

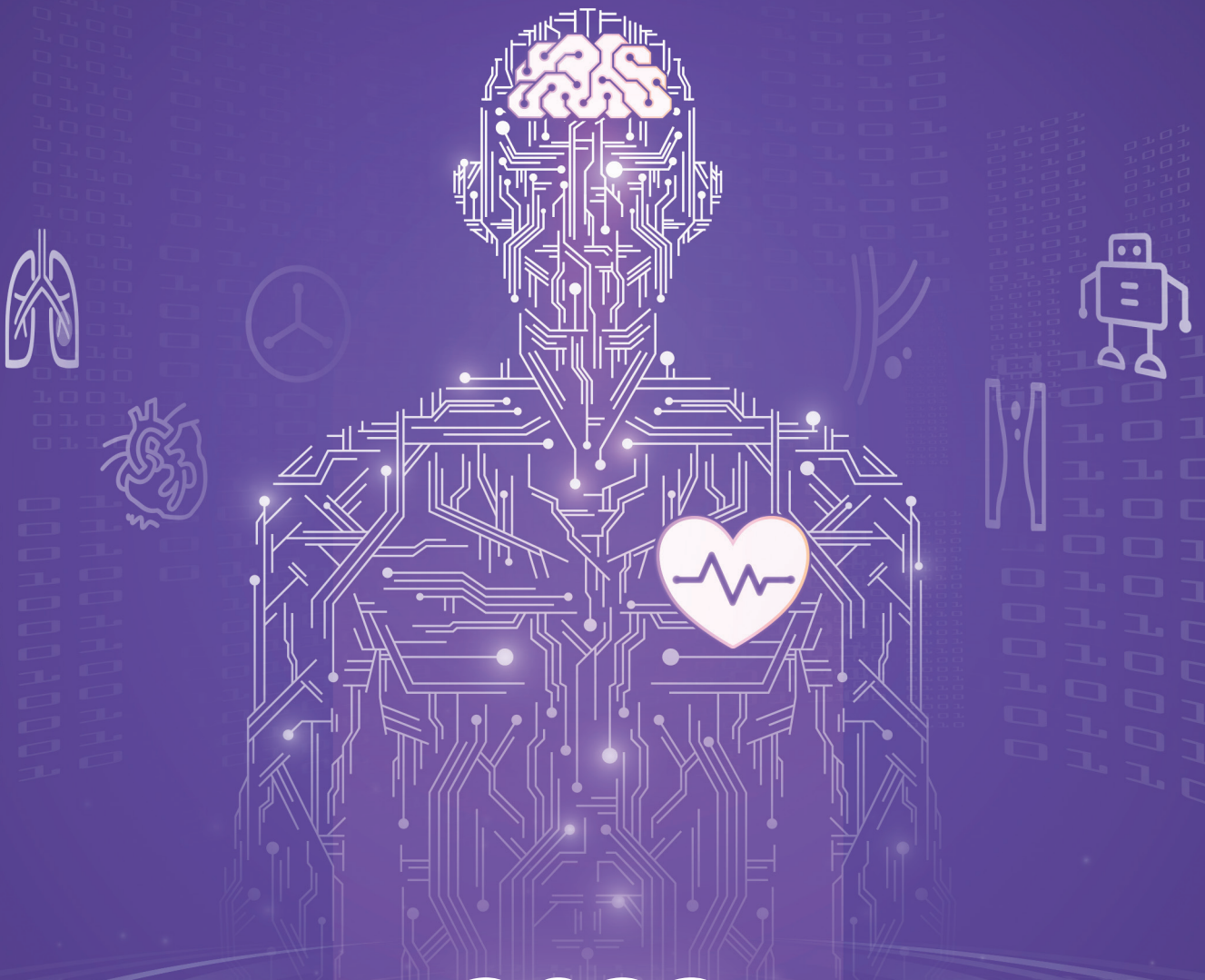


# 上海心瑋醫療科技股份有限公司

## Shanghai HeartCare Medical Technology Corporation Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號：6609



# 2022

## INTERIM REPORT

### 中期報告

# CONTENTS

Corporate Information	2
Financial Highlights	4
Management Discussion and Analysis	5
Corporate Governance and Other Information	15
Independent Review Report	23
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	24
Interim Condensed Consolidated Statement of Financial Position	25
Interim Condensed Consolidated Statement of Changes in Equity	27
Interim Condensed Consolidated Statement of Cash Flows	28
Notes to Interim Condensed Consolidated Financial Information	30
Definitions	42



