



上海瑛泰醫療器械股份有限公司

Shanghai INT Medical Instruments Co., Ltd.\*

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

Stock Code : 1501

**INNOVATION** SERVES HEALTH,  
**HIGH-QUALITY** ACHIEVES EXCELLENCE

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## CORPORATE INFORMATION

### Executive Directors

Dr. Liang Dongke (梁棟科) (*Chairman*)

Mr. Lin Sen (林森)

### Non-Executive Directors

Mr. Zhang Weixin (張維鑫)

Ms. Chen Hongqin (陳紅琴)

Dr. Song Yuan (宋媛)

Mr. Wang Ruiqin (王瑞琴)

### Independent Non-Executive Directors

Mr. Jian Xigao (蹇錫高)

Mr. Hui Hung Kwan (許鴻群)

Mr. Xu Congli (徐從禮)

### Supervisors

Ms. Ma Huifang (馬慧芳) (*Chairperson*)

Ms. Chen Jie (陳潔)

Mr. Shen Xiaoru (沈曉如)

### Audit Committee

Mr. Hui Hung Kwan (許鴻群) (*Chairman*)

Mr. Xu Congli (徐從禮)

Dr. Song Yuan (宋媛)

### Remuneration Committee

Mr. Jian Xigao (蹇錫高) (*Chairman*)

Mr. Hui Hung Kwan (許鴻群)

Dr. Liang Dongke (梁棟科)

### Nomination Committee

Dr. Liang Dongke (梁棟科) (*Chairman*)

Mr. Jian Xigao (蹇錫高)

Mr. Xu Congli (徐從禮)

### Joint Company Secretaries

Dr. Song Yuan (宋媛)

Ms. Leung Shui Bing (梁瑞冰)

### Authorized Representatives

Dr. Liang Dongke (梁棟科)

Ms. Leung Shui Bing (梁瑞冰)

### Auditors

*International auditor:*

**KPMG**

(Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)

8th Floor

Prince's Building

10 Chater Road

Central

Hong Kong

*Domestic auditor:*

**KPMG Huazhen LLP**

Floor 25, Tower II, Plaza 66

1266 Nanjing West Road

Shanghai

PRC

### Legal Advisers

*As to Hong Kong law:*

**O'Melveny & Myers**

31st Floor, AIA Central

1 Connaught Road Central

Hong Kong

*As to PRC law:*

**DeHeng Shanghai Law Office**

Floor 23, Sinar Mas Plaza

No. 501 East Da Ming Road

Shanghai

PRC

### Registered Office in the PRC

Block 2, No. 925 Jin Yuan Yi Road

Jiading District, Shanghai

PRC



## CORPORATE INFORMATION

### **Headquarters and Principal Place of Business in the PRC**

Block 2, No. 925 Jin Yuan Yi Road  
Jiading District, Shanghai  
PRC

### **Principal Place of Business in Hong Kong**

31/F, Tower Two, Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

### **H Share Registrar**

**Computershare Hong Kong Investor Services Limited**

Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### **Principal Bankers**

**China Construction Bank Corporation**

**Shanghai Jiangqiao Branch**

1/F, No. 138 Jiayi Road  
Jiading District, Shanghai  
PRC

**Agricultural Bank of China Limited**

**Shanghai Jiading Branch**

2/F, No. 355 Tacheng Road  
Jiading District, Shanghai  
PRC

### **Stock Code**

1501

### **Company Website**

[www.int-medical.com](http://www.int-medical.com)

## INTERIM RESULTS HIGHLIGHTS

### FINANCIAL HIGHLIGHTS

	Six-month period ended 30 June		Change
	2024 RMB'000	2023 RMB'000	
Revenue	<b>392,322</b>	339,764	15.47%
Gross profit	<b>246,768</b>	200,350	23.17%
Profit for the period	<b>99,178</b>	80,505	23.19%
Earnings per share			
Basic (in RMB)	<b>0.58</b>	0.48	20.83%
Diluted (in RMB)	<b>0.58</b>	0.47	23.40%

- The Group's revenue for the six-month period ended 30 June 2024 was approximately RMB392.32 million, representing an increase of approximately 15.47% or approximately RMB52.56 million as compared to approximately RMB339.76 million for the six-month period ended 30 June 2023. The increase was mainly due to the growth in sales volume of interventional medical devices and the growth in sale volume of medical accessories. The Group's revenue generated from sales of interventional medical devices in the Reporting Period was approximately RMB345.48 million (six-month period ended 30 June 2023: RMB289.93 million), representing an increase of 19.16% as compared to those of the six-month period ended 30 June 2023, and the revenue generated from sales of medical accessories in the Reporting Period was approximately RMB26.74 million (six-month period ended 30 June 2023: RMB20.39 million), representing an increase of 31.14% as compared to those of the six-month period ended 30 June 2023. In addition to the existing self-made products, the agent business contributed revenue of RMB14.82 million during the Reporting Period (six-month period ended 30 June 2023: RMB28.57 million), representing a decrease of 48.13% as compared to those of the six-month period ended 30 June 2023.
- During the Reporting Period, the Group's gross profit margin increased from 58.97% to 62.90%. The Group's gross profit was approximately RMB246.77 million, as compared to approximately RMB200.35 million for the six-month period ended 30 June 2023. The increase was mainly due to the increase in volume of sales of the interventional medical devices.
- The Group's profit for the Reporting Period was approximately RMB99.18 million, representing an increase of approximately 23.19% as compared to approximately RMB80.51 million for the six-month period ended 30 June 2023, which changes were in line with the growth of gross profit.
- The Group's basic earnings per share for the Reporting Period was RMB0.58, as compared to RMB0.48 for the six-month period ended 30 June 2023. The Group's diluted earnings per share in the Reporting Period was RMB0.58, as compared to RMB0.47 for the six-month period ended 30 June 2023.
- The Board resolved not to declare any interim dividend for the Reporting Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

We are a leading Chinese cardiovascular interventional device manufacturer as well as one of the few medical device groups that cover the entire industry chain from design and development of mold and equipment, product injection, product assembly, product packaging to sterilisation in the PRC. Our major products are primarily used for cardiovascular surgeries.

In China, the government introduced reform policies to support the healthy and orderly development of the medical industry, and further promoted the centralized procurement of high-value medical consumables. It has successively issued "Opinions of the Central Committee of the Communist Party of China and The State Council on Deepening the Reform of the Medical Security System", "the Notice of The General Office of the State Council on Issuing the Reform Plan for Controlling High-value Medical Consumables" and "the Guiding Opinions on Carrying out the Centralized Procurement and Use of High-value Medical Consumables by the State Organization", which focus on some high value medical consumables with large clinical dosage, high procurement amount, mature clinical use, full market competition and high homogenization level into the procurement scope. During the Reporting Period, the Company actively participated in several inter-provincial centralized procurement projects, and the products covered general interventional medical consumables and neuro medical consumables. In the future, with the expansion of the scope of centralized procurement, the Company will have a greater competitive advantage on the basis of comprehensive medical device registration certificates, strong research and development capabilities and leading brand marketing system.

The Group's revenue in the Reporting Period was approximately RMB392.32 million, representing an increase of approximately 15.47% or approximately RMB52.56 million as compared to approximately RMB339.76 million for the six-month period ended 30 June 2023.

### Comprehensive medical device registration certificates

During the Reporting Period, the Group has obtained 5 NMPA registration certificates for Class III medical devices, 7 Provincial and Municipal Medical Products Administration ("PMMPA") registration certificates for Class II medical devices, 2 CE certificates and 2 United States Food and Drug Administration ("FDA") approvals. As at 30 June 2024, we have an aggregate of 30 NMPA registration certificates for Class III medical devices, 55 PMMPA registration certificates for Class II medical devices, 25 CE certificates and 20 FDA approvals.

### Strong research and development capabilities

Our research and development team consists of professionals who possess doctorate degrees and master's degrees and numerous talents who have over 10 years of experience in research and development of production, with adequate capabilities in the development of innovation products and sustainable improvement of research and development. As at 30 June 2024, we had 364 registered patents, 199 patents under application and 16 registered software copyrights.

### Extensive distribution and sales network

We have an extensive distribution network and have developed and maintained stable relationships with our distributors. As at 30 June 2024, our PRC distributors cover 23 (31 December 2023: 23) provinces, 4 (31 December 2023: 4) directly-administered municipalities and 5 (31 December 2023: 5) autonomous regions in the PRC, and covering 2,795 (31 December 2023: 2,660) domestic hospitals in the PRC. In addition, we had 255 (31 December 2023: 226) overseas customers covering over 83 (31 December 2023: 77) countries and regions.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ACTIVITIES REVIEW

#### Subsidiaries

As at 30 June 2024, the Group had 17 (31 December 2023: 16) wholly-owned or holding subsidiaries engaging in the design and development of medical devices used in fields including cardiovascular intervention or implantation, neurological intervention, ENT intervention, urinary intervention, equipment and moulds used for production of medical devices and medical accessories and other products.

#### Change of Company name, stock short name and Company's website

Reference is made to the announcement of the Company dated 16 January 2024 in relation to, among others, the change of Company name, stock short name and Company's website. The Board announced that, following the approval of, among others, the proposed change of Company name and the proposed amendments to the articles of association of the Company by the Shareholders at the 2023 first extraordinary general meeting, the relevant approval, licenses and consents have been obtained and all filings and registration procedures in the PRC have been completed and the Administration for Market Regulation of Shanghai (上海市市場監督管理局) issued the business license dated 20 December 2023 and the change of the existing Chinese name of the Company from “上海康德萊醫療器械股份有限公司” to “上海瑛泰醫療器械股份有限公司”, and the existing English name of the Company from “Shanghai Kindly Medical Instruments Co., Ltd.” to “Shanghai INT Medical Instruments Co., Ltd.” took effect on the same day. The Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on 9 January 2024, confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). With effect from 19 January 2024, the stock short name of the Company was changed from “康德萊醫械” to “瑛泰醫療” in Chinese and from “KDL MEDICAL” to “INT MEDICAL” in English for the purpose of trading in the H Shares on the Stock Exchange. The stock code of the Company on the Stock Exchange remained unchanged as “01501”. The website of the Company was changed from “www.kdl-int.com” to “www.int-medical.com”.

#### Acquisition of additional equity interest

Reference is made to the announcement of the Company dated 23 February 2024 in relation to the repurchase of equity interest in a non-wholly-owned subsidiary. On 23 February 2024, Shanghai Huaige Int Venture Investment Partnership (Limited Partnership)\* (上海懷格瑛泰創業投資合夥企業(有限合夥)) (“**Huaige Int**”) and Mr. Ke Wei (together, the “**Sellers**”), Shanghai Healing Medical Instruments Co., Ltd.\* (上海翰凌醫療器械有限公司) (the “**Target Company**”) and the Company entered into a repurchase agreement, pursuant to which the Company agreed to repurchase a total of approximately 5.0% equity interest in the Target Company from the Sellers, among which approximately 3.8% equity interest in the Target Company will be repurchased by the Company from Huaige Int and approximately 1.2% equity interest in the Target Company will be repurchased by the Company from Mr. Ke Wei (柯偉) at the total consideration of RMB60,081,753.42 (the “**Repurchases**”). Upon completion of the Repurchases, the Target Company will be owned as to approximately 61.36% by the Company. The Board considered that the Repurchases is to further optimize the equity structure of the Target Company and more effectively achieve the development strategy of the Company. The entering into the Repurchase Agreement was in the ordinary and usual course of business of the Group. As one or more of the applicable percentage ratios in respect of the Repurchases does not exceed 5%, the Repurchases in aggregate are exempted from the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Repurchases took place on 29 March 2024 and the Target Company owned as to approximately 61.36% by the Company as at the date of this interim report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Allotment and Issuance of Domestic Shares under the 2023 Share Incentive Scheme

Reference is made to the announcement of the Company dated 15 March 2024 in relation to the allotment and issuance of 5,000,000 Domestic Shares to Dr. Liang Dongke, Mr. Lin Sen, Dr. Song Yuan, Mr. Wang Ruiqin and 13 other employees of the Company (the “Grantees”). The Company has received approval dated 13 March 2024 from the CSRC (the “CSRC Approval”) in relation to the Company’s allotment and issuance of 5,000,000 new Domestic Shares under the 2023 Share Incentive Scheme. The CSRC Approval shall be effective for 12 months from 13 March 2024. The 5,000,000 new Domestic Shares issued and allotted to the Grantees on 29 March 2024 and the total number of issued Shares increased to 176,000,000.

