation was calculated using the straight-line method over a 20-year period, commencing upon the Group obtaining registration certificate for the products. For the six months ended June 30, 2024, only parts of the intangible assets were amortised, with a fixed monthly amortisation of approximately RMB0.6 million recorded during the period as not all the relevant registration certificates were obtained. Starting from August 1, 2024, amortisation has commenced for all the foresaid intangible assets with fair value increments, as Beijing Ruijian Biological had obtained the registration certificates for the relevant products and started preparing for the production and sales of such products. Accordingly, the fixed monthly amortisation (before income tax) increased to approximately RMB3.3 million from August 2024 onward.

The general and administrative expenses of the group headquarters and the Infusion Set Business decreased by 9.3% from approximately RMB26.7 million for the six months ended June 30, 2024 to approximately RMB24.2 million for the Relevant Period. The decrease was mainly due to the decrease of repair and maintenance costs for the properties.

### R&D Expenses

R&D expenses increased by 9.2% from approximately RMB20.6 million for the six months ended June 30, 2024 to approximately RMB22.5 million for the Relevant Period, which was mainly due to the increase of R&D expenses incurred by the Blood Purification Business, partially offset by the decrease of R&D expenses incurred by the Regenerative Medical Biomaterials Business.

R&D expenses of the Blood Purification Business increased from approximately RMB7.9 million for the six months ended June 30, 2024 to approximately RMB12.4 million for the Relevant Period. The increase was mainly due to increased investment in R&D projects.

R&D expenses of the Regenerative Medical Biomaterials Business decreased from approximately RMB6.3 million for the six months ended June 30, 2024 to approximately RMB4.1 million for the Relevant Period. The decrease was mainly due to the decrease in direct R&D expense, since some R&D projects are not at stages that require substantial R&D investment.

### Other Income and Gains and Losses — Net

Net other gains decreased by 17.9% from approximately RMB18.1 million for the six months ended June 30, 2024 to approximately RMB14.8 million for the Relevant Period, mainly the net result of (i) the foreign exchange loss amounted to RMB1.6 million caused by the fluctuation of the exchange rate between RMB and US dollar, while a foreign exchange gain of RMB3.9 million was recorded for the six months ended June 30, 2024; (ii) increase in rental income resulting from increased leased area.

### Fair Value Loss on Investment Properties

Fair value loss on investment properties decreased from approximately RMB0.4 million for the six months ended June 30, 2024 to approximately RMB0.3 million for the Relevant Period. The fair value loss was mainly due to the decline of the rental market.



### Operating Profit

Operating profit decreased by 5.1% from approximately RMB84.5 million for the six months ended June 30, 2024 to approximately RMB80.2 million for the Relevant Period, mainly due to: (i) the increase of the operating profit generated by the Blood Purification Business from approximately RMB60.6 million for the six months ended June 30, 2024 to approximately RMB70.9 million for the Relevant Period due to the increase in gross profit, partially offset by increase of share-based compensation expenses; (ii) the decrease of the operating profit generated by the group headquarters and the Infusion Set Business from RMB37.5 million for the six months ended June 30, 2024 to approximately RMB34.1 million for the Relevant Period due to the decrease in gross profit, partially offset by decrease in selling and marketing expenses; and (iii) the increase in the operating loss generated by the Regenerative Medical Biomaterials Business from approximately RMB13.6 million for the six months ended June 30, 2024 to approximately RMB24.8 million for the Relevant Period due to the increase in straight-line method amortisation expenses of the intangible assets related to the products obtaining licenses in 2024, while their respective sales are yet to be further ramp up.

### Finance Income — Net

Net finance income decreased by 17.5% from approximately RMB27.8 million for the six months ended June 30, 2024 to approximately RMB22.9 million for the Relevant Period. The decrease was mainly due to lower interest rates of bank deposits.

### Income Tax Expenses

Income tax expenses decreased by 11.6% from approximately RMB18.7 million for the six months ended June 30, 2024 to approximately RMB16.5 million for the Relevant Period, which was mainly due to the decrease in taxable profit.

### Profit for the Period and Profit Attributable to Owners of the Company

The profit for the period of the Group and profit attributable to owners of the Company was approximately RMB86.6 million and RMB66.0 million for the Relevant Period, representing a decrease of 7.5% and 6.0% from RMB93.6 million and RMB70.2 million for the six months ended June 30, 2024, respectively. The decrease was mainly due to decreases of operating profit and finance income.

### Non-HKFRS Measure — Adjusted net profit and adjusted net profit attributable to owners of the Company

To supplement our consolidated financial information which are presented in accordance with HKFRS, we set forth below our adjusted net profit and adjusted net profit attributable to owners of the Company, each a non-HKFRS measure, as additional financial measures.

Adjusted net profit and adjusted net profit attributable to owners of the Company is defined as profit for the period or profit attributable to owners of the Company, as adjusted by adding back (i) share-based compensation expenses of the Blood Purification Business; (ii) professional services fee relating to the Spin-off; (iii) amortization of fair value increments on intangible assets recognised in the acquisition of Beijing Ruijian Biological; and (iv) income tax effects of non-HKFRS adjustments.

We believe that the presentation of non-HKFRS measures facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items that the Group does not consider indicative of the performance of the business of the Group. We believe that this measure provides useful information to investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help our management. However, the use of non-HKFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of the Group's results as reported under HKFRS. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reconciliations of our non-HKFRS financial measures for the six months ended June 30, 2025 and 2024 to the nearest measure prepared in accordance with HKFRS.

	For the six months ended June 30,		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	change
Profit for the Period	<b>86,619</b>	93,639	-7.5%
Add:			
Share-based compensation expenses of the Blood Purification Business <sup>(1)</sup>	<b>14,269</b>	4,975	
Professional services fees related to the Spin-off	<b>1,790</b>	1,970	
Amortization of fair value increment on intangible assets recognised in the acquisition of Beijing Ruijian Biological <sup>(2)</sup>	<b>19,841</b>	3,704	
Income tax effects of non-HKFRS adjustments above	<b>(3,388)</b>	(947)	
Adjusted net profit	<b>119,131</b>	103,341	15.3%
Profit attributable to owners of the Company	<b>65,999</b>	70,219	-6.0%
Add:			
Share-based compensation expenses of the Blood Purification Business <sup>(1)</sup>	<b>6,919</b>	2,412	
Professional services fees related to the Spin-off	<b>868</b>	955	
Amortization of fair value increment on intangible assets recognised in the acquisition of Beijing Ruijian Biological <sup>(2)</sup>	<b>11,548</b>	2,156	
Income tax effects of non-HKFRS adjustments above	<b>(1,932)</b>	(513)	
Adjusted net profit attributable to owners of the Company	<b>83,402</b>	75,229	10.9%

Notes:

- (1) The item represents the expenses related to share-based payments granted to employees of the Blood Purification Business. On April 18, 2024, the stock incentive plan was approved at the general meeting of Sichuan Ruijian Medical. Under the stock incentive plan, a total of 6,332,340 shares of Sichuan Ruijian Medical (approximately 2.06% shareholding percentage of Sichuan Ruijian Medical) held by its shareholder and employee shareholding platform Ningbo Zhengyao will be granted to eligible employees of Sichuan Ruijian Medical. The exercise price per share granted is RMB1.783. All realised gains and corresponding yields of Ningbo Zhengyao will be distributed to the grantees.