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. WANG Guohui (*Chairman, Chief executive officer*)

Ms. ZHANG Kun (*Deputy general manager*)

Mr. WEI Jiawei (*Deputy general manager,  
appointed on June 10, 2022*)

### Non-executive Directors

Mr. DING Kui

Mr. CHEN Gang (*resigned on August 31, 2022*)

Mr. OUYANG Xiangyu (*resigned on July 15, 2022*)

### Independent Non-executive Directors

Mr. GUO Shaomu

Mr. FENG Xiangqian

Mr. GONG Ping

## AUDIT COMMITTEE

Mr. GONG Ping (*Chairman*)

Mr. FENG Xiangqian

Mr. DING Kui

## REMUNERATION COMMITTEE

Mr. GUO Shaomu (*Chairman*)

Mr. GONG Ping

Mr. WANG Guohui

## NOMINATION COMMITTEE

Mr. WANG Guohui (*Chairman*)

Mr. GUO Shaomu

Mr. FENG Xiangqian

## SUPERVISORS

Mr. ZHOU Baolei

Mr. MEI Jianghua

Mr. XING Tingyu

## JOINT COMPANY SECRETARIES

Mr. ZHANG Han

Mr. AU-YEUNG Wai Ki, Joseph  
(*resigned on March 24, 2022*)

Ms. KWOK Siu Ying Sarah  
(*appointed on March 24, 2022*)

## AUTHORIZED REPRESENTATIVES

Mr. WANG Guohui

Mr. ZHANG Han

*Alternate to authorized representatives*

Mr. AU-YEUNG Wai Ki, Joseph  
(*resigned on March 24, 2022*)

Ms. KWOK Siu Ying Sarah  
(*appointed on March 24, 2022*)

## HEADQUARTERS AND REGISTERED OFFICE

Floor 1 and 3, Building 38

No. 356, Zhengbo Road

Lin-gang New District

Pilot Free Trade Zone

Shanghai

PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong, the PRC

# Corporate Information (Continued)

## LEGAL ADVISERS

*As to Hong Kong and United States laws:*

O'Melveny & Myers  
31/F, AIA Central  
1 Connaught Road  
Central  
Hong Kong, the PRC

*As to PRC law:*

ALLBRIGHT LAW OFFICES  
9, 11, 12/F, Shanghai Tower  
No. 501, Yincheng Middle Road,  
Pudong New Area, Shanghai  
PRC

## H SHARE REGISTRAR

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

## PRINCIPAL BANK

China Merchants Bank Co., Ltd.  
Shanghai Zhangjiang Sub-Branch 1/F  
88 Keyuan Road, Shanghai  
PRC

## STOCK CODE

6609

## COMPANY'S WEBSITE

[www.heartcare.com.cn](http://www.heartcare.com.cn)

## LISTING DATE

August 20, 2021

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong, the PRC

## COMPLIANCE ADVISER

Somerley Capital Limited  
20/F China Building  
29 Queen's Road Central  
Central  
Hong Kong, the PRC

# Financial Highlights

	Six months ended June 30, 2022 RMB'000 (Unaudited)	Six months ended June 30, 2021 RMB'000 (Unaudited)	Period-to-period change
Revenue	<b>76,713</b>	30,125	154.6%
Gross profit	<b>50,865</b>	19,052	167.0%
Gross profit margin	<b>66.3%</b>	63.2%	3.1 percentage points
Research and development costs	<b>(60,908)</b>	(32,392)	88.0%
Loss before tax	<b>(66,985)</b>	(93,671)	-28.5%

# Management Discussion and Analysis

## BUSINESS REVIEW

### Overview

We are an innovative medical device company committed to improving the accessibility of innovative medical technologies and protecting lives and health. We have established a pioneering leadership position in China's neuro-interventional market and successfully provided the first domestic one-stop solution for stroke treatment and prevention. Leveraging our advantage in research and development ("R&D"), manufacturing and commercialization, we strive to fulfill the unmet needs of clinicians and patients in China while operating a variety of emerging business units extending from Neuro-intervention, Cardiac intervention, Pulmonary intervention to Computer-assisted technology, and more. In the above therapeutic fields and medical markets with tremendous opportunities, we aim to redefine the standard of care, reduce mortality rate, and improve prognosis by continuously launching innovative medical devices.