### OUTLOOK FOR THE SECOND HALF OF 2024

The Group will continue to deeply develop various fields of medical devices, and orderly promote the Company’s strategic planning and business layout. Looking forward to the second half of 2024, we will (1) fully leverage on our brand recognition and sales distribution network to further expand our market share, in particular our overseas market and strengthen the Company’s brand building and enhance brand value; (2) further develop the product pipeline, allocate more resources for research and development, further progress on the research and development of the core product pipeline and obtaining approvals for new products; and (3) further enhance automation and scale production.

## FINANCIAL REVIEW

### Revenue

The Group’s revenue in the Reporting Period was approximately RMB392.32 million, representing an increase of approximately 15.47% or approximately RMB52.56 million as compared to approximately RMB339.76 million for the six-month period ended 30 June 2023. The increase was mainly due to the growth in sales volume of interventional medical devices and the growth in sale volume of medical accessories.

With respect to revenue categorized by different products, the Group’s revenue generated from sales of interventional medical devices in the Reporting Period was approximately RMB345.48 million (six-month period ended 30 June 2023: RMB289.93 million), representing an increase of 19.16% as compared to those of the six-month period ended 30 June 2023, and the revenue generated from sales of medical accessories in the Reporting Period was approximately RMB26.74 million (six-month period ended 30 June 2023: RMB20.39 million), representing an increase of 31.14% as compared to those of the six-month period ended 30 June 2023. In addition to the existing self-made products, the agent business contributed revenue of RMB14.82 million during the Reporting Period (six-month period ended 30 June 2023: RMB28.57 million), representing a decrease of 48.13% as compared to those of the six-month period ended 30 June 2023.

### Cost of Sales

The Group’s cost of sales in the Reporting Period was approximately RMB145.55 million, representing an increase of approximately 4.40% or approximately RMB6.14 million as compared to approximately RMB139.41 million for the six-month period ended 30 June 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's Gross profit margin increased from 58.97% for the six-month period ended 30 June 2023 to 62.90% for the six-month period ended 30 June 2024. The Group's gross profit was approximately RMB246.77 million, as compared to approximately RMB200.35 million for the six-month period ended 30 June 2023. The increase was mainly due to the increase in volume of sales of the interventional medical devices.

### Other Income

During the Reporting Period, other income of the Group was approximately RMB23.94 million, representing an increase of approximately 5.05% or approximately RMB1.15 million as compared to approximately RMB22.79 million for the six-month period ended 30 June 2023.

### Finance Costs

During the Reporting Period, the finance cost of the Group was approximately RMB1.03 million as compared to approximately RMB1.21 million for the six-month period ended 30 June 2023. The finance costs were interests arising from bank loans and lease liabilities.

### Distribution Costs

The distribution costs of the Group in the Reporting Period were approximately RMB33.61 million, increased by approximately 1.79% or approximately RMB0.59 million as compared to approximately RMB33.02 million for the six-month period ended 30 June 2023. It constituted 8.57% of the total revenue as compared to 9.72% for the six-month period ended 30 June 2023.

### Administrative Expenses

The administrative expenses of the Group in the Reporting Period were approximately RMB55.22 million, increased by approximately 51.74% or approximately RMB18.83 million as compared to approximately RMB36.39 million for the six-month period ended 30 June 2023, due to depreciation, amortization, additional taxes and fees for the research and development center in Shanghai.

### Research and Development Expenses

The total research and development expenses of the Group during the Reporting Period was approximately RMB85.93 million (six-month period ended 30 June 2023: RMB86.53 million), of which, expensed research and development expenditure was approximately RMB70.75 million (six-month period ended 30 June 2023: RMB64.59 million), and capitalized research and development expenditure was approximately RMB15.18 million (six-month period ended 30 June 2023: RMB21.94 million). The rise of expensed research and development expenditure was primarily due to the Group's continued development and commercialisation of the existing pipeline products, as well as new products of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Income Tax Expenses

The Group's income tax expenses in the Reporting Period was approximately RMB11.57 million, representing an increase of approximately 46.27% or approximately RMB3.66 million as compared to approximately RMB7.91 million for the six-month period ended 30 June 2023. The effective income tax rate was 10.45% for the Reporting Period as compared to 8.95% for the six-month period ended 30 June 2023. It was mainly due to the consumption of tax shield.

### Profit for the period

The Group's profit for the Reporting Period was approximately RMB99.18 million, representing an increase of approximately 23.19% as compared to approximately RMB80.51 million for the six-month period ended 30 June 2023, which changes were in line with the growth of gross profit.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group has maintained a sound financial position during the Reporting Period. As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB330.64 million (31 December 2023: RMB423.67 million). For the six-month period ended 30 June 2024, net cash flow from operating activities of the Group amounted to approximately RMB104.82 million (six-month period ended 30 June 2023: RMB66.19 million).

The Group recorded total current assets of approximately RMB647.23 million as at 30 June 2024 (31 December 2023: approximately RMB724.29 million) and total current liabilities of approximately RMB239.81 million as at 30 June 2024 (31 December 2023: approximately RMB316.83 million). The current ratio (calculated by dividing the current assets by the current liabilities) of the Group was approximately 2.70 as at 30 June 2024 (31 December 2023: approximately 2.29).

### BORROWINGS AND GEARING RATIO

The Group has approximately RMB51.54 million loan borrowed from bank in the PRC as at 30 June 2024. As such, the gearing ratio is 4.00% (31 December 2023: 5.65%).

### CAPITAL STRUCTURE

Total equity attributable to equity shareholders of the Company amounted to approximately RMB1,678.66 million as at 30 June 2024 as compared to approximately RMB1,649.24 million as at 31 December 2023.

### INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six-month period ended 30 June 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

Upon completion of the Global Offering, the Company raised net proceeds of approximately RMB797.62 million (after deducting the listing fees and other expenses). As at 30 June 2024, the Company has utilized approximately RMB749.12 million of the net proceeds. As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus dated 28 October 2019 and the announcements of the Company dated 7 July 2020, 31 March 2021, 20 June 2022 and 3 March 2023, the details of intended application of net proceeds are set out as follows:

	Revised allocation of the net proceeds		After revision/ unutilized net proceeds as at 1 January 2024	Utilized net proceeds during the Reporting Period	Utilized net proceeds up to 30 June 2024	Unutilized net proceeds up to 30 June 2024	Expected timeline of full utilization of the unutilized net proceeds
	(RMB million)	(Approximate percentage)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	
Set up a research and development center and an additional production facility in Jiading, Shanghai	328.38	41.17%	-	-	328.38	-	Not applicable
Purchase additional and replacement of existing production equipment and automate production lines	110.07	13.80%	26.20	10.33	94.20	15.87	December 2024
Expand our distribution network and coverage, collaborate with local distributors and intensify our marketing efforts	13.00	1.63%	-	-	13.00	-	Not applicable
General corporate purposes and fund our working capital	79.84	10.01%	-	-	79.84	-	Not applicable
Zhuhai Derui New Factory Project	110.00	13.79%	-	-	110.00	-	Not applicable
Construction of the Shandong INT Innovative Medical Instruments Industrial Park	156.33	19.60%	56.54	23.91	123.70	32.63	December 2024
<b>Total</b>	<b>797.62</b>	<b>100.00%</b>	<b>82.74</b>	<b>34.24</b>	<b>749.12</b>	<b>48.50</b>	

As at the date of this interim report, the unutilized net proceeds has been deposited in bank accounts maintained by the Company.

### EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2024, the Group had a total of 1,727 employees, comparing to 1,567 employees as at 31 December 2023. The total cost of employees for the Reporting Period amounted to approximately RMB147.92 million (six-month period ended 30 June 2023: approximately RMB132.87 million). The Group provides employees with competitive remuneration and benefits, and the Group’s remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group has adopted three share schemes, including the Share Incentive Scheme, the 2023 Share Incentive Scheme and the H Share Award and Trust Scheme to recognize the contributions of certain employees and help in retaining them for the Group’s operation and further development. The Group also provides training programs to employees, including new hire training for new employees and continuing technical training primarily for our research and development team to enhance their skill and knowledge.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Reporting Period, the trustee of the H Share Award and Trust Scheme repurchased 800,000 (during the year ended 31 December 2023: approximately 892,800) H Shares on the Stock Exchange to satisfy the grant of awards pursuant to the H Share Award and Trust Scheme. No awards was granted under the H Share Award and Trust Scheme during the Reporting Period.

As at 30 June 2024, there is no treasury shares (as defined under the Listing Rules) held by the Company.

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 shares) during the Reporting Period.

### SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2024 and 31 December 2023, the Group had below significant investments (all of which are minority stake investments).

	At 30 June 2024					At 31 December 2023				
	Percentage of interests %	Cost of Investment RMB'000	Fair Value RMB'000	Accumulated gain RMB'000	Dividend Received RMB'000	Percentage of interests %	Cost of investment RMB'000	Fair Value RMB'000	Accumulated gain RMB'000	Dividend Received RMB'000
Recognised as "financial assets at fair value through profit or loss"										
Jingning Huaige Ruixin Venture Investment Partnership (Limited Partnership)* (景寧懷格瑞信創業投資合夥企業(有限合夥)) (the "Ruixin Fund")	15.83	50,000	68,094	18,094	-	15.83	50,000	66,383	16,383	-
Shanghai Huaige Int Start-up Investment Limited Partnership (L.P.)* (上海懷格瑛泰創業投資合夥企業(有限合夥)) (the "Int Fund")	25.00	50,000	64,291	14,291	-	25.00	50,000	62,051	12,051	-
Chengdu Huaige Guosheng Venture Investment Partnership (Limited Partnership)* (成都懷格國生創業投資合夥企業(有限合夥)) (the "Chengdu Huaige Fund")	12.14	25,000	31,852	6,852	-	12.14	25,000	27,762	2,762	-
Hainan Renze Zhenzhi Venture Capital Fund Partnership Enterprise (Limited Partnership)* (海南仁澤真寄創業投資基金合夥企業(有限合夥)) (the "Hainan Renze Fund")	31.06	12,500	13,926	1,426	-	31.06	10,000	11,827	1,827	-
		<b>137,500</b>	<b>178,163</b>	<b>40,663</b>	<b>-</b>		<b>135,000</b>	<b>168,023</b>	<b>33,023</b>	<b>-</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

The primary objective of the Ruixin Fund is investments in equity interest of entities in the medical devices, pharmaceutical, biologics, medical services and contract research organisation services industries mainly in the PRC and investments in other equity funds with focus of investing in the medical device and biomedical fields.

The primary objective of the Int Fund is venture investment in, among others, equity interests, convertible loans and/or financial assets in relation to start-ups or early-stage businesses in the medical devices industry mainly in the PRC. The investment priorities of the Int Fund include start-ups or early-stage businesses principally engaged in the research and development of cardiovascular interventional devices, neuro interventional procedural medical devices and other interventional medical devices.

The primary objective of the Chengdu Huaige Fund is venture investments in equity interests of early-stage or growth stage businesses in the healthcare and biotechnology sectors. The investment in the Chengdu Huaige Fund provides the Company with an opportunity to facilitate its strategic development in the healthcare and biotechnology and other related industries, enhance its competitiveness, and strengthen its market position.

The primary objective of the Hainan Renze Fund is investments in equity interest of entities in the medical and health field, including biotechnology, innovative drugs, medical services and medical devices, and the main investment stage is the Pre-IPO stage.

Save as disclosed above, the Group has no other significant investment in the Reporting Period. There is no plan for significant investment or capital assets as at the date of this interim report.

### **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group has no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

### **CONTINGENT LIABILITIES**

As at 30 June 2024 and 31 December 2023, the Group did not have any material contingent liabilities.