The vesting period is from the date of grant until the end of fourth year following the successful initial public offering of Sichuan Ruijian Medical, and the fair value of the shares granted to employees less amount paid by employees is recognized as expenses over the vesting period.

For the six months ended June 30, 2025, approximately RMB9.3 million, RMB4.3 million, RMB0.3 million and RMB0.4 million of share-based compensation expense was recognized as general and administrative expense, selling and marketing expense, R&D expense, and manufacturing overheads, respectively.

- (2) The item represents the amortisation of fair value increments on intangible assets identified and recognised through the business combination of Beijing Ruijian Biological. Please refer to the section headed General and Administrative Expenses for details of this item.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Trade and Other Receivables

The Group's trade receivables primarily comprised the outstanding payment from credit sales. As of June 30, 2025, the trade and other receivables of the Group was approximately RMB192.3 million, representing an increase of approximately RMB25.5 million as compared to approximately RMB166.8 million as of December 31, 2024, which was mainly due to the increase in trade and other receivables of the Blood Purification Business.

Trade and other receivables of the Blood Purification Business increased from approximately RMB35.4 million as of December 31, 2024 to approximately RMB56.1 million as of June 30, 2025, mainly due to the increase in overseas sales where longer credit periods are usually provided to the distributors due to time-consuming processes involved in cross-border orders.

Trade and other receivables of the group headquarters and the Infusion Set Business increased from approximately RMB129.9 million as of December 31, 2024 to approximately RMB134.5 million as of June 30, 2025, mainly due to reversal of impairment loss on trade receivables.

The Group has selected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and established a provision matrix that was based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The details are disclosed in Note 19 to the interim condensed consolidated financial statements for the Relevant Period.

The Group reviews the financial performance of the customers with long aging receivables periodically and revises the credit terms granted to the customers based on credit risk analysis. Besides review of account receivables, the management may also use letter of collection and lawyer's letter to collect the receivables. The Group would also negotiate with customers to explore the use of debt agreement if there are higher risk of recoverability. In some circumstances, the internal legal department of the Group would be involved in collection of receivables to explore the availability of legal actions, and to issue formal communication to the customer before escalating the actions. Out of the trade receivables aged over 6 months that amounted to approximately RMB22.5 million at December 31, 2024, a total of approximately RMB16.9 million was subsequently received up to June 30, 2025.

As at June 30, 2025, the Group had made loss allowances of approximately RMB15.3 million (as at December 31, 2024: RMB19.1 million) on the trade receivables with a gross amount of approximately RMB98.1 million (as at December 31, 2024: RMB92.0 million).

### Inventories

Inventories increased by 8.3% from approximately RMB120.3 million as at December 31, 2024 to approximately RMB130.2 million as at June 30, 2025, which was mainly due to the increase in inventories of the Blood Purification Business and the Infusion Set Business.

Inventories of the Blood Purification Business increased from approximately RMB79.4 million as at December 31, 2024 to approximately RMB85.6 million as at June 30, 2025, which was mainly due to stock of goods to meet the increased sales orders.

Inventories of the Infusion Set Business increased from approximately RMB32.9 million as at December 31, 2024 to approximately RMB35.8 million as at June 30, 2025, which was mainly due to stock of goods for the expected market demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Property, Plant and Equipment

Property, plant and equipment mainly include buildings and facilities, machinery and equipment and construction in progress. As at June 30, 2025, the property, plant and equipment of the Group amounted to approximately RMB897.1 million, representing an increase of approximately RMB5.4 million as compared to approximately RMB891.7 million as at December 31, 2024. The increase was mainly the net result of construction in production lines, purchase of new production facilities and the depreciation.

### Investment Properties

Investment properties, mainly comprising factories and offices which are held by the Group for long-term rental yields. As at June 30, 2025, the investment properties of the Group amounted to approximately RMB262.6 million, representing a decrease by approximately RMB0.3 million as compared to approximately RMB262.9 million as at December 31, 2024. The decrease was mainly due to the fair value loss of the properties. The detailed information regarding the investment properties could be found in Note 14 to the interim condensed consolidated financial statements.

### Intangible Assets and Goodwill

The Group's intangible assets mainly include development cost, technology know-how, trademarks, computer software and customer relationship. The Group's goodwill, technology know-how, trademarks and customer relationships are mainly identified and recorded during the business combination accounting process for the acquisitions of subsidiaries. The intangible assets are amortised with straight line method for 5–20 years. The goodwill is subject to impairment test at each period end.

As at June 30, 2025, the net value of the Group's intangible assets and goodwill was approximately RMB1,606.8 million, representing a decrease of RMB25.6 million as compared to approximately RMB1,632.4 million as of December 31, 2024. The decrease was primarily the net result of amortisation of the intangible assets which amounted to approximately RMB32.5 million and addition of capitalised development costs which amounted to approximately RMB6.9 million for the Relevant Period.

### Loan Receivable

As at June 30, 2025, the Company's gross amount of loan receivable was approximately RMB300.0 million which includes a loan granted to an independent third party in April 2023 as disclosed in the announcement of the Company dated April 20, 2023 and a loan granted to an independent third party in September 2023 and extended in May 2024 and May 2025 as disclosed in the announcement of the Company dated September 5, 2023 and May 31, 2024, respectively. The detailed information regarding the loan receivable, including the collaterals and key terms, could be found in Note 17 to the interim condensed consolidated financial statements. As of the date of this report, a total of RMB60 million principal amount and the corresponding interests has been repaid by the borrower ahead of the repayment schedule.

### Non-current Financial Assets

As at June 30, 2025, the Group's non-current financial assets was approximately RMB73.4 million (December 31, 2024: RMB46.5 million), comprising investment in the H shares of Lepu Biopharma Co., Ltd. and an unlisted fund. The increase was mainly due to the increase in the fair value of the investment in the H shares of Lepu Biopharma Co., Ltd. as a result of increase in its share price. The detailed information regarding the financial assets could be found in Note 18 to the interim condensed consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Resources and Liquidity

As at June 30, 2025, the Group's cash and bank balances amounted to approximately RMB1,693.3 million (December 31, 2024: RMB1,682.0 million), the Group's financial assets at fair value through profit or loss amounted to approximately RMB85.2 million (December 31, 2024: RMB5.1 million). As at June 30, 2025, the Group's bank borrowing balance was RMB15.0 million (December 31, 2024: RMB5.8 million). The bank borrowing carried a fixed interest rate at 3.45% per annum.

The Board is of the opinion that the Group is in a healthy financial position and has sufficient resources to support its operations and meet its foreseeable capital expenditures.

### Pledge of Assets

During the Relevant Period, the Group did not enter into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. The Group did not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing or hedging, R&D or other services with it.

### Commitments

As of June 30, 2025, the Group had a total capital commitment of approximately RMB21.8 million (December 31, 2024: RMB25.6 million), comprising mainly contracted capital expenditure for acquisition of property, plant and equipment.

### Capital Expenditure

During the Relevant Period, the Group incurred capital expenditure of approximately RMB49.7 million (for the six months ended June 30, 2024: RMB22.5 million) on the expansion of the plants and procurement of equipment and intangible assets.

### Gearing Ratio

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowing divided by total capital. Total borrowing is non-current bank borrowing as shown in the condensed consolidated statement of financial position. Total capital is calculated as "total equity" as shown in the condensed consolidated statement of financial position plus total borrowing.