In the first half of 2022, we continuously enhanced our brand competitiveness in China's neuro-interventional market with our extensive sales network and stable and efficient supply chain. The Company recorded revenue of RMB76.7 million, representing a year-on-year increase of 154.6%, given that the commercialization of certain new products approved since the end of 2021 was delayed due to the epidemic control policies in Shanghai.

In the first half of 2022, the Company obtained NMPA approvals for another six new products. As of June 30, 2022, a total of 15 neuro-interventional device products of the Company has been approved, covering various types of neuro-interventional procedures for stroke treatment and prevention. In the first half of 2022, the Company incurred research and development expenses of RMB60.9 million, representing a year-on-year increase of 88.0%. In the pipeline of product candidates, intracranial neuro drug-eluting balloon and vascular reconstruction stent (also known as "coil embolization assistant stent") are eligible for NMPA priority reviews (also known as "green channels"). The products mentioned above, together with the flow diverter device in clinical trial stage, are expected to further enhance the competitiveness of the Company's neuro-interventional device portfolio after launch.

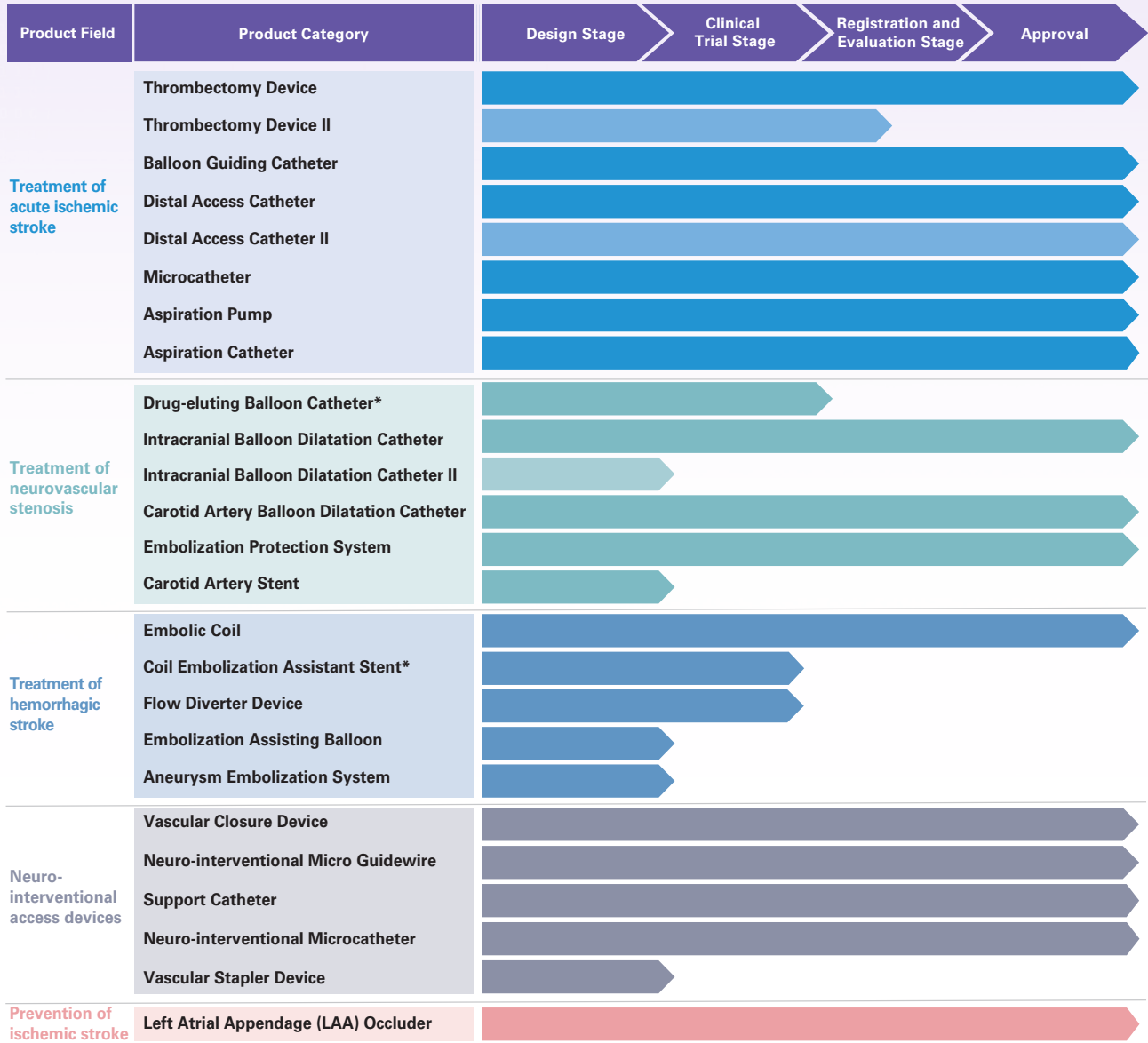
In terms of commercialization, we have a sales network of more than 100 distributors in China's neuro-interventional market, covering all provinces nationwide other than Hong Kong, Macao and Taiwan, laying a solid foundation for the market-access and sales growth of the new products after the launch. The Company elaborately built certain academic communication platforms including "Weilai Shuyuan (韋來書院)" and "Jingbang Lundao (經邦論道)", which contribute to our brand image and influence in the market through diversified channels and digital media. In the second half of 2022, newly approved products will continue to be put into the market, which will help the Company to further expand the coverage of terminal hospitals and meet the huge domestic demand for primary care.