### **FINANCIAL INSTRUMENTS**

As at 30 June 2024, the Group did not have any financial derivative instruments (31 December 2023: approximately RMB0.49 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL EXPENDITURE

The capital expenditure of the Group for property, plant and equipment (the “PPE”), construction in progress, intangible assets, prepaid lease payments and deposits for PPE amounted to approximately RMB82.28 million for the Reporting Period.

### FOREIGN EXCHANGE RISK

During the Reporting Period, the Group’s operations were primarily based in the PRC. The Group’s assets, liabilities and transactions in the PRC are denominated in RMB, while overseas assets and transactions are mainly denominated in US dollars. There were currency fluctuations among US dollars, Euro, RMB and Hong Kong dollars during the Reporting Period, the Group’s operational results and financial condition may be affected by changes in the exchange rates. As the Group reasonably arranges the currency structure, which effectively reduces foreign exchange risk, the Directors believe that there is no significant foreign exchange risk to the Group at the current stage. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure during the Reporting Period. The Group will continuously monitor its foreign exchange exposure and will consider hedging of foreign currency risk should the need arise.

### CHARGE ON GROUP ASSETS

As at 30 June 2024, the Group did not have any charges on its assets.

### CAPITAL COMMITMENT

The Group’s outstanding capital commitments authorized but not contracted for at 30 June 2024 not provided for in the financial statements amounted to approximately RMB49.70 million (31 December 2023: RMB80.70 million). The Group’s outstanding capital commitment contracted for at 30 June 2024 not provided for in the financial statements amounted to approximately RMB73.59 million (31 December 2023: RMB72.08 million).

## SUPPLEMENTARY INFORMATION

### **CORPORATE GOVERNANCE PRACTICES**

The Board is committed to achieve good corporate governance standards to protect the Shareholders' interest and enhance the Company's transparency and accountability. The Company's corporate governance practices are based on the CG Code contained in Appendix C1 of the Listing Rules. During the Reporting Period, the Company has complied with all the code provisions set forth in the CG Code, except for code provision C.2.1 of Part 2 of the CG Code that requires the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Dr. Liang Dongke is our chairman of the Board and the general manager (same as a chief executive) of the Company. Dr. Liang has extensive experience in the medical devices industry and as the founder of the business of the Group. He is in charge of overall management, business, strategic development and scientific research and development of the Group.

The Board considers that vesting the roles of chairman and general manager in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the Board, the Supervisors and the senior management of the Company, which comprises experienced and visionary individuals. The Board currently comprises two executive Directors (including Dr. Liang), four non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for Directors' and Supervisors' securities transactions. Having made specific enquiry with the Directors and the Supervisors, all of the Directors and the Supervisors confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or the Shares are prohibited from dealing in the Shares during the black-out period.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

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

## SUPPLEMENTARY INFORMATION

### **CHANGES IN INFORMATION OF THE DIRECTORS, AND SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY**

The Company has no change of the information of Directors, Supervisors and chief executive during the Reporting Period which is required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(2) of the Listing Rules.

### **REVIEW OF FINANCIAL INFORMATION**

#### **Audit Committee**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three members, namely, Mr. Hui Hung Kwan, Mr. Xu Congli and Dr. Song Yuan. Mr. Hui and Mr. Xu are independent non-executive Directors and Dr. Song is a non-executive Director. Mr. Hui is the chairman of the Audit Committee, who possesses suitable professional qualifications. The Audit Committee has reviewed the Company's unaudited interim results for the Reporting Period and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the risk management, internal control and financial reporting matters.

#### **Independent Review of Auditor Financial Report**

KPMG, the Company's auditor, has reviewed the Company's unaudited interim financial report for the Reporting Period 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, whose unmodified review report is included in the interim report to be sent to the Shareholders.



## SUPPLEMENTARY INFORMATION

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As of 30 June 2024, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as 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 is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Type of Shares	Nature of Interest	Number of Shares <sup>(1)</sup>	Approximate percentage in Domestic Shares <sup>(2)</sup>	Percentage in total number of Shares <sup>(2)</sup>
Dr. Liang Dongke (梁棟科) <sup>(3)</sup>	Domestic Shares	Beneficial owner	12,042,854 (L)	16.78%	6.84%
	Domestic Shares	Interest of controlled corporation	9,900,000 (L)	13.79%	5.63%
Dr. Song Yuan (宋媛) <sup>(3)</sup>	Domestic Shares	Interest of spouse	21,942,854 (L)	30.57%	12.47%
Mr. Lin Sen (林森)	Domestic Shares	Beneficial owner	7,142,858 (L)	9.95%	4.06%
Mr. Wang Ruiqin (王瑞琴)	Domestic Shares	Beneficial owner	7,142,858 (L)	9.95%	4.06%

Notes:

- (1) The letter "L" stands for long position.
- (2) The calculation is based on percentage of shareholding in a total of 176,000,000 issued Shares, which consist of 71,786,608 Domestic Shares and 104,213,392 H Shares as at 30 June 2024.
- (3) Dr. Song Yuan is the spouse of Dr. Liang Dongke. Under section 316(1)(a) of the SFO, Dr. Song Yuan is deemed to be interested in the equity interests held by Dr. Liang Dongke.

Save as disclosed above, as of 30 June 2024, to the best knowledge of the Board, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) 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 the Directors, the Supervisors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUPPLEMENTARY INFORMATION

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of 30 June 2024, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interests or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company (the interests in Shares and/or short positions, if any, disclosed herein are in addition to those disclosed in respect of the Directors, Supervisors and chief executive):

#### Interests in the Shares of the Company

Name	Type of Shares	Nature of Interest	Number of Shares <sup>(1)</sup>	Approximate percentage in the respective type of share capital <sup>(1)</sup>	Percentage in total number of Shares <sup>(1)</sup>
Ningbo Huaige Taiyi Equity Investment Partnership (Limited Partnership) (寧波懷格泰益股權投資合夥企業(有限合夥)) ("Ningbo Huaige Taiyi") <sup>(2)</sup>	Domestic Shares	Beneficial owner	9,843,750 (L)	13.71%	5.59%
Ningbo Huaige Gongxin Equity Investment Partnership (Limited Partnership) (寧波懷格共信股權投資合夥企業(有限合夥)) ("Ningbo Huaige Gongxin") <sup>(2)</sup>	Domestic Shares	Interest of controlled corporation	9,843,750 (L)	13.71%	5.59%
Ningbo Huaige Health Investment Management Partnership (Limited Partnership) (寧波懷格健康投資管理合夥企業(有限合夥)) ("Ningbo Huaige Health") <sup>(2)</sup>	Domestic Shares	Interest of controlled corporation	9,843,750 (L)	13.71%	5.59%

## SUPPLEMENTARY INFORMATION

Name	Type of Shares	Nature of Interest	Number of Shares <sup>(1)</sup>	Approximate percentage in the respective type of share capital <sup>(11)</sup>	Percentage in total number of Shares <sup>(11)</sup>
Mr. Wang Kai (王錯) <sup>(2)</sup>	Domestic Shares	Beneficial owner	5,571,428 (L)	7.76%	3.17%
	Domestic Shares	Interests of controlled corporation	9,843,750 (L)	13.71%	5.59%
Ms. Zhao Wei (趙威) <sup>(2)</sup>	Domestic Shares	Interest of spouse	15,415,178 (L)	21.47%	8.76%
Ms. Chen Saiying (陳賽英) <sup>(3)</sup>	Domestic Shares	Interest of spouse	7,142,858 (L)	9.95%	4.06%
Ms. Han Chunyan (韓春燕) <sup>(4)</sup>	Domestic Shares	Interest of spouse	7,142,858 (L)	9.95%	4.06%
Mr. Chen Xing (陳星) <sup>(5)</sup>	Domestic Shares	Beneficial owner	7,071,430 (L)	9.85%	4.02%
Ms. Han Xue (韓雪) <sup>(5)</sup>	Domestic Shares	Interest of spouse	7,071,430 (L)	9.85%	4.02%
Mr. Huang Chubin (黃楚彬) <sup>(6)</sup>	Domestic Shares	Beneficial owner	7,071,430 (L)	9.85%	4.02%
Ms. Li Xiuqun (李秀群) <sup>(6)</sup>	Domestic Shares	Interest of spouse	7,071,430 (L)	9.85%	4.02%
Ningbo Tongchuang Suwei Investment Partnership (Limited Partnership) (寧波同創速維投資合夥企業(有限合夥)) (“Ningbo Tongchuang Suwei”) <sup>(7)</sup>	Domestic Shares	Beneficial owner	6,000,000 (L)	8.36%	3.41%
Mr. Chai Yanpeng (柴燕鵬) <sup>(7)</sup>	Domestic Shares	Interest of controlled corporation	6,000,000 (L)	8.36%	3.41%
Shanghai Kindly Enterprise Development Group Co., Ltd. (上海康德萊企業發展集團股份有限公司) (“KDL”) <sup>(8)</sup>	H Shares	Beneficial owner	42,857,142 (L)	41.12%	24.35%

## SUPPLEMENTARY INFORMATION

Name	Type of Shares	Nature of Interest	Number of Shares <sup>(1)</sup>	Approximate percentage in the respective type of share capital <sup>(11)</sup>	Percentage in total number of Shares <sup>(11)</sup>
Shanghai Kindly Holding Group Co., Ltd. (上海康德萊控股集團有限公司) (“KDL Holding”) <sup>(8)</sup>	H Shares	Interest of controlled corporation	42,857,142 (L)	41.12%	24.35%
Kindly Holding Co., Ltd. (康德萊控股有限公司) <sup>(8)</sup>	H Shares	Interest of controlled corporation	42,857,142 (L)	41.12%	24.35%
Shanghai Gongye Investment Co., Ltd. (上海共業投資有限公司) (“Gongye”) <sup>(8)</sup>	H Shares	Interest of controlled corporation	42,857,142 (L)	41.12%	24.35%
Mr. Zhang Xianmiao (張憲淼) <sup>(8)</sup>	H Shares	Interest of controlled corporation; interest jointly held with another person	42,857,142 (L)	41.12%	24.35%
Ms. Zheng Aiping (鄭愛平) <sup>(8)</sup>	H Shares	Interest of controlled corporation; interest jointly held with another person	42,857,142 (L)	41.12%	24.35%
Mr. Zhang Wei (張偉) <sup>(8)</sup>	H Shares	Interest of controlled corporation; interest jointly held with another person	42,857,142 (L)	41.12%	24.35%
Ningbo Huaige Taiyi <sup>(2)</sup>	H Shares	Beneficial owner	14,584,250 (L)	13.99%	8.29%
Ningbo Huaige Gongxin <sup>(2)</sup>	H Shares	Interest of controlled corporation	14,584,250 (L)	13.99%	8.29%
Ningbo Huaige Health <sup>(2)</sup>	H Shares	Interest of controlled corporation	14,584,250 (L)	13.99%	8.29%



## SUPPLEMENTARY INFORMATION

Name	Type of Shares	Nature of Interest	Number of Shares <sup>(1)</sup>	Approximate percentage in the respective type of share capital <sup>(11)</sup>	Percentage in total number of Shares <sup>(11)</sup>
Mr. Wang Kai (王錯) <sup>(2)</sup>	H Shares	Interest of controlled corporation	14,584,250 (L)	13.99%	8.29%
Ms. Zhao Wei (趙威) <sup>(2)</sup>	H Shares	Interest of spouse	14,584,250 (L)	13.99%	8.29%
China Orient Asset Management (International) Holding Limited <sup>(9)</sup>	H Shares	Interest of controlled corporation	13,557,400 (L)	13.01%	7.70%
China Orient International Fund Management Limited <sup>(9)</sup>	H Shares	Interest of controlled corporation	13,557,400 (L)	13.01%	7.70%
China Orient Multi-Strategy Fund <sup>(9)</sup>	H Shares	Interest of controlled corporation	11,292,400 (L)	10.84%	6.42%
China Orient Multi-Strategy Master Fund <sup>(9)</sup>	H Shares	Beneficial owner	11,292,400 (L)	10.84%	6.42%
OrbiMed Capital LLC <sup>(10)</sup>	H Shares	Investment manager	11,112,200 (L)	10.66%	6.31%
Worldwide Healthcare Trust PLC <sup>(10)</sup>	H Shares	Beneficial owner	7,412,800 (L)	7.11%	4.21%
Mr. Ke Wei (柯偉)	H Shares	Beneficial owner	6,070,000 (L)	5.82%	3.45%