	<b>As at June 30, 2025 RMB'000</b>	<b>As at December 31, 2024 RMB'000</b>
Total borrowing	<b>15,000</b>	5,800
Total equity	<b>4,861,095</b>	4,803,368
Total capital	<b>4,876,095</b>	4,809,168
Gearing ratio	<b>0.31%</b>	0.12%

## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign Exchange Risk

The Group mainly operates its business in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Foreign exchange risk arises from foreign currencies held by certain overseas subsidiaries. The Group did not hedge against any fluctuation in foreign currency during the Relevant Period. Management may consider entering into currency hedging transactions to manage the Group's exposure towards fluctuations in exchange rates in future.

### Cash Flow and Fair Value Interest Rate Risk

Other than bank balances with variable interest rates, and the loan receivables with fixed interest rate, the Group has no other significant interest-bearing assets. The management does not anticipate any significant impact to interest-bearing assets resulting from the changes in interest rates because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from bank and other borrowings. Borrowing issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively.

As at June 30, 2025, it was estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would not affect the Group's profit for the Relevant Period (for the six months ended June 30, 2024: decrease or increase by approximately RMB23,800).

The sensitivity analysis above has been determined by assuming that the change in interest rates had occurred at the end of Relevant Period and had been applied to the exposure to interest rate risk for the borrowings in existence on that date. The increase or decrease of the 100 basis points represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

### Contingent Liabilities

As at June 30, 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

### Credit Risk

The carrying amounts of cash and cash equivalents, trade and other receivables and loan receivables represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problems.

The credit risk of bank balances is limited because the counterparties are banks with good reputation and most of them are state-owned commercial banks in China or public listed companies. Most of the bank deposits of the Group are placed with commercial banks with an acceptable credit rating.

For trade and other receivables and loan receivables, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Most of trade and other receivables balances are due from stated-owned enterprises or major customers with good repayment history. Details of the Group's trade and other receivables credit management are also discussed above under the heading of "Trade and Other Receivables".

### Significant Investments

As at June 30, 2025, the Group did not hold significant investments with a value of 5% or more of the Company's total assets. As at the date of this report, the Group does not have any plan for material investments or purchase of capital assets.



## SUPPLEMENTARY INFORMATION

### HUMAN RESOURCES

The Group had approximately 1,356 employees as at June 30, 2025, as compared to 1,415 employees as at December 31, 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits, liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board based on their merit, qualification and competence.

### INTERIM DIVIDEND

In light of the solid financial performance of the Group for the Relevant Period and in appreciation of the Shareholders' continuing support, the Board has declared the payment of an interim dividend of HK4.4 cents per share for the six months ended June 30, 2025 (for the six months ended June 30, 2024: HK4.5 cents per share) to the Shareholders whose names appear on the register of members of the Company at the close of business on November 7, 2025. The abovementioned interim dividend will be payable on December 3, 2025. Such declaration of interim dividend demonstrates the Company's commitment to delivering shareholder returns as well as its optimism about the Group's business prospects.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended June 30, 2025, the register of members of the Company will be closed from November 5, 2025 to November 7, 2025, both days inclusive, and during which period no transfer of shares of the Company will be registered. The record date will be November 7, 2025. In order to qualify for the interim dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on November 4, 2025.

### CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Relevant Period, with the exception of code provision C.2.1 of the CG Code.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. Currently, Ms. Yue'e Zhang performs both the roles of the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies which is in the best interests of the Company. Under the leadership of Ms. Yue'e Zhang, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

## SUPPLEMENTARY INFORMATION

The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Relevant Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Relevant Period.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company has from time to time, repurchased the Shares on the open market during the twelve-month period from July 4, 2025, subject to market conditions and pursuant to the Repurchase Mandate. The Board has designated specific staff of the Company to implement the Share Repurchase Plan, subject to market conditions and pursuant to the Repurchase Mandate. The timing, price and amount of repurchases will be determined based upon market conditions and other factors. For further details, please refer to the relevant announcement of the Company dated July 4, 2025.

During the Relevant Period and up to the date of this report, the Company has repurchased on the Stock Exchange a total of 4,413,000 Shares (the "**Shares Repurchased**") at a total consideration of approximately HK\$6,367,210. Details of the Shares Repurchased are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Aggregate consideration HK\$
		Highest	Lowest	
		HK\$	HK\$	
July 2025	4,413,000	1.48	1.36	6,367,210

A total of 4,413,000 Shares repurchased have been cancelled on August 18, 2025. As at June 30, 2025, the Company held 46,496,000 treasury Shares, which were subsequently cancelled on August 18, 2025. As at the date of this report, the Company did not hold any Shares repurchased pending cancellation or hold any treasury Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Share) during the Relevant Period and up to the date of this report.

## REVIEW OF FINANCIAL INFORMATION

### Audit Committee

The Audit Committee (comprising Mr. Wang Xiaogang, Mr. Chen Geng and Mr. Lin Junshan) has discussed with the management and the external auditor and reviewed the unaudited interim condensed consolidated financial information of the Group for the Relevant Period.

## Auditor

The Company's external auditor, BDO Limited, has performed an independent review of the Group's interim condensed consolidated financial information for the Relevant Period in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Based on their review, BDO Limited confirmed that nothing has come to their attention that causes them to believe that the unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

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

### (A) Long position in ordinary Shares

Name of Director	Capacity	Number of ordinary Shares interested	Approximate percentage <sup>+</sup> of the Company's issued share capital
Mr. JIANG Liwei	Beneficial owner	2,638,714	0.17%
Mr. LIN Junshan	Beneficial owner	1,673,427	0.11%
Mr. CHEN Geng	Beneficial owner	636,943	0.04%

<sup>+</sup> The percentage represents the number of ordinary Shares interested divided by the number of the Company's issued Shares as at June 30, 2025, being 1,533,231,098 Shares (including 46,496,000 treasury Shares).

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

## SUPPLEMENTARY INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at June 30, 2025, the following corporations/persons had interests of 5% or more in the issued Shares according to the register of interests required to be kept by the Company under section 336 of the SFO:

#### Long position in ordinary Shares

Name	Note	Capacity	Number of ordinary Shares interested	Approximate percentage <sup>+</sup> of the Company's issued share capital
Cross Mark Limited	1	Beneficial owner	621,557,863	40.54%
Ms. Yufeng LIU	2	Interest of a controlled corporation	621,557,863	40.54%
Mr. ZHANG Zaixian	3	Interest of spouse	621,557,863	40.54%
Right Faith Holdings Limited		Beneficial owner	393,385,962	25.66%
Mr. Marc CHAN	4	Interest of controlled corporations	414,025,962	27.00%

Notes:

- (1) Cross Mark Limited held 575,061,863 Shares. In addition, Cross Mark Limited controls one-third or more of the voting power at general meetings of the Company. Hence, it is taken to have an interest in 46,496,000 treasury Shares following the repurchase of Shares by the Company on the open market pursuant to the repurchase mandates.
  - (2) The entire issued share capital of Cross Mark Limited is legally and beneficially owned by Ms. Yufeng LIU. Under the SFO, Ms. Yufeng LIU is deemed to be interested in the same number of shares of the Company in which Cross Mark Limited is interested.
  - (3) Mr. ZHANG Zaixian is the spouse of Ms. Yufeng LIU. Under the SFO, Mr. ZHANG Zaixian is deemed to be interested in the same number of Shares in which Ms. Yufeng LIU is interested.
  - (4) The entire issued share capital of Right Faith Holdings Limited is legally and beneficially owned by Mr. Marc CHAN. In addition, Amplewood Resources Limited, a company wholly owned by Mr. Marc CHAN, held 20,640,000 Shares. Under the SFO, Mr. Marc CHAN is deemed to be interested in the same number of Shares in which Right Faith Holdings Limited and Amplewood Resources Limited are interested.
- <sup>+</sup> The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at June 30, 2025, being 1,533,231,098 Shares (including 46,496,000 treasury Shares).