### Products and Pipeline

As of the date of this report, we have a complete neuro-interventional portfolio including 15 NMPA approved products and broad product pipelines in the late-stage of R&D covering acute ischemic stroke and neurovascular stenosis treatment, ischemic stroke prevention, hemorrhagic stroke treatment, and interventional access. Meanwhile, we are launching pioneering projects of innovative product candidates in Cardiac intervention and other emerging therapeutic fields with high potential growth market.

# Management Discussion and Analysis (Continued)

The following diagram summarizes the development status of our neuro-interventional pipeline as of the date of this report:



\* Eligible for NMPA Green Channel

# Management Discussion and Analysis (Continued)

## Our Key Neuro-interventional Products and Product Candidates

### *Ischemic Stroke Thrombectomy Devices*

**Core Product – Captor™ Thrombectomy Device (“Captor”)** is the first domestic thrombectomy stent retriever with multi-markers approved by NMPA. Sales in China started in December 2020. As of the date of this report, we have upgraded Captor by adding more product models with stents of varying lengths and diameters. Depending on the occluded blood vessel diameter and thrombus size, physicians may choose the stent retriever with the proper length and size, out of a selection of nine product models. We are evaluating the opportunities for upgrading Captor for indication expansion. Further, we are evaluating the opportunities to market Captor overseas and may apply for its registration in the United States and Europe subject to the results of our evaluation.

### **We May Not Be Able to Ultimately Develop New Indication and Specifications and Expand Overseas Market For Our Captor Successfully.**

Except for Captor, our **Distal Access Catheter, Microcatheter, Balloon Guiding Catheter, Intracranial Thrombosis Aspiration Catheter and Aspiration Pump** for the treatment of ischemic stroke have obtained NMPA approval, and we had a product portfolio covering stents and aspiration thrombectomy procedure.

### *Intracranial Stenosis Treatment Devices*

**Intracranial Drug-eluting Balloon Catheter (Intracranial DEB)** is designed to deliver an anti-proliferative drug to the lesion to prevent fibrosis and vessel occlusion. We initiated a registration clinical trial for intracranial DEB in May 2020. As of the date of this report, our intracranial DEB has completed the clinical trial, and we are preparing to submit the application for NMPA registration. This product has obtained green channels for NMPA review.

### *Hemorrhagic Stroke Treatment Devices*

**Embolic Coil** can be released at the location of the aneurysm, filling the aneurysm to isolate the aneurysm from normal blood circulation and prevent the aneurysm from further expanding and breaking. We have obtained the NMPA approval for our embolic coil.