## SUPPLEMENTARY INFORMATION

### Notes:

- (1) The letters “L” stands for long position.
- (2) To the best of the Directors’ knowledge, Ningbo Huaige Taiyi is a limited partnership established in the PRC and is owned as to 53.13% by Ningbo Huaige Gongxin as limited partner. Ningbo Huaige Health is the general partner of Ningbo Huaige Taiyi and Ningbo Huaige Gongxin. Mr. Wang Kai has 82.5% interest in Ningbo Huaige Health as the general partner. Ms. Zhao Wei is the spouse of Mr. Wang Kai. As such, under the SFO, each of Ningbo Huaige Gongxin, Ningbo Huaige Health, Mr. Wang Kai and Ms. Zhao Wei is deemed to be interested in the equity interests held by Ningbo Huaige Taiyi.
- (3) Ms. Chen Saiying is the spouse of Mr. Lin Sen. Under section 316(1)(a) of the SFO, Ms. Chen Saiying is deemed to be interested in the equity interests held by Mr. Lin Sen.
- (4) Ms. Han Chunyan is the spouse of Mr. Wang Ruiqin. Under section 316(1)(a) of the SFO, Ms. Han Chunyan is deemed to be interested in the equity interests held by Mr. Wang Ruiqin.
- (5) Ms. Han Xue is the spouse of Mr. Chen Xing. Under section 316(1)(a) of the SFO, Ms. Han Xue is deemed to be interested in the equity interests held by Mr. Chen Xing.
- (6) Ms. Li Xiuqun is the spouse of Mr. Huang Chubin. Under section 316(1)(a) of the SFO, Ms. Li Xiuqun is deemed to be interested in the equity interests held by Mr. Huang Chubin.
- (7) To the best of the Directors’ knowledge, Ningbo Tongchuang Suwei is a limited partnership established in the PRC. Mr. Chai Yanpeng is the general partner of Ningbo Tongchuang Suwei. As such, under the SFO, Mr. Chai Yanpeng is deemed to be interested in the equity interests held by Ningbo Tongchuang Suwei.
- (8) To the best of the Directors’ knowledge, KDL Holding controls KDL as it owns more than one-third of the voting power at general meetings of KDL. KDL Holding is in turn controlled by each of Gongye and Kindly Holding Co., Ltd. as each of Gongye and Kindly Holding Co., Ltd. owns more than one-third of the voting power at general meetings of KDL Holding. Gongye is held as to 56.43% and Kindly Holding Co., Ltd. is wholly-owned by the Zhang Family (namely, Mr. Zhang Xianmiao, Ms. Zheng Aiping and Mr. Zhang Wei) as concert parties. As such, under the SFO, each of KDL Holding, Gongye, Kindly Holding Co., Ltd., Mr. Zhang Xianmiao, Ms. Zheng Aiping and Mr. Zhang Wei is deemed to be interested in the equity interests held by KDL.
- (9) To the best of the Directors’ knowledge, 11,292,400 H Shares held by China Orient Multi-Strategy Master Fund is controlled as to 100% by China Orient Multi-Strategy Fund, which is in turn controlled as to 99.47% by China Orient International Fund Management Limited, 100% of the voting power of which is controlled by China Orient Asset Management (International) Holding Limited. 2,265,000 H Shares held by China Orient Enhanced Income Fund is controlled as to 100% by China Orient International Fund Management Limited, 100% of the voting power of which is controlled by China Orient Asset Management (International) Holding Limited. As such, under the SFO, each of China Orient International Fund Management Limited and China Orient Asset Management (International) Holding Limited is deemed to be interested in the equity interests held by China Orient Multi-Strategy Master Fund and China Orient Enhanced Income Fund.
- (10) Taking into account the 155,200 H Shares, 3,544,200 H Shares and 7,412,800 H Shares held by OrbiMed New Horizons Master Fund, L.P., OrbiMed Partners Master Fund Limited and Worldwide Healthcare Trust PLC, respectively, pursuant to the cornerstone investment agreement as described under the section headed “Cornerstone Investors” in the Prospectus, OrbiMed Capital LLC is deemed to be interested in the above H Shares.
- (11) The calculation is based on the percentage of shareholding in a total of 176,000,000 Shares, which consist of 71,786,608 Domestic Shares and 104,213,392 H Shares as at 30 June 2024.

## SUPPLEMENTARY INFORMATION

### Interests of Substantial Shareholders of other members of the Group

Name	Member of the Group	Nature of Interest	Approximate percentage held by the substantial shareholder
Jiang Xiannan (姜賢男)	Shanghai Pukon Medical Instruments Co., Ltd. (上海璞康醫療器械有限公司)	Beneficial owner	15.0%
Chen Linling (陳臨凌)	Shanghai Healing Medical Instruments Co., Ltd. (上海翰凌醫療器械有限公司)	Beneficial owner	24.5%
Liang Dongke (梁棟科)	Shanghai Puhui Medical Instruments Co., Ltd. (上海璞慧醫療器械有限公司) (“ <b>Shanghai Puhui</b> ”)	Beneficial owner	21.0%
Ningbo Youtuo Enterprise Management Partnership (Limited Partnerships)* (寧波優拓企業管理合夥企業(有限合夥))	Shanghai Puhui	Beneficial owner	20.0%
Sun Peng (孫鵬)	Shanghai Qimu Medical Instruments Co., Ltd. (上海七木醫療器械有限公司)	Beneficial owner	10.0%
Lin Peng (林鵬)	Shanghai Pumei Medical Instruments Co., Ltd. (上海璞鎂醫療器械有限公司)	Beneficial owner	30.0%
Hengyi Enterprise Management (Wei Fang) Center (Limited Partnership)* (恆熠企業管理(淮坊)中心(有限合夥))	Shanghai Pulin Medical Instruments Co., Ltd. (上海璞霖醫療器械有限公司)	Beneficial owner	35.0%
Ningbo Liufang Enterprise Management Partnership (Limited Partnership)* (寧波六方企業管理合夥企業(有限合夥)) (“ <b>Ningbo Liufang</b> ”)	Shanghai Puyue Medical Instruments Co., Ltd. (上海璞躍醫療器械有限公司)	Beneficial owner	40.0%
Ningbo Liufang	Zhuhai Puyue Medical Instruments Co., Ltd.* (珠海璞躍醫療器械有限公司)	Interest of controlled corporation	40.0%
Xie Guozhu (謝國柱)	Shandong Insant New Materials Co., Ltd. (山東瑛盛新材料有限公司) (“ <b>Insant New Materials</b> ”)	Beneficial owner	29.0%

## SUPPLEMENTARY INFORMATION

Name	Member of the Group	Nature of Interest	Approximate percentage held by the substantial shareholder
Yang Tao (楊濤)	Insant New Materials	Beneficial owner	20.0%
Shanghai Shurui Technology Co., Ltd.* (上海曙瑞科技有限公司)	Shanghai Taijia Rui Medical Technology Co., Ltd.* (上海泰嘉瑞醫療科技有限公司) (“Shanghai Taijia Rui”)	Beneficial owner	39.0%
Ningbo Zhuoguang Enterprise Management Partnership (Limited Partnership)* (寧波卓廣企業管理合夥企業(有限合夥))	Shanghai Taijia Rui	Beneficial owner	10.0%

Save as disclosed above, as of 30 June 2024, to the best knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

### DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangement has been made by the Company or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debentures of the Company or any other body corporate were granted to any Director, Supervisor, or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

### SHARE INCENTIVE SCHEME

The Board resolved to adopt, and the Shareholders approved, the Share Incentive Scheme of granting no more than 5,000,000 Domestic Shares in the form of restricted share (“RS”) to no more than 100 employees of the Group. 2,500,000 Domestic Shares were allotted and issued to each of Dr. Liang Dongke and Share Incentive Platforms for administration of the Share Incentive Scheme. Grantees of the RS (the “Grantees”) (other than Dr. Liang Dongke) were admitted as limited partners of the Share Incentive Platforms, which are limited partners of Jingning Int Chuangyuan Enterprise Management Partnership (Limited Partnership)\* (景寧瑛泰創源企業管理合夥企業(有限合夥)) (“Int Chuangyuan”) and Jingning Int Chuangqi Enterprise Management Partnership (Limited Partnership)\* (景寧瑛泰創啟企業管理合夥企業(有限合夥)) (“Int Chuangqi”).

The Remuneration Committee may select eligible grantees amongst the Directors, Supervisors, senior management of the Group, and employees, which is subject to review and approval by the Board and the Supervisory Committee. The RS were granted to the Grantees at a price equivalent to RMB12.0 per Share. The Grantees shall be subject to certain vesting conditions and a lock-up period of sixty months from (a) the date of allotment of Shares to the Share Incentive Platforms or (b) the date of grant of the RS to the Grantee, whichever is later.

## SUPPLEMENTARY INFORMATION

The Company has previously applied to the CSRC for allotment of 2,000,000 Domestic Shares (the “**First Installment**”) to Dr. Liang Dongke and the Share Incentive Platforms, namely Int Chuangyuan and Int Chuangqi pursuant to the Share Incentive Scheme. On 13 May 2022, the Company completed the registration for the First Installment with the CSDC. The total consideration for the grant price of RMB12.0 per Share for the First Installment has been paid by Dr. Liang Dongke and the Share Incentive Platforms.

For more details of the Share Incentive Scheme, please refer to the Company’s announcements dated 21 September 2020, 17 May 2021, 19 August 2021 and 16 May 2022 and circulars dated 6 November 2020 and 16 April 2021.

On 30 December 2022, the Board resolved to make certain amendments to the Share Incentive Scheme in light of the Company’s proposed adjustment to the performance target provision of the Share Incentive Scheme taking into account the ongoing impact of COVID-19 on the production and operation of the Company in 2022, and the amendments to the Listing Rules to implement the proposals of the “Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment” published by the Stock Exchange on 29 July 2022 (the “**New Chapter 17**”), subject to the Shareholders’ approval. The Board proposed to seek approval from the Shareholders, to among other things, (i) amend the performance target provision of the Share Incentive Scheme in order to extend the Review Period (as defined under the Share Incentive Scheme) to the fourth financial year ending 31 December 2023 and (ii) bring the Share Incentive Scheme in alignment with the New Chapter 17 of the Listing Rules and make certain minor housekeeping amendments to the Share Incentive Scheme for the purpose of clarifying existing practice and making consequential amendments (the “**Amendments to the Share Incentive Scheme**”). The amendments to the Share Incentive Scheme was approved by the Shareholders at the annual general meeting held on 18 May 2023. For more details, please refer to the Company’s announcement dated 30 December 2022, the circulars of the Company dated 14 April 2023 and the supplemental circular dated 3 May 2023 and the announcement of the Company dated 18 May 2023.

The Company has applied to the CSRC and has received the CSRC’s approval dated 17 October 2023 for the allotment and issuance of the remaining 3,000,000 Award Shares under the Share Incentive Scheme. For more details, please refer to the Company’s announcement dated 24 October 2023.

The principal terms of the Share Incentive Scheme are set out below:

### ***Purpose of the Share Incentive Scheme***

The purpose of the Share Incentive Scheme is to further establish and improve the incentive mechanism of the Company, fully mobilize the enthusiasm of the Company’s management personnel and core backbone personnel at all levels, continuously introduce various excellent technological and senior management talents, and promote the realization of the Company’s overall strategic goals at the same time, under the premise of fully protecting the interests of shareholders and pursuant to the current relevant laws and regulations, the Listing Rules and the Articles etc.

### ***Lock-up Period***

RS granted under the Share Incentive Scheme are subject to a lock-up period of 60 months. The lock-up period for the 2,000,000 Domestic Shares granted in the first phase of the Share Incentive Scheme is 60 months commencing from the date of completion of the registration of the granted shares with the CSDC. The lock-up period for the 3,000,000 Shares granted subsequently is the same as that of the first grant, and the unlocking date is the same with that of the first grant.