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

### SHARE SCHEME

As at the date of this interim report, the Company does not have any share scheme that is currently in effect.

### EVENT AFTER THE RELEVANT PERIOD

There are no significant events after the Relevant Period and up to the date of this interim report.

# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



Tel : +852 2218 8288  
Fax: +852 2815 2239  
[www.bdo.com.hk](http://www.bdo.com.hk)

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
[www.bdo.com.hk](http://www.bdo.com.hk)

香港干諾道中111號  
永安中心25樓

## TO THE BOARD OF DIRECTORS OF PW MEDTECH GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 24 to 54 which comprise the condensed consolidated statement of financial position of PW Medtech Group Limited and its subsidiaries (collectively referred to as the “**Group**”) as of 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “**interim condensed consolidated financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made 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 Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. 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 Hong Kong 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### BDO Limited

*Certified Public Accountants*

### Fong Wai Yee Wendy

Practising Certificate Number P06821  
Hong Kong, 29 August 2025

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	414,373	338,417
Cost of sales		(201,594)	(150,796)
<b>Gross profit</b>		<b>212,779</b>	187,621
Other income and gains and losses — net	6	14,840	18,074
Fair value loss on investment properties	14	(321)	(397)
Reversal of impairment losses on trade receivables		3,722	2,329
Impairment loss recognised on amount due from a related party		(1,099)	—
Selling and marketing expenses		(43,767)	(39,919)
General and administrative expenses		(83,463)	(62,600)
Research and development expenses		(22,493)	(20,597)
<b>Operating profit</b>		<b>80,198</b>	84,511
Finance income — net	7	22,923	27,790
<b>Profit before income tax</b>	8	<b>103,121</b>	112,301
Income tax expenses	9	(16,502)	(18,662)
<b>Profit for the period</b>		<b>86,619</b>	93,639
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		27,803	(7,047)
Currency translation differences		(502)	(415)
Other comprehensive income/(expense) for the period		27,301	(7,462)
<b>Total comprehensive income for the period</b>		<b>113,920</b>	86,177



# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
<b>Profit for the period attributable to:</b>			
Owners of the Company		65,999	70,219
Non-controlling interests		20,620	23,420
		<b>86,619</b>	93,639
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		93,300	62,757
Non-controlling interests		20,620	23,420
		<b>113,920</b>	86,177
<b>Earnings per share attributable to owners of the Company for the period</b> (expressed in RMB cents per share)			
<b>Basic and diluted</b>	10	<b>4.44</b>	4.49

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	897,077	891,691
Right-of-use assets	13	29,071	30,330
Investment properties	14	262,559	262,880
Intangible assets	15	1,042,686	1,068,300
Goodwill	16	564,085	564,085
Deferred tax assets		9,701	10,128
Long-term prepayments		14,747	12,732
Loan receivables	17	—	180,000
Non-current financial assets	18	73,350	46,544
<b>Total non-current assets</b>		<b>2,893,276</b>	<b>3,066,690</b>
<b>Current assets</b>			
Inventories		130,238	120,282
Loan receivables	17	300,000	120,000
Trade and other receivables	19	192,290	166,825
Financial assets at fair value through profit or loss	20	85,230	5,148
Cash and cash equivalents		1,693,265	1,681,984
<b>Total current assets</b>		<b>2,401,023</b>	<b>2,094,239</b>
<b>Total assets</b>		<b>5,294,299</b>	<b>5,160,929</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	21	213,515	138,944
Lease liabilities		1,338	1,697
Contract liabilities		19,132	19,761
Tax payable		14,972	17,038
<b>Total current liabilities</b>		<b>248,957</b>	<b>177,440</b>
<b>Net current assets</b>		<b>2,152,066</b>	<b>1,916,799</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		3,940	4,577
Bank borrowings		15,000	5,800
Deferred tax liabilities		143,781	148,435
Deferred government grants		21,526	21,309
<b>Total non-current liabilities</b>		<b>184,247</b>	180,121
<b>NET ASSETS</b>		<b>4,861,095</b>	4,803,368
<b>Equity</b>			
Share capital	22	939	939
Share premium		1,456,478	1,456,478
Reserves		371,663	336,837
Retained earnings		2,171,287	2,177,147
<b>Equity attributable to owners of the Company</b>		<b>4,000,367</b>	3,971,401
<b>Non-controlling interests</b>		<b>860,728</b>	831,967
<b>TOTAL EQUITY</b>		<b>4,861,095</b>	4,803,368

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000 (note 22)	Share premium RMB'000 (note 22)	Treasury shares RMB'000 (note 22)	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2025</b>	939	1,456,478	(46,800)	383,637	2,177,147	3,971,401	831,967	4,803,368
<b>Comprehensive income</b>								
Profit for the period	—	—	—	—	65,999	65,999	20,620	86,619
<b>Other comprehensive income</b>								
Currency translation differences	—	—	—	(502)	—	(502)	—	(502)
Change in fair value of financial assets at fair value through other comprehensive income	—	—	—	27,803	—	27,803	—	27,803
<b>Total comprehensive income</b>	—	—	—	27,301	65,999	93,300	20,620	113,920
2024 final dividend paid	—	—	—	—	(71,859)	(71,859)	—	(71,859)
Capital contribution to a non-wholly owned subsidiary by non-controlling interests	—	—	—	606	—	606	644	1,250
Share-based payment by a non-wholly owned subsidiary	—	—	—	6,919	—	6,919	7,497	14,416
<b>Total transaction with owners</b>	—	—	—	7,525	(71,859)	(64,334)	8,141	(56,193)
<b>Balance at 30 June 2025 (unaudited)</b>	939	1,456,478	(46,800)	418,463	2,171,287	4,000,367	860,728	4,861,095

	Share capital RMB'000 (note 22)	Share premium RMB'000 (note 22)	Treasury shares RMB'000 (note 22)	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	962	1,489,876	—	392,770	2,160,733	4,044,341	780,644	4,824,985
<b>Comprehensive income</b>								
Profit for the period	—	—	—	—	70,219	70,219	23,420	93,639
<b>Other comprehensive expense</b>								
Currency translation differences	—	—	—	(415)	—	(415)	—	(415)
Change in fair value of financial assets at fair value through other comprehensive income	—	—	—	(7,047)	—	(7,047)	—	(7,047)
<b>Total comprehensive income</b>	—	—	—	(7,462)	70,219	62,757	23,420	86,177
2023 final dividend paid	—	—	—	—	(71,927)	(71,927)	—	(71,927)
Share-based payment by a non-wholly owned subsidiary	—	—	—	2,412	—	2,412	2,562	4,974
Repurchase of shares	—	—	(4,302)	—	—	(4,302)	—	(4,302)
Cancellation of shares	(1)	(2,571)	2,572	—	—	—	—	—
<b>Total transaction with owners</b>	(1)	(2,571)	(1,730)	2,412	(71,927)	(73,817)	2,562	(71,255)
<b>Balance at 30 June 2024 (unaudited)</b>	961	1,487,305	(1,730)	387,720	2,159,025	4,033,281	806,626	4,839,907