**Coil Embolization Assistant Stent** is used in aneurysm coiling procedures for patients with aneurysm. It is designed for bridging the neck of aneurysm to support the coils placed in the aneurysm. As of the date of this report, the registration clinical trials of our coil embolization assistant stent are being conducted. It has obtained green channels for NMPA review.

**Flow Diverter Device** is a neurovascular stent placed in the blood vessel of an aneurysm, which can divert blood flow away from the aneurysm. Over time, blood flow into the aneurysm may slow down and the aneurysm may shrink, thus healing the blood vessel. As at the date of this report, the registration clinical trials of our flow diverter devices are being conducted.





# Management Discussion and Analysis (Continued)

## *Vascular Access Devices*

We are also developing various vascular access devices for use in interventional procedures. As of the date of this report, we have obtained NMPA approvals for Vascular Closure Device, Support Catheter, Neuro-Interventional Microcatheter and Micro Guidewire.

## *Ischemic Stroke Prevention Devices*

**Core Product – LAA Occluder** is a stroke prevention device designed to be permanently implanted at the opening of the LAA of patients with non-valvular atrial fibrillation (AF) to prevent thrombus escaping from the LAA, thus causing embolization. LAA occlusion is a one-time surgical therapy with proven efficacy, in particular for the patient who is not suitable for long-term oral anticoagulation therapy and has a higher risk for bleeding complications. We have obtained the NMPA approval and expected to commence sales in the second half of 2022.

In addition, we had several other product candidates in the design stage, which further supplements our full-set product portfolio for the treatment and prevention of stroke. For details of our products and product candidates, please refer to the Prospectus.

## **Research and Development**

The Company's product research and development aims to build a high-quality product portfolio with market competitiveness. Capitalizing on existing research and development platforms, certain products we developed are qualified for NMPA priority review.

Meanwhile, we formed a multi-level product matrix through continuously iterating products approved for marketing, so as to meet the diverse clinical needs.

As of the date of this report, we had 67 registered patents in China, including 20 invention patents, 43 utility models and 4 industrial design patents. As of the date of this report, we also had 180 pending patents applications in China, including 142 invention patents, 33 utility models and 5 design patents.

## **Manufacturing**

In terms of manufacturing, we continuously improve our product quality and competitive advantage based on a stable and efficient supply chain.

As of the date of this report, we have three production facilities in Shanghai Lingang New Area, Shanghai Zhangjiang and Nanjing Jiangbei New Area, which can ensure a sufficient supply of products.

## **Commercialization**

As of the date of this report, we have a sales network of more than 100 distributors in China's neuro-interventional market, covering all provinces nationwide other than Hong Kong, Macao and Taiwan.

Meanwhile, academic communication platforms elaborately built by us including "Weilai Shuyuan (韋來書院)" and "Jingbang Lundao (經邦論道)" contribute to our brand image and influence in the market through diversified channels and digital media, laying the foundation for long-term and stable revenue growth.

# Management Discussion and Analysis (Continued)

## Intellectual Property Infringement Claims

In April 2021, we were notified by the Intermediate Court of Ningbo City, Zhejiang Province (the “Court”) in relation to certain intellectual property infringement claims brought against us by Medtronic, Inc., a medical technology company incorporated in the United States. For details, please refer to the Prospectus.

The Court was informed that the two patents on which the intellectual property infringement claims were based were held to be invalid by China National Intellectual Property Administration. Accordingly, the Court ruled to dismiss relevant intellectual property infringement claims on May 31, 2022. Please refer to the Company’s announcement on May 31, 2022 for further details.

## Impact of the COVID-19 Outbreak

The management of the Company currently expected that clinical trials in Mainland China will not be significantly affected by the outbreak of COVID-19. The Directors believe that, based on the information available as of the date of this report, the outbreak of COVID-19 would not result in a material disruption to the Group’s business operations or a material impact on the financial position or financial performance of the Group.

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

## Future and Outlook

We aim to become the leader in the neuro-interventional medical device market in China, and to develop into a competitive domestic device company in several innovative medical device markets within China.