## SUPPLEMENTARY INFORMATION

### Maximum Entitlement of Each Grantee

Where any grant of Domestic Shares to a Grantee would result in the Shares issued and to be issued in respect of all options and awards granted to such grantee (excluding any options and awards lapsed in accordance with the terms of the Share Incentive Scheme or any other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total issued Shares, such grant must be separately approved by the Shareholders at the general meeting, with such grantee and his/her close associates (or associate if the grantee is a connected person) abstaining from voting, and the Company must send a circular to the Shareholders.

### Determination Basis of Grant Price

On the basis of completion of financial auditing and assets evaluation, and under the principle that the issuance price shall not be lower than the net assets per share of the Company as of 31 December 2019, taking into account the actual cost factors such as amount of capital contribution required to be paid by the grantee in order to acquire the relevant RS and tax obligations etc., the Company decided to determine the grant price of the RS to be RMB12.0 per Share, and calculate the price of each partnership interest based on the total interest of the employee shareholding platform.

### Remaining Life of the Share Incentive Scheme

The Share Incentive Scheme will expire at the 10th anniversary of the date when the Share Incentive Scheme was approved at the extraordinary general meeting of the Company on 17 December 2020. As at 30 June 2024, the remaining life of the Share Incentive Scheme is approximately 6.5 years.

### Total Number of Shares Available for Issue

As at the date of this interim report, the total number of Shares available for issue under the Share Incentive Scheme was nil, representing 0.00% of the issued Shares (excluding treasury shares) of the Company, because all 5,000,000 Domestic Shares in the form of RS under the Share Incentive Scheme have been fully granted and issued.

Details of the RS granted under the Share Incentive Scheme are set out below:

Name of Grantee	Category of Grantee	Date of Grant	Lock-up Period	Number of RS					As at 30 June 2024	Grant price	Fair Value of the Award as at the Date of Grant
				As at 1 January 2024	Granted during the Reporting Period	Attributed during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ Forfeited during the Reporting Period			
Dr. Liang Dongke	Director and general manager	19 August 2021	60 months from 13 May 2022	3,384,300	Nil	Nil	Nil	Nil	3,384,300	RMB12.0	RMB14.81
Mr. Lin Sen	Director	19 August 2021	60 months from 13 May 2022	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	RMB14.81
Dr. Song Yuan	Director	19 August 2021	60 months from 13 May 2022	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	RMB14.81
Mr. Wang Ruiqin	Director	19 August 2021	60 months from 13 May 2022	100,000	Nil	Nil	Nil	Nil	100,000	RMB12.0	RMB14.81
Others	Employees	19 August 2021	60 months from 13 May 2022	1,232,500	Nil	Nil	Nil	Nil	1,232,500	RMB12.0	RMB14.81

## SUPPLEMENTARY INFORMATION

As at 1 January 2024 and at 30 June 2024, the total number of awards available for grant under the scheme mandate is nil and nil, respectively, because all 5,000,000 Domestic Shares in the form of RS under the Share Incentive Scheme (being the only share scheme of the Company that involves issuance of new shares) have been fully granted.

The number of Shares that may be issued in respect of awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is 0.00%.

### 2023 SHARE INCENTIVE SCHEME

On 29 August 2023, the Board resolved to adopt the 2023 Share Incentive Scheme of granting no more than 5,000,000 Domestic Shares in the form of RS representing 2.98% of the Company's then total issued Shares of 168,000,000 Shares and 2.84% of the total Shares after the Company completes the aforesaid direct issuance of 5,000,000 Domestic Shares (including 3,000,000 Shares under the Share Incentive Scheme are issued on 6 November 2023). The grantees of the 2023 Share Incentive Scheme include certain Directors and senior management of the Company, general manager and core management personnel of the subsidiaries of the Company. The Shareholders approved the 2023 Share Incentive Scheme at the extraordinary general meeting of the Company held on 19 December 2023. For further details, please refer to the Company's announcements dated 29 August 2023, 24 November 2023 and 29 November 2023, the circular dated 15 October 2023 and the supplemental circular dated 29 November 2023.

The Company has applied to the CSRC and has received the CSRC's approval dated 13 March 2024 for the allotment and issuance of 5,000,000 new Domestic Shares under the 2023 Share Incentive Scheme. For more details, please refer to the Company's announcement dated 15 March 2024.

The principal terms of the 2023 Share Incentive Scheme are set out below:

#### ***Purpose of the 2023 Share Incentive Scheme***

The purpose of the 2023 Share Incentive Scheme is to further establish and improve the incentive mechanism of the Group, fully mobilize the enthusiasm of the Group's management personnel, continuously introduce various excellent senior management talents and promote the realization of the Group's overall strategic goals under the premise of fully protecting the interests of Shareholders and pursuant to the current relevant laws and regulations, the Listing Rules and the Articles etc.

#### ***Lock-up Period***

The shares obtained by the employees under the 2023 Share Incentive Scheme will be subject to a lock-up period of 60 months (the "**Lock-up Period**") commencing from the date of grant as approved by the Board. If the 2023 Share Incentive Scheme will adopt the approach of issuance in installments, then the Shares to be issued in subsequent installments will be subject to the same Lock-up Period as that of the shares to be issued in the first installment. The Lock-up Period aligns with the Scheme's purpose of promoting the realization of the Company's overall strategic goals and protecting the interests of shareholders.

## SUPPLEMENTARY INFORMATION

### **Maximum Entitlement of Each Grantee**

Where any grant of Domestic Shares to a Grantee would result in the Shares issued and to be issued in respect of all options and awards granted to such grantee (excluding any options and awards lapsed in accordance with the terms of the 2023 Share Incentive Scheme or any other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total issued Shares, such grant must be separately approved by the Shareholders at the general meeting, with such grantee and his/her close associates (or associate if the grantee is a connected person) abstaining from voting, and the Company must send a circular to the Shareholders.

Where any grant of Domestic Shares to a grantee that is a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of awards must be approved by the Shareholders at general meeting, with such grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

### **Vesting Period**

The restricted shares granted under the 2023 Share Incentive Scheme will vest immediately on the date of grant. The scheme does not impose a vesting period with regard to the restricted shares granted under the 2023 Share Incentive Scheme in order to provide more incentives for them to achieve their respective performance targets and make long-term contribution to the development of the Company. Considering that such vesting arrangements are appropriate for retaining, incentivizing, rewarding, remunerating and compensating valuable employees and the restricted shares granted under the 2023 Share Incentive Scheme will be subject to a total vesting and holding period (i.e., the Lock-up Period) of more than 12 months, the Remuneration Committee is of the view that such arrangement with no vesting period is justifiable and aligns with the purposes of the scheme.

### **Determination Basis of Grant Price**

On the basis of completion of financial auditing and assets evaluation, and under the principle that the issuance price shall not be lower than the net assets per share of the Company as of 31 December 2022, taking into account the actual cost factors such as amount of capital contribution required to be paid by the grantee in order to acquire the relevant restricted shares and tax obligations etc., the Company decided to determine the grant price of the restricted shares to be RMB12.0 per Domestic Share, and calculate the price of each partnership interest based on the total interest of the employee shareholding platform.

### **Remaining Life of the 2023 Share Incentive Scheme**

The validity period of the 2023 Share Incentive Scheme commences from the date when it is approved at the extraordinary general meeting on 19 December 2023 to the date when all RS granted under the 2023 Share Incentive Scheme are unlocked or repurchased and cancelled, the longest period of which shall not exceed ten (10) years. As at 30 June 2024, the remaining life of the 2023 Share Incentive Scheme is approximately 9.5 years.

### **Total Number of Shares Available for Issue**

As at the date of this interim report, the total number of Shares available for issue under the 2023 Share Incentive Scheme was nil, representing 0.00% of the issued Shares (excluding treasury shares) of the Company because all 5,000,000 Domestic Shares in the form of RS under the 2023 Share Incentive Scheme have been fully granted and issued.

## SUPPLEMENTARY INFORMATION

Details of the RS granted under the 2023 Share Incentive Scheme are set out below:

Name of Grantee	Category of Grantee	Date of Grant	Lock-up period	Exercise Period	Vesting Period	As at 1 January 2024	Granted during the Reporting Period	Attributed during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	As at 30 June 2024	Grant price	Fair Value of the Award as at the Date of Grant
Dr. Liang Dongke	Director and general manager	19 March 2024	60 months from the date of grant	12 months after obtaining the CSRC approval	Nil	Nil	1,760,000	Nil	Nil	Nil	1,760,000	RMB12.0	RMB16.85
Mr. Lin Sen	Director	19 March 2024	60 months from the date of grant	12 months after obtaining the CSRC approval	Nil	Nil	300,000	Nil	Nil	Nil	300,000	RMB12.0	RMB16.85
Dr. Song Yuan	Director	19 March 2024	60 months from the date of grant	12 months after obtaining the CSRC approval	Nil	Nil	300,000	Nil	Nil	Nil	300,000	RMB12.0	RMB16.85
Mr. Wang Ruiqin	Director	19 March 2024	60 months from the date of grant	12 months after obtaining the CSRC approval	Nil	Nil	100,000	Nil	Nil	Nil	100,000	RMB12.0	RMB16.85
Others	Employees	19 March 2024	60 months from the date of grant	12 months after obtaining the CSRC approval	Nil	Nil	2,540,000	Nil	Nil	Nil	2,540,000	RMB12.0	RMB16.85

As at 1 January 2024 and 30 June 2024, the total number of awards available for grant under the scheme mandate is 5,000,000 and 5,000,000, respectively.

The number of the Shares that may be issued in respect of awards under all share schemes of the Company (i.e. nil) during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is not applicable.

## SUPPLEMENTARY INFORMATION

### H SHARE AWARD AND TRUST SCHEME

Reference is made to the announcements of the Company dated 18 March 2022 and 16 May 2022 and the circular of the Company dated 11 April 2022 in relation to, among others, the adoption of the H Share Award and Trust Scheme. The adoption of H Share Award and Trust Scheme was approved by the Shareholders at the 2022 AGM held on 16 May 2022. For the principal terms of the H Share Award and Trust Scheme, please refer to the circular of the Company dated 11 April 2022. The H Share Award and Trust Scheme involves no issue of new shares or granting of option for any new securities of the Company. The H Share Award and Trust Scheme constitutes a share scheme involving existing shares under Chapter 17 of the Listing Rules as effective since 1 January 2023.

During the Reporting Period, the trustee of the H Share Award and Trust Scheme repurchased 800,000 (during the year ended 31 December 2023: approximately 892,800) H Shares on the Stock Exchange to satisfy the grant of awards pursuant to the H Share Award and Trust Scheme. No awards was granted as at 30 June 2024.

The principal terms of the H Share Award and Trust Scheme are set out below:

The purposes of the H Share Scheme are: (i) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company; (ii) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and (iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

Eligible participant who may participate in the H Share Scheme include any full-time PRC or non-PRC employee of any members of the Group, who is a Director (other than independent non-executive Directors), Supervisor, senior management, key operating team member, employee, or, a consultant of the Group.

Subject to the H Share Scheme Rules, the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price is 10,420,000 H Shares.

Upon approval by the Board or the delegatee, and subject to the vesting conditions set out in the H Share Scheme Rules, all awards under the H Share Scheme shall be vested in multiple tranches as specified in the award letter. The specific commencement and duration of each vesting period and the actual vesting amount of the award granted to a selected participant for the respective vesting periods shall be specified in the award letter approved by the Board or the delegatee.



## SUPPLEMENTARY INFORMATION

If the award is vested in the form of award shares, the selected participant shall assume the grant cost for accepting the award shares, namely the grant cost (the product of the grant price of the award shares on the grant date multiplied by the number of award shares granted to a selected participant by the Board of Delegatee (subject to the final determination by the Board or the delegatee), shall be deducted from the actual selling price of the award shares.

The H Share Award and Trust Scheme will expire on the 10th anniversary of 16 May 2022 when it was adopted at the annual general meeting of the Company held on 16 May 2022.

### **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

There were no material events after the Reporting Period.