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	126,883	155,618
Income tax paid	(22,795)	(17,023)
<b>Net cash generated from operating activities</b>	<b>104,088</b>	<b>138,595</b>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant and equipment	814	111
Proceed from disposal of investment property	—	816
Purchases of property, plant and equipment	(6,022)	(7,531)
Payments for development costs of intangible assets	(6,842)	(4,004)
Proceeds from disposal of financial assets at fair value through profit or loss	120,498	550
Purchases for acquisition of financial assets at fair value through profit or loss	(200,498)	(1,000)
Payments for development costs of construction in progress	(34,855)	(10,928)
Payments for deposit of acquisition of property, plant and equipment	(2,015)	—
Interest received	23,251	27,908
<b>Net cash (used in)/generated from investing activities</b>	<b>(105,669)</b>	<b>5,922</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(996)	(574)
Interest paid	(328)	(118)
Capital contribution to a non-wholly owned subsidiary by non-controlling interests	1,250	—
Payment for repurchase of shares	—	(4,302)
Proceeds from new bank borrowings	9,200	2,800
<b>Net cash generated from/(used in) financing activities</b>	<b>9,126</b>	<b>(2,194)</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,545</b>	<b>142,323</b>
Cash and cash equivalents at beginning of period	1,681,984	1,589,656
Effect of foreign exchange rate changes	3,736	1,067
<b>Cash and cash equivalents at end of period</b>	<b>1,693,265</b>	<b>1,733,046</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 1. GENERAL

PW Medtech Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 May 2011 as an exempted company with limited liability under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 8 November 2013.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the research and development (“**R&D**”), manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc. (the “**Infusion Set Business**”), hemodialysis and blood purification medical devices (the “**Blood Purification Business**”) and animal-derived regenerative medical biomaterials and human tissue repair alternative products (the “**Regenerative Medical Biomaterials Business**”) in the People’s Republic of China (the “**PRC**”).

## 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These interim condensed consolidated financial statements were authorised for issue on 29 August 2025.

These interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to new standards or amendments effective for the first time for periods beginning on or after 1 January 2025. Details of any changes in accounting policies are set out in note 3. The adoption of the new and revised HKFRS Accounting Standards have no material effect on these interim condensed consolidated financial statements.

The preparation of these interim condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the interim condensed financial statements and their effect are disclosed in note 4.

These interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These interim condensed consolidated financial statements contain condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2024 annual financial statements. These interim condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the 2024 annual financial statements.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value.

These interim condensed consolidated financial statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA. BDO Limited’s independent review report to the board of directors is included on page 23.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 3. CHANGE IN ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, as described therein.

- Amendments to HKAS 21 and HKFRS 1, Lack of Exchangeability

The amended HKFRS Accounting Standards that are effective from 1 January 2025 did not have any significant impact on the Group's accounting policies. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the 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 expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 5. REVENUE AND SEGMENT INFORMATION

### Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue for the period from continuing operations is as follows:

	For the six months ended 30 June 2025				For the six months ended 30 June 2024			
	Regenerative				Regenerative			
	Blood		Medical		Blood		Medical	
	Infusion Set	Purification	Biomaterials	Consolidated	Infusion Set	Purification	Biomaterials	Consolidated
	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)	Business RMB'000 (unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>								
Revenue from hospitals	13,457	2,232	—	15,689	14,143	2,297	—	16,440
Revenue from medical products distributors	99,930	295,212	3,542	398,684	118,475	203,502	—	321,977
<b>Total</b>	<b>113,387</b>	<b>297,444</b>	<b>3,542</b>	<b>414,373</b>	<b>132,618</b>	<b>205,799</b>	<b>—</b>	<b>338,417</b>
<b>Timing of revenue recognition</b>								
Point in time	113,387	297,444	3,542	414,373	132,618	205,799	—	338,417
<b>Geographical markets</b>								
Mainland China	113,387	194,919	3,542	311,848	132,618	162,911	—	295,529
India	—	38,580	—	38,580	—	13,144	—	13,144
America (excluding U.S.)	—	12,859	—	12,859	—	4,948	—	4,948
Africa Region	—	12,060	—	12,060	—	7,264	—	7,264
Others	—	39,026	—	39,026	—	17,532	—	17,532
<b>Total</b>	<b>113,387</b>	<b>297,444</b>	<b>3,542</b>	<b>414,373</b>	<b>132,618</b>	<b>205,799</b>	<b>—</b>	<b>338,417</b>

### Segment information

Information reported to the chief executive of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on business units. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group. The Group has the following operating and reportable segments:

- the "Infusion Set Business" segment represents the R&D, manufacturing and sales of advanced infusion set, intravenous cannula products, insulin needles, etc;
- the "Blood Purification Business" segment represents the R&D, manufacturing and sales of hemodialysis and blood purification medical devices; and
- the "Regenerative Medical Biomaterials Business" segment represents the R&D and manufacturing of animal-derived regenerative medical biomaterials and human tissue repair alternative products.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment information (Continued)

(i) Segment revenue and results

Analysis of the Group's segment revenue and results for the six months ended 30 June 2025 and 2024 is as follows:

	Infusion Set Business		Blood Purification Business		Regenerative Medical Biomaterials Business		Consolidated	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Segment revenue from external customers	113,387	132,618	297,444	205,799	3,542	—	414,373	338,417
Segment results (Operating profit/(loss))	41,614	39,313	70,829	60,621	(24,829)	(13,612)	87,614	86,322
Unallocated corporate income							22,850	29,816
Unallocated corporate expense							(7,343)	(3,837)
Profit before taxation							103,121	112,301

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. There were no inter-segment sales for the periods.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of unallocated corporate income and expenses. This is the measure reported to the chief operating decision maker of the Company for the purposes of resource allocation and performance assessment.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment information (Continued)

#### (ii) Segment assets and liabilities

	Infusion Set Business		Blood Purification Business		Regenerative Medical Biomaterials Business		Consolidated	
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Segment assets	1,390,952	1,382,612	1,561,918	1,477,849	952,022	977,330	3,904,892	3,837,791
Deferred tax assets							9,701	10,128
Non-current financial assets							73,350	46,544
Unallocated corporate assets							1,306,356	1,266,466
Consolidated assets							5,294,299	5,160,929
Segment liabilities	111,363	109,971	79,508	68,801	8,920	9,548	199,791	188,320
Deferred tax liabilities							143,781	148,435
Tax payable							14,972	17,038
Unallocated corporate liabilities							74,660	3,768
Consolidated liabilities							433,204	357,561

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, listed equity securities, unlisted investment fund and unallocated corporate assets; and
- all liabilities are allocated to operating segments other than tax payable, deferred tax liabilities and unallocated corporate liabilities.

Unallocated assets mainly represent cash at banks and other receivables in holding company for the period ended 30 June 2025.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 6. OTHER INCOME AND GAINS AND LOSSES — NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Government grants	3,370	1,814
Rental income	10,292	6,845
Rental management and utility income	2,023	3,910
Loss on disposal of property, plant and equipment	(2)	(91)
Loss on guarantee liability (note)	(367)	(366)
Net foreign exchange (loss)/gain	(1,599)	3,881
Fair value change of financial assets through profit or loss	1,054	—
Others	69	2,081
Other gains — net	14,840	18,074

Note:

The guarantee liability mainly related to a joint guarantee liability of the Group's subsidiary, Xuzhou Yijia Medical Device Co., Ltd ("Xuzhou Yijia"). Based on the judgement from the Supreme People's Court of the PRC in 2018, Xuzhou Yijia is liable to the principal and accumulated interest for a defaulted loan granted by a bank, which Xuzhou Yijia had undertaken a joint guarantee with another independent guarantor.