We plan to implement the following strategies to achieve this goal:

- Improve our brand recognition as a comprehensive neuro-interventional device solution provider in the market, expand sales of our commercialized neuro-interventional devices and rapidly advance our product candidates into commercialization;
- Further enhance our manufacturing capabilities for highly reliable supply of products;
- Develop a full suite of innovative medical devices and solutions in the cardiac interventional device market to form a second business unit with a competitive commercialized product portfolio in addition to our neuro-interventional business; and
- Promote the development of innovative medical devices in emerging therapeutic fields with high potential growth market.



# Management Discussion and Analysis (Continued)

## FINANCIAL REVIEW

For six months ended June 30, 2021 and 2022, we narrowed net losses to RMB66.8 million from RMB93.7 million. It is highly possible to incur net losses in the near future as we continue to invest in R&D of, seek regulatory approval for, and commercialize our pipeline.

### Revenue

For six months ended June 30, 2022, all our revenue was generated from the sales of our commercialized neuro-interventional devices.

Revenue increased by 154.6% from RMB30.1 million for six months ended June 30, 2021 to RMB76.7 million for six months ended June 30, 2022. The increase in revenue was mostly attributable to the sales growth of our ischemic stroke thrombectomy devices and intracranial stenosis treatment devices commercialized in 2021.

### Cost of Sales

Cost of sales increased from RMB11.1 million for six months ended June 30, 2021 to RMB25.8 million for six months ended June 30, 2022, which was in line with the increase in our revenue.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from RMB19.1 million for six months ended June 30, 2021 to RMB50.9 million for six months ended June 30, 2022. Gross profit margin is calculated as gross profit divided by revenue. Our gross profit margin increased from 63.2% for the six months ended June 30, 2021 to 66.3% for the six months ended June 30, 2022, primarily attributed to increased production volume, and the increasingly mature manufacturing techniques.

### Other Income and Gains

Other income and gains increased from RMB7.0 million for six months ended June 30, 2021, to RMB21.6 million for six months ended June 30, 2022, primarily attributable to (i) the increase in our government grants; and (ii) increase in bank interest income as a result of the increase in cash and bank balances in relation to our proceeds from the Global Offering.

### Research and Development Costs

Research and development costs increased from RMB32.4 million for the six months ended June 30, 2021, to RMB60.9 million for the six months ended June 30, 2022, primarily due to the increase in research and development costs incurred for the advancement of our pipeline candidates.

# Management Discussion and Analysis (Continued)

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

	Six months ended June 30, 2022 (Unaudited)		Six months ended June 30, 2021 (Unaudited)	
	RMB million	%	RMB million	%
Staff costs	24.0	39.4	13.3	41.1
Depreciation and amortization	4.5	7.4	1.4	4.3
Third party contracting costs	19.4	31.9	11.5	35.5
Raw materials and consumables	9.1	14.9	4.8	14.8
Others	3.9	6.4	1.4	4.3
<b>Total</b>	<b>60.9</b>	<b>100.0</b>	<b>32.4</b>	<b>100.0</b>

## Administrative Expenses

Administrative expenses decreased from RMB48.6 million for six months ended June 30, 2021 to RMB38.3 million for six months ended June 30, 2022, primarily attributed to a decrease in the one-off equity-settled share award expenses which was partially offset by an increase in professional service fees.

## Selling and Distribution Expenses

Selling and distribution expenses increased from RMB18.4 million for six months ended June 30, 2021 to RMB36.0 million for six months ended June 30, 2022, primarily attributed to increasing staff costs as the sales forces expand.

## Other Expenses

For six months ended June 30, 2022, we incurred other expenses of RMB0.5 million (six months ended June 30, 2021: RMB1.7 million), which was primarily in relation to donations to charity.

## Finance Costs

Finance costs decreased from RMB1.2 million for six months ended June 30, 2021, to RMB1.0 million for six months ended June 30, 2022, primarily due to the decrease in the interest on restricted share repurchase obligations.

## Listing Expenses

For six months ended June 30, 2022, we did not incur listing expenses, as compared to RMB17.4 million for six months ended June 30, 2021.

## Gearing Ratio

Gearing ratio is calculated by dividing total debt by total equity multiplying by 100.0%. As of June 30, 2022, our gearing ratio increased to 3.3% from 3.1% as of December 31, 2021.

# Management Discussion and Analysis (Continued)

## Liquidity and Financial Resources

Since our inception, we mainly relied on capital contributions by our shareholders and equity financing as the major sources of liquidity. We also generated cash from our sales revenue of existing commercialized medical device products. As part of our treasury policy, our management monitors and maintains a level of cash and bank balances deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from our operating activities, through increasing sales revenue of the existing commercialized products and by launching new products.