By order of the Board  
**Shanghai INT Medical Instruments Co., Ltd.\***  
上海瑛泰醫療器械股份有限公司  
**Dr. Liang Dongke**  
*Chairman*

Shanghai, the PRC  
19 August 2024

# INDEPENDENT AUDITOR'S REVIEW REPORT



**Review report to the board of directors of  
Shanghai INT Medical Instruments Co., Ltd.**

*(Incorporated in the People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 32 to 58 which comprises the consolidated statement of financial position of Shanghai INT Medical Instruments Co., Ltd. (the "**Company**") as of 30 June 2024 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with 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 the interim financial report consists of making enquiries, 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 financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

19 August 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	3	<b>392,322</b>	339,764
Cost of sales		<b>(145,554)</b>	(139,414)
<b>Gross profit</b>		<b>246,768</b>	200,350
Other income	4	<b>23,941</b>	22,794
Distribution costs		<b>(33,607)</b>	(33,021)
Administrative expenses		<b>(55,219)</b>	(36,389)
Research and development expenses		<b>(70,754)</b>	(64,593)
Reversal of impairment losses		<b>652</b>	481
<b>Profit from operations</b>		<b>111,781</b>	89,622
Finance costs	5(a)	<b>(1,032)</b>	(1,205)
<b>Profit before taxation</b>	5	<b>110,749</b>	88,417
Income tax	6	<b>(11,571)</b>	(7,912)
<b>Profit for the period</b>		<b>99,178</b>	80,505
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>100,538</b>	80,502
Non-controlling interests		<b>(1,360)</b>	3
<b>Profit for the period</b>		<b>99,178</b>	80,505
<b>Earnings per share (RMB)</b>	7		
Basic (RMB)		<b>0.58</b>	0.48
Diluted (RMB)		<b>0.58</b>	0.47

The notes on pages 38 to 58 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 16.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>99,178</b>	80,505
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Item that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of an overseas subsidiary	249	1,049
<b>Other comprehensive income for the period</b>	<b>249</b>	1,049
<b>Total comprehensive income for the period</b>	<b>99,427</b>	81,554
<b>Attributable to:</b>		
Equity shareholders of the Company	100,787	81,551
Non-controlling interests	(1,360)	3
<b>Total comprehensive income for the period</b>	<b>99,427</b>	81,554

The notes on pages 38 to 58 form part of this interim financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

at 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	8	802,152	789,083
Intangible assets	9	143,951	130,374
Right-of-use assets		107,299	109,201
Certificate of deposits	14	10,106	31,447
Other non-current assets		52,524	52,560
Financial assets at fair value through profit or loss	13	185,163	175,023
Deferred tax assets		17,395	17,649
		<b>1,318,590</b>	1,305,337
<b>Current assets</b>			
Inventories	11	153,686	128,770
Trade and other receivables	12	79,128	125,193
Other current assets		48,804	35,648
Cash and cash equivalents	14	330,640	423,668
Certificate of deposits and pledged deposits	14	34,974	11,010
		<b>647,232</b>	724,289
<b>Current liabilities</b>			
Trade and other payables	15	148,447	176,173
Contract liabilities		30,699	37,074
Loans and borrowings		51,543	79,123
Derivative financial instruments		—	491
Deferred income		1,618	1,550
Current taxation		7,499	22,418
		<b>239,806</b>	316,829
<b>Net current assets</b>		<b>407,426</b>	407,460
<b>Total assets less current liabilities</b>		<b>1,726,016</b>	1,712,797

The notes on pages 38 to 58 form part of this interim financial report.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**at 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	<i>Note</i>	<b>At 30 June 2024 RMB'000</b>	<b>At 31 December 2023 RMB'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>16,035</b>	15,656
Deferred income		<b>16,458</b>	16,993
Deferred tax liabilities		<b>2,417</b>	1,770
		<b>34,910</b>	34,419
<b>NET ASSETS</b>			
		<b>1,691,106</b>	1,678,378
<b>CAPITAL AND RESERVES</b>			
	16		
Share capital		<b>176,000</b>	171,000
Reserves		<b>1,502,655</b>	1,478,241
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>1,678,655</b>	1,649,241
<b>Non-controlling interests</b>			
		<b>12,451</b>	29,137
<b>TOTAL EQUITY</b>			
		<b>1,691,106</b>	1,678,378

Approved and authorised for issue by the board of directors on 19 August 2024.

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**LIANG DONG KE**
*Director*

(Company Stamp)

The notes on pages 38 to 58 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company									
	Note	Share capital	Treasury shares	Capital reserve	Statutory			Retained profits	Non-controlling interests	Total equity
					surplus reserve	Exchange reserve	Reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2023</b>		168,000	–	951,925	62,327	726	329,037	1,512,015	42,089	1,554,104
<b>Changes in equity for the six months ended 30 June 2023</b>										
Profit for the period		–	–	–	–	–	80,502	80,502	3	80,505
Other comprehensive income		–	–	–	–	1,049	–	1,049	–	1,049
Capital injection from non-controlling interests		–	–	–	–	–	–	–	3,000	3,000
Equity settled share-based payments	10	–	–	1,266	–	–	–	1,266	150	1,416
Dividends to holders of non-controlling interests		–	–	–	–	–	–	–	(6,000)	(6,000)
Dividends approved in respect of previous year	16(c)	–	–	–	–	–	(40,320)	(40,320)	–	(40,320)
Repurchase of shares for share award scheme	16(b)	–	(45)	–	–	–	–	(45)	–	(45)
<b>Balance at 30 June 2023 and 1 July 2023</b>		168,000	(45)	953,191	62,327	1,775	369,219	1,554,467	39,242	1,593,709
<b>Changes in equity for the six months ended 31 December 2023</b>										
Profit/(loss) for the period		–	–	–	–	–	75,955	75,955	(3,232)	72,723
Other comprehensive income		–	–	–	–	(584)	–	(584)	–	(584)
Equity-settled share-based payment		–	–	4,617	–	–	–	4,617	477	5,094
Subscription of restricted shares	16(a)	3,000	–	33,000	–	–	–	36,000	–	36,000
Repurchase of shares for share award scheme	16(b)	–	(21,214)	–	–	–	–	(21,214)	–	(21,214)
Dividends to holders of non-controlling interests		–	–	–	–	–	–	–	(7,350)	(7,350)
Appropriation for surplus reserve		–	–	–	19,266	–	(19,266)	–	–	–
<b>Balance at 31 December 2023</b>		171,000	(21,259)	990,808	81,593	1,191	425,908	1,649,241	29,137	1,678,378
<b>Balance at 31 December 2023 and 1 January 2024</b>		<b>171,000</b>	<b>(21,259)</b>	<b>990,808</b>	<b>81,593</b>	<b>1,191</b>	<b>425,908</b>	<b>1,649,241</b>	<b>29,137</b>	<b>1,678,378</b>
<b>Changes in equity for the six months ended 30 June 2024</b>										
Profit/(loss) for the period		–	–	–	–	–	100,538	100,538	(1,360)	99,178
Other comprehensive income		–	–	–	–	249	–	249	–	249
Equity settled share-based payments	10	–	–	2,619	–	–	–	2,619	189	2,808
Subscription of restricted shares	16(a)	5,000	–	55,000	–	–	–	60,000	–	60,000
Acquisition of interests in subsidiaries	20	–	–	(67,958)	–	–	–	(67,958)	(11,015)	(78,973)
Dividends to holders of non-controlling interests		–	–	–	–	–	–	–	(4,500)	(4,500)
Repurchase of shares for share award scheme	16(b)	–	(18,919)	–	–	–	–	(18,919)	–	(18,919)
Dividends approved in respect of previous year	16(c)	–	–	–	–	–	(47,520)	(47,520)	–	(47,520)
Dividends received by treasury share holders		–	–	–	–	–	405	405	–	405
<b>Balance at 30 June 2024</b>		<b>176,000</b>	<b>(40,178)</b>	<b>980,469</b>	<b>81,593</b>	<b>1,440</b>	<b>479,331</b>	<b>1,678,655</b>	<b>12,451</b>	<b>1,691,106</b>

The notes on pages 38 to 58 form part of this interim financial report.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Operating activities</b>			
Cash generated from operations		130,407	80,451
Tax paid		(25,589)	(14,261)
<b>Net cash generated from operating activities</b>		<b>104,818</b>	66,190
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment and intangible assets		(82,276)	(123,629)
Proceeds from sale of property, plant and equipment		189	363
Payment for the investment in unlisted funds		(2,500)	–
Interest received from bank deposits		3,904	7,651
Payment for placement of time deposits		–	(10,000)
Refund of the investment deposit		–	1,000
Payment for the investment deposit		–	(25,000)
<b>Net cash used in investing activities</b>		<b>(80,683)</b>	(149,615)
<b>Financing activities</b>			
Capital injection received from non-controlling interests		–	3,000
Issuance of restricted shares	10(a)	60,000	–
Proceeds from loans and borrowings		52,500	63,340
Repayments of loans and borrowings		(80,000)	–
Payment for interest of loans and borrowings		(733)	(798)
Dividends paid to equity shareholders of the Company	16(c)	(47,115)	(40,320)
Dividends paid to holders of non-controlling interests		(4,500)	(6,000)
Payment for the acquisition of interests in subsidiaries	20	(78,973)	–
Payment for repurchase of own shares of the Company	16(b)	(18,919)	(45)
<b>Net cash (used in)/generated from financing activities</b>		<b>(117,740)</b>	19,177
<b>Net decrease in cash and cash equivalents</b>		<b>(93,605)</b>	(64,248)
<b>Cash and cash equivalents at 1 January</b>	14	<b>423,668</b>	518,266
<b>Effects of foreign exchange rates changes</b>		<b>577</b>	4,199
<b>Cash and cash equivalents at 30 June</b>	14	<b>330,640</b>	458,217

The notes on pages 38 to 58 form part of this interim financial report.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It has been reviewed by the audit committee of the Company and was authorised for issue on 19 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the interim financial report in conformity with HKAS34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated 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 Shanghai INT Medical Instruments Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG’s independent review report to the Board of Directors is included on pages 31.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements. The Company’s annual consolidated financial statements for the year ended 31 December 2023 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 18 March 2024.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified one reportable segment, the cardiovascular interventional business, which is primarily engaged in sales, manufacture, research and development of cardiovascular interventional medical devices as well as related moulds and accessories. Other segments, which are currently engaged in research and development of other interventional and implantable medical devices, such as neurological interventional medical devices and endocardia implantable medical devices, etc are combined in all other segments.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (a) Disaggregation of revenue

(i) Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS15 (note)</b>		
Disaggregated by major products		
— Sales of interventional medical devices		
<i>Cardiovascular devices</i>	268,414	208,539
<i>Non-cardiovascular devices</i>	77,062	81,388
Subtotal	345,476	289,927
— Sales of medical accessories	26,743	20,387
— Agent business	14,818	28,569
— Moulds and others	3,728	848
	390,765	339,731
<b>Revenue from other source</b>		
Rental income	1,557	33
	392,322	339,764

During the six months ended 30 June 2024 and 2023, the Group recognised its revenue from contract with customers within the scope of HKFRS15 at point in time.

Note: During the six months ended 30 June 2024, the management reclassified the disaggregation of revenue from contracts with customers by major products. Therefore, the management made the necessary adjustments of comparative figures.