After assessing the risk relating to the joint guarantee liability, the directors of the Company accrued a provision to guarantee liability which included the principal and accumulated interest of the above loan in 2018. The loss recognised during the period ended 30 June 2025 and 2024 represents the interest accrued for the period on the guarantee liability.

The Group made claims against the former owners of Xuzhou Yijia to claim such loss. Pursuant to the judgement from the Nanjing Jianye District People's Court of the PRC in 2023, the former owners of Xuzhou Yijia are liable to repay such loss to the Group. As at 30 June 2025, the former owners of Xuzhou Yijia have not repaid such loss.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 7. FINANCE INCOME — NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Finance income</b>		
Bank interest income	14,801	19,242
Interest income on wealth management product	600	51
Loan interest income	7,850	8,615
	23,251	27,908
<b>Finance costs</b>		
Interest expenses on lease liabilities	(133)	(84)
Interest expenses on bank borrowings	(195)	(34)
	(328)	(118)
<b>Finance income — net</b>	<b>22,923</b>	<b>27,790</b>

### 8. PROFIT BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets	32,456	14,656
Depreciation of property, plant and equipment	34,675	34,866
Depreciation of right-of-use assets		
— Properties	959	641
— Leasehold land and land use rights	300	300

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 9. TAXATION

The amount of tax recognised in the condensed consolidated statement of comprehensive income represents:

	Unaudited	
	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current income tax		
PRC income tax for the period	(20,729)	(20,676)
Deferred income tax	4,227	2,014
Income tax expenses	(16,502)	(18,662)

Below are the major tax jurisdictions that the Group operates during the period.

#### (a) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

#### (b) Hong Kong profits tax

Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK\$2 million. No provision for taxation in Hong Kong was made in the financial statements for the current year as the Group's operations in Hong Kong had no assessable profits.

#### (c) PRC corporate income tax (the "CIT")

The statutory PRC enterprise income tax for the PRC subsidiaries is 25% for the year. According to the Tax Relief Notice (Cai Shui 2020 No. 23) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and National Development and Reform Commission, enterprises located in the western region of the PRC with over 60% of the principal revenue generated from the encouraged business activities were entitled to a preferential income tax rate of 15% for 10 years from 1 January 2021 to 31 December 2030. Accordingly, certain subsidiaries located in the western region of the PRC are entitled to an income tax rate of 15% for the period.

Four subsidiaries of the Group have been qualified as "High and New Technology Enterprises" under the CIT Law. Therefore, they were entitled to a preferential income tax rate of 15% on their estimated assessable profits during the period. They will continue to enjoy the preferential tax rate in the subsequent periods, provided that they continue to be qualified as "High and New Technology Enterprises" during such periods.

Certain PRC subsidiaries, which are micro and small enterprises, enjoy the preferential tax rate. According to the EIT Law and the Implementation Regulation of the EIT Law, an entity qualified as micro and small enterprises is subject to preferential tax treatment. Seven subsidiaries of the Group are entitled to the preferential tax rate for the period ended 30 June 2025 and 2024.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 9. TAXATION (Continued)

### (d) Withholding tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant WHT rate will be reduced from 10% to 5%.

## 10. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period ended 30 June 2025 and 2024.

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Profit attributable to owners of the Company	65,999	70,219
Weighted average number of ordinary shares in issue (excluding treasury shares) (thousands)	1,486,735	1,565,358
Basic earnings per share (RMB cents per share)	4.44	4.49

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the period ended 30 June 2025 and 2024, the Company do not have any dilutive potential ordinary shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all dilutive potential ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted earnings per share). No adjustment is made to earnings (numerator).

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Profit attributable to owners of the Company	65,999	70,219
Weighted average number of ordinary shares in issue (excluding treasury shares) (thousands)	1,486,735	1,565,358
Diluted earnings per share (RMB cents per share)	4.44	4.49



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 11. DIVIDENDS

The proposed 2024 final dividend of HK5.3 cents per share (2023: HK4.95 cents per share), totaling HK\$78,797,000 (2023: HK\$77,212,000) was approved by the Company's shareholders at the annual general meeting held on 10 June 2025. It was disclosed in the Company's announcement on 28 March 2025 and recognised in "trade and other payables" in the interim condensed consolidated statement of financial position and was subsequently paid on 25 July 2025.

The Board has declared an interim dividend of HK4.4 cents per share (six months ended 30 June 2024: HK4.5 cents) for the six months ended 30 June 2025.

### 12. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>At beginning of period/year</b>	<b>891,691</b>	906,872
Additions	<b>40,877</b>	56,499
Disposals	<b>(816)</b>	(656)
Depreciation	<b>(34,675)</b>	(71,024)
<b>At end of period/year</b>	<b>897,077</b>	891,691

During the period, the Group acquired property, plant and equipment of approximately RMB40,877,000 (six months ended 30 June 2024: RMB18,459,000) and disposed property, plant and equipment of approximately RMB816,000 during the period (six months ended 30 June 2024: RMB202,000).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 13. RIGHT-OF-USE ASSETS

The recognised right-of-use assets relate to the following types of assets:

	Properties RMB'000	Leasehold land and land use rights RMB'000	Total RMB'000
At 1 January 2024	962	25,171	26,133
Additions	6,649	—	6,649
Depreciation for the year	(1,853)	(599)	(2,452)
<b>At 31 December 2024 (Audited) and 1 January 2025</b>	<b>5,758</b>	<b>24,572</b>	<b>30,330</b>
Depreciation for the period	(959)	(300)	(1,259)
<b>At 30 June 2025 (Unaudited)</b>	<b>4,799</b>	<b>24,272</b>	<b>29,071</b>

### 14. INVESTMENT PROPERTIES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>FAIR VALUE</b>		
<b>At beginning of period/year</b>	<b>262,880</b>	264,878
Disposal of an investment property	—	(816)
Change in fair value	(321)	(1,182)
<b>At end of period/year</b>	<b>262,559</b>	262,880

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 14. INVESTMENT PROPERTIES (Continued)

The balance represented office premises which located at No. 23 Panlong West Road, Pinggu District, Beijing, with a construction area of approximately 39,714.5 square meters held by the Group under medium term lease in the PRC.

The Group's property interest held to earn rentals is measured using the fair value model and is classified and accounted for as investment properties.

The fair value of the Group's investment properties as at 30 June 2025 was approximately RMB262,559,000 (31 December 2024: RMB262,880,000).

The fair value was determined based on the income approach, where capitalising the estimated net income derived from the investment properties with reference to the lease agreement and taking into account the future growth potential. The discount rate was determined by reference to weighted average cost of capital of the listed companies with similar business portfolio. Key assumptions used in calculating the recoverable amount are as follows:

	30 June 2025	31 December 2024
Occupancy rate	50.0% to 83.52%	50.0% to 83.52%
Monthly rent	RMB40.4 per sq.m. to RMB78.8 per sq.m.	RMB40.2 per sq.m. to RMB78.8 per sq.m.
Rental growth rate	2.0%	2.0%
Discount rate	5.0%	5.0%

The fair value of the investment property at 30 June 2025 and 31 December 2024 were measured using income approach with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. There were no transfer into or out of Level 3 during the period.