Our cash and bank balances as of June 30, 2022 were RMB997.0 million, representing a decrease of RMB220.7 million compared to RMB1,217.7 million as of December 31, 2021.

Our net current assets as of June 30, 2022 were RMB1,158.5 million, as compared to RMB1,276.9 million as of December 31, 2021.

## Capital Expenditure

For six months ended June 30, 2022, our total capital expenditure amounted to approximately RMB23.8 million (six months ended June 30, 2021: approximately RMB23.5 million), which was used in the purchase of equipment, machinery and software.

## Contingent Liabilities

As of June 30, 2022, the Group did not have any material contingent liabilities.

## Significant Investments, Material Acquisitions and Disposals

On February 8, 2022, Weiqi Medical, Ms. Zhang Yanxia and Ms. Li Jun (together, the “Vendors”), IasoCardiac Medical, Mr. Li Feng and Pingxiang Rong Jiabao Business Consulting Partnership (Limited Partnership), entered into an agreement pursuant to which (i) the Vendors agreed to sell, and Weiqi Medical agreed to acquire, 36% of the equity interest in IasoCardiac Medical at a consideration of RMB4,800,000 (equivalent to approximately HK\$5,884,011) (the “Acquisition”), and (ii) Weiqi Medical agreed to make a capital injection of RMB30,000,000 (equivalent to approximately HK\$36,775,071) into IasoCardiac Medical in exchange for RMB542,636 of registered capital of IasoCardiac Medical (the “Capital Injection”).

As of June 30, 2022, the Acquisition and the Capital Injection had been completed, and Weiqi Medical held 44.96% of the shares of IasoCardiac Medical. The Acquisition and the Capital Injection were satisfied by the internal resources of the Group other than the proceeds raised from the Company’s Global Offering.

Saved as disclosed above, the Group did not have material acquisitions or disposals of subsidiaries, associates and joint ventures, or had any significant investment accounting for more than 5% of the Group’s total assets for the six months ended June 30, 2022.

## Pledge of Assets

As of June 30, 2022, the Group had no pledge of assets.

# Management Discussion and Analysis (Continued)

## Bank Loans and Other Borrowings

The Group did not have any bank loans or other borrowings as at June 30, 2022.

## Foreign Exchange Exposure

We are exposed to foreign currency risk mainly arising from cash at bank denominated in USD and HKD. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

## Future Plans for Material Investments or Capital Assets

Saved as disclosed in this interim report, the Prospectus and other announcements of the Company, we had not authorized any plan for the material investments or acquisition of capital asset as of the date of this report.

## HUMAN RESOURCES

As of June 30, 2022, we had 472 full-time employees in total, who were all based in China. The remuneration policy for the Directors and senior management is based on their responsibility and general market conditions. Any discretionary and performance bonus are linked to the general performance of the Group and the individual performances of the Directors and senior management.

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

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and stock incentive plans to our employees especially key employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations and employee retention.

## Management Discussion and Analysis (Continued)

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were first listed on the Main Board of the Stock Exchange on August 20, 2021. Net proceeds received from our Global Offering aggregated approximately HK\$1,014.8 million. Reference is made to the Company's Prospectus dated August 10, 2021.

Details of the planned applications of net proceeds from the listing, the reason for conducting the Global Offering and other information regarding the Global Offering were disclosed in the Prospectus. As of June 30, 2022, the utilisation of the net proceeds from the Global Offering are as follows:

Use of proceeds	Planned applications (HK\$ million)	Actual utilization as of June 30, 2022 (HK\$ million)	Balance of	Expected timeline for full utilization of the unutilised net proceeds <sup>(2)</sup>
			unutilised amount as of June 30, 2022 <sup>(1)</sup> (HK\$ million)	
R&D, manufacturing and marketing of our Core Products	459.7	121.0	338.7	December 31, 2025
R&D, product registration, manufacturing and marketing of other product candidates in our pipeline	404.9	99.2	305.7	December 31, 2025
Improvements to our R&D capacities and our continued expansion of product portfolio through internal research	48.7	33.2	15.5	December 31, 2022
Working capital and general corporate purposes	101.5	101.5	–	–
<b>Total</b>	<b>1,014.8</b>	<b>354.9</b>	<b>659.9</b>	