(ii) Disaggregation of revenue by geographical location of external customers is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Chinese Mainland	279,623	267,569
Europe	28,248	18,240
The United States	21,157	15,964
Other countries and regions	63,294	37,991
	392,322	339,764

The geographical location of customers is based on the location at which the customers operate. All of the non-current assets of the Group are physically located in Chinese Mainland.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting

##### (i) Segment results

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2024		
	Cardiovascular interventional business RMB'000	All others RMB'000	Total RMB'000
Revenue from external customers	343,842	48,480	392,322
Inter-segment revenue	10,858	21,579	32,437
<b>Segment revenue</b>	<b>354,700</b>	<b>70,059</b>	<b>424,759</b>
<b>Segment net profit</b>	<b>95,487</b>	<b>6,724</b>	<b>102,211</b>

	Six months ended 30 June 2023		
	Cardiovascular interventional business RMB'000	All others RMB'000	Total RMB'000
Revenue from external customers	270,110	69,654	339,764
Inter-segment revenue	7,209	16,008	23,217
<b>Segment revenue</b>	<b>277,319</b>	<b>85,662</b>	<b>362,981</b>
<b>Segment net profit</b>	<b>58,222</b>	<b>26,028</b>	<b>84,250</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (ii) Reconciliation of segment profit

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Revenue</b>		
Segment revenue	424,759	362,981
Elimination of inter-segment revenue	(32,437)	(23,217)
<b>Consolidated revenue</b>	<b>392,322</b>	<b>339,764</b>
<b>Profit</b>		
Segment net profit	102,211	84,250
Elimination of inter-segment net profit	(3,033)	(3,745)
<b>Consolidated net profit</b>	<b>99,178</b>	<b>80,505</b>

### 4 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Government grants (note)	7,810	5,913
Interest income from bank deposits	4,248	6,278
Net realised and unrealised gains from financial instruments at fair value through profit or loss	8,131	4,520
Foreign exchange gains	2,029	4,077
Others	1,723	2,006
	<b>23,941</b>	<b>22,794</b>

Note: Government grants mainly include subsidies received from government for encouragement of research and development projects and compensation on the capital expenditure of medical device production lines. As at the end of reporting period, there was no unfulfilled condition or other contingency attaching to the government grants that had been recognised by the Group.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>(a) Finance costs</b>		
Interest on lease liabilities	379	370
Interest on loans and borrowings	653	835
	<b>1,032</b>	1,205
<b>(b) Other items</b>		
Depreciation and amortisation		
— property, plant and equipment	38,287	18,130
— right-of-use assets	1,902	1,936
— intangible assets	1,945	845
Reversal of impairment loss on trade and other receivables	(652)	(481)
Impairment loss on capitalised development costs	620	—
Research and development costs ( <i>note</i> )	85,931	86,537
Less: Costs capitalised into intangible assets	(15,177)	(21,944)
	<b>70,754</b>	64,593

*Note:* During the period ended 30 June 2024, research and development costs includes depreciation, amortisation and impairment loss on capitalised development costs of RMB7.5 million (six months ended 30 June 2023: RMB3.7 million), which amount is also included in the respective total amounts disclosed separately above.

### 6 INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax — the People's Republic of China (the "PRC") corporate income tax ("CIT")	10,670	12,496
Deferred tax	901	(4,584)
Total	<b>11,571</b>	7,912

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 6 INCOME TAX (Continued)

#### PRC CIT

(i) Effective from 1 January 2008, under the PRC Corporate Income Tax Law, the PRC statutory income tax rate is 25%. The Group's subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

(ii) High and New Technology Enterprise (“**HNTE**”)

According to the PRC income tax law and its relevant regulations, entities that qualified as HNTE are entitled to a preferential income tax rate of 15%. The Company and certain subsidiaries are qualified as HNTE and are subject to income tax at the rate of 15% for the six months ended 30 June 2024 and 2023.

The 15% preferential tax rate applicable to HNTE is subject to renewal approval jointly by the relevant authorities, upon expiry of the three-year grant period, according to the then prevailing income tax regulations.

(iii) Small and Micro Enterprise (“**SME**”)

According to the PRC income tax law and its relevant regulations issued in 2019 and renewed policy issued in 2023, entities that qualified as SME are entitled to a preferential income tax rate of 5% for taxable income less than RMB3 million.

During the periods ended 30 June 2024 and 2023, certain subsidiaries of the Group are qualified as small and low profit enterprise and enjoyed a preferential tax rate of 5%, whereas applicable.

(iv) According to the PRC income tax law and its relevant regulations, an additional 100% of qualified research and development expenses so incurred is allowed to be deducted from taxable income.

#### HONG KONG PROFIT TAX

During the six months ended 30 June 2024 and 2023, the Company's subsidiary incorporated in Hong Kong is subject to Hong Kong Profits Tax at 8.25% of the taxable profit less than Hong Kong Dollar (“**HKD**”) 2 million or 16.50% of the taxable profit exceeding HKD2 million.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 7 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the adjusted profit attributable to ordinary equity shareholders of the parent of RMB94.8 million (six months ended 30 June 2023: RMB79.5 million) and the weighted average of 164,707,000 ordinary shares (2023: 166,000,000 shares) in issue during the interim period.

The profit attributable to unvested restricted domestic shares issued by the Company (see note 10) and the number of these shares have been excluded from the calculation of basic earnings per share.

#### (b) Diluted earnings per share

For the six months ended 30 June 2024, there are no dilutive potential ordinary shares, and therefore, the amounts of diluted earnings per share are the same as basic earnings per share. The unvested restricted domestic shares which subject to performance condition issued by the Company (see note 10) is anti-dilutive for the period.

For the six months ended 30 June 2023, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB80.5 million and the weighted average number of ordinary shares of 169,000,000 shares. The unvested restricted domestic shares (see note 10) which subject to performance condition and did not yet achieve at the end of the period were excluded from the calculation of dilutive earnings per share for the period.

The effect of outstanding employee share purchase plan issued by the subsidiaries (see note 10) is anti-dilutive for the six months ended 30 June 2024 and 2023, therefore is not included in the calculation of diluted earnings per share of the Company.

### 8 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of RMB51.5 million (six months ended 30 June 2023: RMB139.8 million).

### 9 ADDITION OF INTANGIBLE ASSETS

During the six months ended 30 June 2024, the increase in intangible assets mainly represents addition of the capitalised development costs amounting to RMB15.2 million (six months ended 30 June 2023: RMB21.9 million) for those cost incurred for vascular interventional division, endocardium implantable division and neurological interventional division, which was not yet available for use.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 10 SHARE-BASED PAYMENT TRANSACTIONS

#### (a) Employee share purchase plan (“ESPP”) — equity settled

Since 2020, the Group adopted several ESPPs to its subsidiaries, pursuant to which, the partnership firms, whose limited partners consisted of employees of the Group, invested in the Group’s subsidiaries by way of subscribing newly issued equity interests of the subsidiaries.

Detailed information in relation to the ESPPs is disclosed in the Company’s annual report for the year ended 31 December 2023. During the six months ended 30 June 2024, the Group recognised expenses of RMB0.1 million in relation to these ESPPs (six months ended 30 June 2023: RMB0.3 million).

#### (b) Restricted domestic shares scheme

On 19 August 2021, the Company adopted a share incentive scheme, pursuant to which, Dr. Liang Dongke and two partnership firms, named as Jingning Int Chuangqi Enterprise Management Partnership (LP)\* 景寧瑛泰創啟企業管理合夥企業(有限合夥) and Jingning Int Chuangyuan Enterprise Management Partnership (LP)\* 景寧瑛泰創源企業管理合夥企業(有限合夥), whose limited partners consisted of employees of the Group, invested in the Company by way of subscribing 5,000,000 shares (the restricted shares) at a price of RMB12.00 per share. As at 31 December 2023, the Company had issued 5,000,000 domestic shares to the participants under the share incentive scheme and received all subscription price from the participants.

According to the Company’s circular dated 16 October 2023 and 30 November 2023, the Company announced the adoption of a new share incentive scheme, pursuant to which, Ningbo Jiaying Enterprise Management Partnership (LP)\* 寧波嘉瑛企業管理合夥企業(有限合夥), whose limited partners consisted of employees of the Group, invested in the Company by way of subscribing 5,000,000 shares (the restricted shares) at a price of RMB12.00 per share. During the six months ended 30 June 2024, the Company issued 5,000,000 domestic shares to the participants under the share incentive scheme and received subscription price from the participants amounting to RMB60 million.

The above two restricted domestic shares have vesting terms in schedule from the grant date over 60 months on the condition that the employees fulfil certain non-market performance conditions.

\* English translation is for identification purpose only.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 10 SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### (b) Restricted domestic shares scheme (Continued)

During the six months ended 30 June 2024, 5,000,000 restricted domestic shares were granted (six months ended 30 June 2023: nil) and no restricted domestic shares were forfeited (six months ended 30 June 2023: 45,300) for participants upon their resignation from the Company. The fair value of the domestic share as at the grant date has been measured with reference to the market price of H share of the Company multiplied by the discount for lack of marketability (“**DLOM**”), 33.23%, as determined by an independent valuation firm.

During the six months ended 30 June 2024, equity-settled share-based payment expenses of RMB2.7 million (six months period ended 30 June 2023: RMB1.1 million) was recognised in the profit or loss in relation to the restricted shares scheme.

#### (c) The H Share Award Scheme

On 16 May 2022, the annual general meeting approved the Company to adopt the H Share Award and Trust Scheme (“**the H Share Award Scheme**”) to eligible employees. A trust deed has been entered into between the Company and Trident Trust Company (HK) Limited (“**the Trust**”).

During the six months ended 30 June 2024, the Trust acquired 800,000 award shares from the market at an average prevailing market price of approximately HKD26.00 (equivalent to approximately RMB23.58) per share at an aggregate consideration of approximately HKD20.9 million (equivalent to approximately RMB18.9 million) as disclosed in note 16(b).

During the six months ended 30 June 2023, the Trust acquired 2,000 award shares from the market at an average prevailing market price of approximately HKD24.35 (equivalent to approximately RMB22.45) per share at an aggregate consideration of approximately HKD0.05 million (equivalent to approximately RMB0.05 million).

Repurchased shares held at the end of reporting period were classified as treasury shares and presented as a deduction in equity. No award shares were granted, vested, cancelled or lapsed under the H Share Award Scheme during the six months ended 30 June 2024 and 2023.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 11 INVENTORIES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Raw materials	73,817	56,331
Work in progress	29,010	26,717
Finished goods	48,869	39,858
Goods in transit	1,990	5,864
	<b>153,686</b>	128,770

During six months ended 30 June 2024, RMB0.7 million (six months ended 30 June 2023: nil) has been recognised as a reduction in the amount of inventories recognised as an expense in profit or loss during the period, being the amount of accrual of a write-down of inventories to the estimated net realisable value.

### 12 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Receivables from third parties	70,862	121,599
Receivables from related parties	4,137	2,625
Less: losses allowance on trade receivables	(642)	(1,305)
Trade and bills receivables, net	74,357	122,919
Deposit for construction project	403	403
Others	4,400	1,892
Less: losses allowance on other receivables	(32)	(21)
Trade and other receivables, net	<b>79,128</b>	125,193

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 12 TRADE AND OTHER RECEIVABLES (Continued)

#### (a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 3 months	67,438	113,866
3 to 6 months	4,928	5,673
6 to 9 months	1,991	3,380
	<b>74,357</b>	122,919

Trade receivables are generally due within 30 to 90 days from the date of billing. All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

### 13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current portion</b>		
Unlisted units in investment funds (note)		
— managed by Ningbo Huaige Health Investment Management Partnership (Limited Partnership)* 寧波懷格健康投資管理合夥企業(有限合夥)	164,237	156,196
— managed by a third party fund manager	13,926	11,827
	<b>178,163</b>	168,023
Unlisted equity investment	7,000	7,000
	<b>185,163</b>	175,023

Note: The non-current financial assets at fair value through profit or loss represent investment in units in investment funds and a private entity incorporated in the PRC. These investments are primarily engaged or further invested in the healthcare sector.

\* English translation is for identification purpose only.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS***(Expressed in Renminbi Yuan unless otherwise indicated)***14 CASH AND CASH EQUIVALENTS, CERTIFICATE OF DEPOSITS AND PLEDGED DEPOSITS****(a) Cash and cash equivalents**

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank	330,605	423,622
Cash on hand	35	46
Cash and cash equivalents	<b>330,640</b>	423,668

Cash at bank includes demand deposits and time deposits placed at banks in the PRC with original maturities of less than three months.

**(b) Certificate of deposits and pledged deposits**

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Current portion</b>		
Certificate of deposits <i>(note i)</i>	32,414	10,728
Pledged bank deposits	2,560	282
	<b>34,974</b>	11,010
<b>Non-current portion</b>		
Certificate of deposits <i>(note ii)</i>	10,106	31,447

Notes:

- (i) This balance represents deposits placed at banks in the PRC with original maturities over three months but within one year.
- (ii) As at 30 June 2024, the non-current portion of deposits placed at banks in the PRC have fixed returns rates ranged from 3.20% to 3.45% and maturity periods of two to three years from the date of issue.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS***(Expressed in Renminbi Yuan unless otherwise indicated)***15 TRADE AND OTHER PAYABLES**

	<b>At 30 June 2024 RMB'000</b>	<b>At 31 December 2023 RMB'000</b>
Trade payables	<b>37,018</b>	32,854
Payroll payables	<b>30,048</b>	40,869
Payables for purchase of property, plant and equipment	<b>50,705</b>	66,418
Amounts due to related parties	<b>220</b>	179
Others	<b>30,456</b>	35,853
<b>Total trade and other payables</b>	<b>148,447</b>	176,173

All of the trade and other payables are expected to be settled within one year.