A significant increase/decrease in the rental value in isolation would result in a significant increase/decrease in the fair value of the investment properties. A significant increase/decrease in the discount rate and capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties. Generally, a change in the assumption made for the rental value is accompanied by a directionally similar change in the rent growth per annum.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 14. INVESTMENT PROPERTIES (Continued)

In addition, as a result of the increased uncertainty, significant judgement is required when evaluating the inputs used in the fair value estimate. Reasonably possible changes at the reporting date to any of the relevant assumptions would have affected the fair value of the investment property as presented below:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Discount rate increased by 1%	(34,101)	(33,601)
Expected occupancy rate decreased by 3%	(9,940)	(10,032)
Rental growth rate decreased by 0.5%	(20,976)	(22,269)

### 15. INTANGIBLE ASSETS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>At beginning of period/year</b>	<b>1,068,300</b>	1,096,987
Additions	6,842	15,583
Amortisation charge	(32,456)	(44,270)
<b>At end of period/year</b>	<b>1,042,686</b>	1,068,300

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 16. GOODWILL

The carrying amount of goodwill is allocated to the cash generating units as follows:

	Goodwill carrying amount	
	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Infusion Set Business	160,754	160,754
Blood Purification Business	323,540	323,540
Regenerative Medical Biomaterials Business	79,791	79,791
	564,085	564,085

Goodwill was acquired through business combinations and it is related to the Infusion Set Business, Blood Purification Business and Regenerative Medical Biomaterials Business. Goodwill is monitored by the management at the operating segment level.

The management is in the opinion that the Infusion Set Business and Blood Purification Business have operating profit during the period. As at 30 June 2025, management determines that there is no impairment on goodwill.

As at 30 June 2025, management has conducted impairment review on the goodwill of Regenerative Medical Biomaterials Business in accordance with HKAS 36 "Impairment of assets" due to operating loss incurred during the period.

#### Impairment assessment of Regenerative Medical Biomaterials Business

Goodwill was acquired through business combinations and it is related to the Regenerative Medical Biomaterials Business (the "CGU"). Goodwill is monitored by the management at the operating segment level.

The recoverable amount of the CGU has been determined from its value in use calculations based on cash flow projections from formally approved budgets covering a ten-year period. The Regenerative Medical Biomaterials Business began selling the product on 30 June 2025, and management anticipated that it would take approximately a year to bring more product to market. The ten-year forecast was based on the timing of launching the regenerative medical biomaterials product and the majority of the expected product life cycle. Management engaged an independent external valuer to assist in performing the impairment assessments. For the six months ended 30 June 2025, management determined that there is no impairment loss on goodwill to be recognised. The approach to determine key assumptions used in the current period's impairment assessment is the same as the assessment performed for the year ended 31 December 2024.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 17. LOAN RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Fixed-rate loan receivables	300,000	300,000
Analysed as:		
Current	300,000	120,000
Non-current	—	180,000
	300,000	300,000

On 20 April 2023, the Group advanced a loan to an independent third party with the principal of RMB180,000,000 at the rate of 5.3% per annum with a maturity date in April 2026. The interest is repayable on a half-yearly basis. The loan is collateralised by certain real properties owned by the borrower located in Beijing with fair value over the carrying amount as at 30 June 2025. The management has assessed the effect of applying the expected credit loss model on the loan receivable and considered the effect was immaterial.

On 28 September 2023, a loan advance with the principal of RMB120,000,000 was granted to another independent third party. The loan is interest bearing at 4.55% per annum. The interest is repayable on a semi-yearly basis. In May 2025, the outstanding principal amount was extended to a maturity date on 31 May 2026 with other terms remain unchanged. The loan is collateralised by certain real properties owned by the borrower located in Suzhou with fair value over the carrying amount as at 30 June 2025. The management has assessed the effect of applying the expected credit loss model on the loan receivable and considered the effect was immaterial. The borrower subsequently repaid RMB60 million in July 2025.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 18. NON-CURRENT FINANCIAL ASSETS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Non-current asset</b>		
Equity securities designated at fair value through other comprehensive income — Listed equity securities (note (i))	53,510	26,363
Financial assets measured at fair value through profit or loss — Unlisted investment fund (note (ii))	19,840	20,181
	73,350	46,544

Notes:

- (i) As at 30 June 2025 and 31 December 2024, the Group held 0.65% equity interest in Lepu Biopharma Co., Ltd.. The resulted fair value gain of approximately RMB27,803,000 (six months ended 30 June 2024: fair value loss of approximately RMB6,617,000) was credited to the other reserves directly during the period ended 30 June 2025.

This investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature. The fair value of the listed equity securities was determined based on the quoted market closing prices on the Stock Exchange at the end of the reporting period.

- (ii) The underlying assets of the unlisted investment fund represent a private equity investing into medical industry. This investment fund was principally to achieve long-term capital appreciation primarily through privately-negotiated investments in companies and/or its affiliates which is/are engaged in the research and development and sales of medical devices. The Group is a limited partner who held 26.3% in this investment fund and does not have control nor significant influence in their operational and financing decisions.

The directors of the Company have determined the fair value of the interest held in the investment fund as at 30 June 2025 and 31 December 2024 with reference to the valuation report issued by Flagship Appraisals and Consulting Limited, an independent professional valuer who has professional qualifications and relevant experience. The fair value of the investment fund is determined by using the market approach, with references to comparable companies benchmark multiples. The resulted fair value gain of approximately RMB972,000 (six months ended 30 June 2024: fair value loss of approximately RMB430,000) was recognised during the period ended 30 June 2025.

- (iii) Further details of the valuation methodology on the measurement of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are disclosed in note 25.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 19. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables (note i)	82,771	72,988
Bills receivables (note ii)	1,815	1,338
Prepayments and deposits	26,509	22,403
Value added tax recoverables	11,803	12,937
Other receivables	35,923	35,817
Interest receivables	3,803	2,771
Amount due from a related party (note iii)	29,666	18,571
	<b>192,290</b>	<b>166,825</b>

Notes:

- (i) Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Up to 3 months	59,458	46,864
3 months to 6 months	7,054	3,624
6 months to 12 months	7,236	9,301
1 year to 2 years	2,153	1,465
2 years to 3 years	6,870	11,734
	<b>82,771</b>	<b>72,988</b>

The Group and the Company recognised impairment loss based on the expected credit loss model.

Trade receivables are due within 180 days from the date of billing. The Group does not hold any collateral as security.