**(a) Ageing analysis**

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>At 30 June 2024 RMB'000</b>	<b>At 31 December 2023 RMB'000</b>
Within 3 months	<b>33,982</b>	25,912
3 to 6 months	<b>1,283</b>	3,490
6 months to 1 year	<b>78</b>	1,611
Over 1 year	<b>1,675</b>	1,841
	<b>37,018</b>	32,854



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 16 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Share capital

	30 June 2024		31 December 2023	
	No. of shares (‘000)	RMB’000	No. of shares (‘000)	RMB’000
<b>Ordinary shares, issued and fully paid:</b>				
At the beginning of the period/year	171,000	171,000	168,000	168,000
Shares issued during the period/year (note)	5,000	5,000	3,000	3,000
At the end of the period/year	176,000	176,000	171,000	171,000
<b>Representing:</b>				
Domestic shares issued	71,787	71,787	66,787	66,787
H shares issued	104,213	104,213	104,213	104,213
Total ordinary shares issued at the end of the period/year	176,000	176,000	171,000	171,000

Note: As disclosed in note 10(b), the Company issued 5,000,000 shares at a price of RMB12.00 per share to the participants under restricted share scheme during the six months period ended 30 June 2024, of which, RMB5 million was recorded under share capital and the remaining of RMB55 million was charged to capital reserve.

#### (b) Purchase of own shares

During the six months ended 30 June 2024, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Price paid per share HKD	Aggregate price paid HKD’000	Aggregate price paid RMB’000
April 2024	800,000	26.00	20,875	18,919

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS***(Expressed in Renminbi Yuan unless otherwise indicated)***16 CAPITAL, RESERVES AND DIVIDENDS** *(Continued)***(b) Purchase of own shares** *(Continued)*

During the year ended 31 December 2023, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share <i>HKD</i>	Lowest price paid per share <i>HKD</i>	Aggregate price paid <i>HKD'000</i>	Aggregate price paid <i>RMB'000</i>
June 2023	2,000	24.75	24.00	49	45
July 2023	31,400	24.92	23.30	770	709
November 2023	859,400	26.00	26.00	22,344	20,505
					21,259

**(c) Dividends**

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the interim period, RMB0.27 per ordinary share (2023: RMB0.24 per ordinary share)	<b>47,520</b>	40,320

Pursuant to the shareholders' approval of the Company on 24 May 2024, a final cash dividend of RMB0.27 per share in respect of the year ended 31 December 2023 based on 176,000,000 ordinary shares totaling RMB47.5 million was declared and paid during the six months ended 30 June 2024, of which, RMB0.4 million was subsequently received by the Group since the Trust holds 1,693,000 H shares and are treated as treasury shares.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### (i) Financial assets and liabilities measured at fair value

##### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

A valuation report with analysis of changes in fair value measurement is prepared by the finance team at each interim and annual reporting date, and is reviewed and approved by the head of finance department. Discussion of the valuation process and results with the head of finance department and the directors is held twice a year, to coincide with the reporting dates.

	As at 30 June 2024			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<i>Recurring fair value measurement</i>				
<i>Assets:</i>				
— Investment in unlisted funds	—	—	178,163	178,163
— Unlisted investment	—	—	7,000	7,000
<b>Total</b>	<b>—</b>	<b>—</b>	<b>185,163</b>	<b>185,163</b>

	As at 31 December 2023			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<i>Recurring fair value measurement</i>				
<i>Assets:</i>				
— Investment in unlisted funds	—	—	168,023	168,023
— Unlisted investment	—	—	7,000	7,000
<i>Liabilities:</i>				
— Derivative financial instruments	—	—	(491)	(491)
<b>Total</b>	<b>—</b>	<b>—</b>	<b>174,532</b>	<b>174,532</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

#### (i) Financial assets and liabilities measured at fair value (Continued)

##### **Investment in unlisted fund**

The fair value of unlisted units in investment funds have been estimated using market approach. A valuation analysis of changes in fair value of each fund is prepared by the fund managers to the Company at each quarter end. The fund manager used methodology based on relevant comparable data whether possible to quantify the adjustment from cost or latest financing price when adjustment is necessary, or to justify that cost or latest financing price is still a proper approximately of fair value of the underlying investments held by the unlisted funds in determining the net asset value.

##### **Unlisted investment**

The fair value of unlisted investment is determined using the recent comparable market transaction price, if available, or other acceptable valuation techniques. As at 30 June 2024, the management determined the fair value of the unlisted investment with reference to the latest financing price where adjustment is necessary.

##### **Derivative financial liabilities**

The obligations of valuation adjustment right granted to the investors give rise to derivative financial liabilities. As at 30 June 2024, upon the completion of the equity interest transfer agreement of Shanghai Healing Medical Instruments Co., Ltd.\* 上海翰凌醫療器械有限公司 (“**Shanghai Healing**”) as disclosed in note 20, the obligations of valuation adjustment right granted to the investors were terminated and thus the derivative financial liabilities were derecognised accordingly (see note 20).

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: nil). The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

\* English translation is for identification purpose only.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

#### (ii) Fair values of financial assets and liabilities carried at other than fair value

All financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2023 and 30 June 2024.

#### (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted investment	Valuation multiples <i>(Note i)</i>	Changing trend of medium market multiples of comparable companies
Unlisted funds	Net asset value <i>(Note ii)</i>	Net asset value of underlying investments

*Note i:* The fair value of certain unlisted investments is determined using valuation multiples adjusted for changing trend of medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies. As at 30 June 2024, it is estimated that with all other variables held constant, an increase/decrease in change of medium market multiples of comparable companies by 5% would have increased/decreased the Group's profit for the period by RMB0.4 million (31 December 2023: RMB0.4 million);

*Note ii:* The fair value of unlisted units in investment funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at 30 June 2024, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit for the period by RMB7.9 million (31 December 2023: RMB8.8 million or RMB5.5 million).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

#### (iii) Information about Level 3 fair value measurements (Continued)

The movements during the periods in the balance of these Level 3 fair value measurements was as follows:

2024	Investment in unlisted funds RMB'000	Unlisted investment RMB'000	Derivative financial liabilities RMB'000	Total RMB'000
At 1 January 2024	168,023	7,000	(491)	174,532
Investment in unlisted funds	2,500	–	–	2,500
Net unrealised and realised gains recognised in profit or loss	7,640	–	491	8,131
At 30 June 2024	178,163	7,000	–	185,163

2023	Investment in unlisted funds RMB'000	Unlisted investment RMB'000	Derivative financial liabilities RMB'000	Total RMB'000
At 1 January 2023	155,454	7,000	–	162,454
Net unrealised gains recognised in profit or loss	4,520	–	–	4,520
At 30 June 2023 and 1 July 2023	159,974	7,000	–	166,974
Investment in unlisted funds	10,000	–	–	10,000
Net unrealised losses recognised in profit or loss	(1,951)	–	(491)	(2,442)
At 31 December 2023	168,023	7,000	(491)	174,532

### 18 COMMITMENTS

Capital commitments outstanding at 30 June 2024 and 31 December 2023 and not provided for in the financial statements were as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Contracted for	73,588	72,076
Authorised but not contracted for	49,700	80,701
Total	123,288	152,777



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

### 19 MATERIAL RELATED PARTY TRANSACTIONS

- (a) During the six months ended 30 June 2024, the Group had below transactions with Shanghai Kindly Enterprise Development Group Co., Ltd. and its subsidiaries/associates excluding the Group (together referred to as “**KDL Group**”): (i) sales of goods to KDL Group amounting to approximately RMB10 million (six months ended 30 June 2023: approximately RMB2.5 million) and, (ii) purchase of raw materials from KDL Group amounting to approximately RMB0.7 million (six months ended 30 June 2023: approximately RMB0.1 million).
- (b) During the six months ended 30 June 2024, the Group purchased 3.80% equity interest in Shanghai Healing from Shanghai Huaige Int Venture Investment Partnership (LP)\* 上海懷格瑛泰創業投資合夥企業 (有限合夥) (the “**Int Fund**”) at a cash consideration of RMB46 million. Detailed information is disclosed in note 20.

### 20 ACQUISITION OF INTERESTS IN SUBSIDIARIES

During the six months ended 30 June 2024, the Company entered into below equity interest transfer agreements with the non-controlling shareholders to acquire additional equity interest in its subsidiaries.

- (a) On 18 January 2024, the Company, the individual shareholders, Shanghai Qimu Medical Instruments Co., Ltd.\* 上海七木醫療器械有限公司 (“**Shanghai Qimu**”) and Shanghai Puhui Medical Instruments Co., Ltd.\* 上海璞慧醫療器械有限公司 (“**Shanghai Puhui**”) entered into equity interest transfer agreements. Pursuant to these agreements, the Company agreed to purchase a total of approximately 36.67% equity interest in Shanghai Qimu and 4.70% equity interest in Shanghai Puhui at a total consideration of RMB15.1 million and RMB3.8 million, respectively.
- (b) On 23 February 2024, the Company, Int Fund and Mr. Ke Wei (柯偉) and Shanghai Healing entered into an equity interest transfer agreement. Pursuant to this agreement, the Company agreed to purchase a total of approximately 5.00% equity interest in Shanghai Healing from the Int Fund and Mr. Ke Wei at a total consideration of RMB60.1 million. As disclosed in the Company’s annual financial statements for the year ended 31 December 2023, Int Fund and Mr. Ke Wei (柯偉) have been granted certain preferred rights (include anti-dilution right, liquidation preferences and valuation adjustment rights) in accordance with the shareholder agreement. Upon the completion of this transaction, both Int Fund and Mr. Ke Wei will cease to be shareholders of Shanghai Healing and all preferred rights granted to them are terminated automatically.

The consideration of above transactions was determined with reference to the comparable market transactions during the period. These transactions were completed during the six months ended 30 June 2024. As at 30 June 2024, the Company’s equity interests in Shanghai Qimu, Shanghai Puhui, Shanghai Healing were 90.00%, 58.96%, 61.36%, respectively (31 December 2023: 53.33%, 54.26%, 56.36%, respectively).

\* English translation is for identification purpose only.

## DEFINITIONS

“2023 Share Incentive Scheme”	the 2023 employee share incentive scheme of the Company approved by the Shareholders on 19 December 2023
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company”	Shanghai INT Medical Instruments Co., Ltd.* (上海瑛泰醫療器械股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock code: 1501)
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Group” or “we” or “our”	the Company and its subsidiaries
“H Share Award and Trust Scheme” or “H Share Scheme”	the H Share Award and Trust Scheme approved by the Shareholders on 16 May 2022
“H Share Scheme Rules”	the rules governing the operation of the H Share Scheme as well as the implementation procedure
“H Shares”	share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“NMPA”	the National Medical Products Administration of China

## DEFINITIONS

“PRC” or “China”	the People’s Republic of China, for the purpose of this interim report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 28 October 2019 in relation to global offering of H Shares of the Company
“Reporting Period”	the six-month period ended 30 June 2024
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	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)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	the shareholders of the Company
“Share Incentive Platforms”	Jingning Int Chuangyuan Partnership (Limited Partnership)* (景寧瑛泰創源合夥企業(有限合夥)) and Jingning Int Chuangqi Partnership (Limited Partnership)* (景寧瑛泰創啟合夥企業(有限合夥)), or such names as approved by the relevant PRC registration authority, limited partnerships to be established in the PRC whose general partner is Dr. Liang Dongke
“Share Incentive Scheme”	the share incentive scheme approved by the Shareholders on 17 December 2020 and the amendments to the Share Incentive Scheme approved by the Shareholders on 17 May 2021 and 18 May 2023, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Substantial Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company