- (ii) The ageing of bills receivables is within 180 days, which is within the credit term.
- (iii) The amount due from a related party is interest-free, unsecured and repayable on demand. The impairment loss on amount due from a related party of approximately RMB1,099,000 (six months ended 30 June 2024: RMBnil) was recognised in profit or loss for the period ended 30 June 2025.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 19. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(iv) Impairment assessment

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"), which is calculated using a provision matrix. As the Group's historical credit loss experience indicated significantly different loss patterns for different customer segments, the grouping for trade receivables for the assessment of ECLs is by customer segments, while Group C represents distributor customers who identified as having significant increase in risk of default and Group D represents three credit-impaired customers with significant risk of default.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

30 June 2025	Group A	Group B	Group C	Group D
Expected credit loss rate (%)	7.88	0.89	100	54.47
Gross carrying amount (RMB'000)	56,072	23,972	1,897	16,165
Loss allowance (RMB'000)	4,421	213	1,897	8,804

31 December 2024	Group A	Group B	Group C	Group D
Expected credit loss rate (%)	11.79	2.33	100	53.42
Gross carrying amount (RMB'000)	45,160	23,851	1,874	21,160
Loss allowance (RMB'000)	5,323	555	1,874	11,305

Expected credit loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the period/year is as follows:

	RMB'000
<b>At 1 January 2024</b>	21,729
Reversal of impairment losses recognised during the year	(2,672)
<b>At 31 December 2024 (Audited) and 1 January 2025</b>	19,057
Reversal of impairment losses recognised during the period	(3,722)
<b>At 30 June 2025 (Unaudited)</b>	15,335

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Wealth management products		
— non-principal protected (note i)	5,148	5,148
— principal protected (note ii)	80,082	—
<b>Total</b>	<b>85,230</b>	<b>5,148</b>

Notes:

- (i) The balance represented a wealth management product issued by a bank in the PRC. The product is not redeemable on demand and not principal protected. The return of the product is determined by the performance of the underlying investments which are mainly debt instruments.
- (ii) The amount included certain wealth management products issued by banks in the PRC. The products are principal protected with floating income and not allowed for early redemption. The final return of the product is determined by the performance of the underlying investments.

The details of the valuation methodology on the measurement of financial assets at fair value through profit or loss are disclosed in note 25.

The movements of financial assets at fair value through profit or loss during each of the period/year are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>At beginning of period/year</b>	<b>5,148</b>	<b>4,900</b>
Additions	200,498	672,998
Disposals	(120,498)	(672,750)
Fair value change	82	—
<b>At end of period/year</b>	<b>85,230</b>	<b>5,148</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 21. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables	49,686	41,787
Salary and staff welfare payables	35,222	38,922
Dividend payables	71,859	—
Advances from customers	4,151	4,792
Deposits received	3,404	3,704
Value added tax and other taxes	7,213	10,384
Professional service fee	6,629	8,163
Provision for loss from guarantee liability (note 6)	23,047	22,680
Deferred government grants-current portion	1,325	1,325
Amount due to related parties	188	729
Other payables	10,791	6,458
	<b>213,515</b>	<b>138,944</b>

As at 30 June 2025 and 31 December 2024, except for the advances from customers, deposit received, value added tax and other taxes and deferred government grants which are not financial liabilities, all trade and other payables of the Group were non-interest bearing, and their fair value approximated their carrying amounts due to their short maturities.

Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Up to 6 months	39,078	26,160
6 months to 12 months	560	1,371
Over 1 year	963	2,954
2 years to 3 years	817	1,354
Over 3 years	8,268	9,948
	<b>49,686</b>	<b>41,787</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 22. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of issued and fully paid ordinary shares	Share capital RMB'000	Share premium RMB'000	Number of treasury shares	Treasury shares* RMB'000
At 1 January 2024	1,565,632,098	962	1,489,876	—	—
Repurchase of shares	—	—	—	78,897,000	(80,221)
Cancellation of shares	(32,401,000)	(23)	(33,398)	(32,401,000)	33,421
At 31 December 2024, 1 January 2025 and 30 June 2025	1,533,231,098	939	1,456,478	46,496,000	(46,800)

\* Included in the reserves of the condensed consolidated statement of financial position

During the period ended 31 December 2024, 78,897,000 ordinary shares were repurchased, of which 32,401,000 ordinary shares have been cancelled as at 31 December 2024. The total amount paid to acquire the shares was approximately RMB80,221,000 during the period.

No ordinary shares were repurchased or cancelled during the period ended 30 June 2025.

## 23. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the period/year ended but not yet incurred is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Commitments for the:		
Acquisition of property, plant and equipment	21,759	25,633

## 24. RELATED PARTY DISCLOSURES

(a) During the period, the Group had the following material related party:

Name of the relate party	Relationship with the Group
Lepu Medical Technology (Beijing) Co., Ltd. ("Lepu Medical")	Dr. Zhongjie Pu, deemed as the actual controller of Lepu Medical by the Shenzhen Stock Exchange, is the spouse of Executive Director of the Group

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 24. RELATED PARTY DISCLOSURES (Continued)

(b) During the period, the Group had the following material related party transactions:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Related party transactions</b>		
Sales of medical devices		
— Lepu Medical and its subsidiaries (note i)	43,407	13,256
Medical products processing services fee income (note ii)		
— Lepu Medical and its subsidiaries	1,435	1,019
Purchases of medical devices molds and components (note iii)		
— Lepu Medical and its subsidiaries	2,704	1,127

Notes:

- (i) Sales of medical devices totaling RMB43,407,000 to related companies were conducted in the normal course of business and in accordance with the terms of the agreement between the Company and the related party.
- (ii) Medical products processing services fee income totaling RMB1,435,000 to related companies were conducted in the normal course of business and in accordance with the terms of the agreement between the Company and the related party.
- (iii) Purchases of medical devices molds and components totaling RMB2,704,000 to related companies were conducted in the normal course of business and in accordance with the terms of the agreement between the Company and the related party.

### (c) Amount due from/(to) related parties

The amount due from/(to) related parties are interest-free, unsecured and repayable on demand.

### (d) Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during the period was as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries and other allowances	1,889	2,662

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### 25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the financial assets and financial liabilities recognised at the end of reporting period were categorised as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Financial assets</b>		
— at amortised cost	2,147,243	2,113,469
— at fair value through profit or loss	105,070	25,329
— at fair value through other comprehensive income	53,510	26,363
	<b>2,305,823</b>	2,165,161
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	145,653	130,813

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of investments held for trading with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

HKFRS 13 requires disclosures for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

## 25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Description	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)	Fair value hierarchy	Valuation technique and key input	Significant unobservable input
Financial assets at fair value through profit or loss					
— Wealth management products	85,230	5,148	Level 3	Market Approach/ Quoted prices from financial institutions	Expected rate of return ranging from 1.05% – 2.4% (31 December 2024: 2.1% – 2.59%)
— Unlisted investment fund	19,840	20,181	Level 3	Market Approach/ Latest observable transaction prices	N/A
				Comparable companies valuation, market capitalisation	Selection of comparable companies and weighting of the selected companies used in valuation
				Price-to-Sale ratio on underlying investment, adjusted by lack of marketability	Valuation multiples e.g. P/S, adjusted by discount rate  Discount rate for lack of marketability 14%–18% (31 December 2024: 14%–18%)
Financial assets at fair value through other comprehensive income					
— Listed equity securities	53,510	26,363	Level 1	Market Approach/ Quoted market prices	N/A

For the financial assets at fair value through profit or loss, it consisted of wealth management products and unlisted investment fund as detailed in notes 18 and 20 respectively.

Wealth management products represent bank wealth management products, measured at fair value through profit or loss. These instruments are not traded in an active market and do not have observable market data. The fair value of the unlisted investment is based on quote provided by the financial institution. The fair value is within level 3 of the fair value hierarchy.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2025

### **25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY** **(Continued)**

The fair value of unlisted investment fund is arrived at based on a valuation carried out by Flagship Appraisals and Consulting Limited, an independent valuer not connected to the Group. The fair value was determined based on market approach, where fair value estimated with references to comparable companies' benchmark multiples.

The fair value of listed equity securities investments was determined based on the quoted market closing prices on the Stock Exchange.

### **26. EVENT AFTER REPORTING PERIOD**

Except as disclosed elsewhere in the interim condensed consolidated financial statements, no significant event took place subsequent to 30 June 2025.