#### Notes:

- As at June 30, 2022, the unused net proceeds were deposited with certain licensed banks in Hong Kong or the PRC.
- The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

# Corporate Governance and Other Information

## INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2022 (six months ended June 30, 2021: Nil).

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2022, the interests and short positions of the Directors, the Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Interests of directors, supervisors and chief executive in the Company

Name of Director/ Supervisor/ Chief Executive	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
Wang Guohui <sup>(1)</sup>	Unlisted Shares	Beneficial owner and Interest	3,188,110 / Long Position	8.21%	43.86%
	H Shares	in controlled corporation	8,152,618 / Long Position	20.99%	25.83%
Ding Kui	Unlisted Shares	Beneficial owner	782,908 / Long Position	2.02%	10.77%
	H Shares		782,908 / Long Position	2.02%	2.48%
Zhang Kun <sup>(2)</sup>	Unlisted Shares	Beneficial owner and Interest of	1,566,488 / Long Position	4.03%	21.55%
	H Shares	spouse	1,566,488 / Long Position	4.03%	4.96%
Ouyang Xiangyu <sup>(3)</sup>	Unlisted Shares	Interest in controlled	288,164 / Long Position	0.74%	3.96%
	H Shares	corporation	1,152,660 / Long Position	2.97%	3.65%



## Corporate Governance and Other Information (Continued)

### Notes:

- (1) Mr. Wang Guohui directly holds 1,915,690 Unlisted Shares and 1,915,690 H Shares. Mr. Wang acts as the general partner of Xinwei Investment and Shanghai Zandaqian acts as the general partner of Kaiyuan Investment, Weiyun Shanghai and Weiyu Shanghai. Shanghai Zandaqian is a sole proprietorship wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang Guohui is deemed to be interested in the Shares in which Xinwei Investment, Kaiyuan Investment, Weiyu Shanghai and Weiyun Shanghai are interested in and Shanghai Zandaqian is deemed to be interested in the Shares in which Kaiyuan Investment, Weiyu Shanghai and Weiyun Shanghai are interested in.
- (2) Tongchuangsuwei directly holds 869,330 Unlisted Shares and 869,330 H Shares. Ms. Zhang Kun directly holds 697,158 Unlisted Shares and 697,158 H Shares. Mr. Chai Yanpeng, as the general partner of Tongchuangsuwei, is the spouse of Ms. Zhang Kun. By virtue of the SFO, Mr. Chai Yanpeng is deemed to be interested in the Shares in which Ms. Zhang Kun and Tongchuangsuwei is interested in and Ms. Zhang Kun is deemed to be interested in the Shares in which Mr. Chai Yanpeng is interested in.
- (3) Sherpa Zhuhai directly holds 288,164 Unlisted Shares and 1,152,660 H Shares. Sherpa Zhuhai is a limited partnership established in the PRC with Zhuhai Sherpa Phase I Medical Investment Management Partnership (LP) (珠海夏爾巴一期醫療投資管理合夥企業(有限合夥)) as its general partner. The general partner of Zhuhai Sherpa Phase I Medical Investment Management Partnership (LP) is Zhuhai Sherpa Equity Investment Management Corporation Limited (珠海夏爾巴股權投資管理有限公司), which is controlled by Mr. Ouyang Xiangyu. By virtue of the SFO, Mr. Ouyang Xiangyu is deemed to be interested in the 288,164 Unlisted Shares and 1,152,660 H Shares held by Sherpa Zhuhai. Mr. Ouyang Xiangyu resigned from his position as a non-executive Director of the Company with effect from July 15, 2022.

Save as disclosed above and to the best knowledge of the Directors, the Supervisors and chief executive of the Company, as at June 30, 2022, none of the Directors, Supervisors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY**

As at June 30, 2022, to the best knowledge of the Directors, the following persons (not being a Director or a Supervisor or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

# Corporate Governance and Other Information (Continued)

Name of Shareholders	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
Ms. Zhang Yanxia <sup>(1)</sup>	Unlisted Shares	Interest of spouse	3,188,110/ Long Position	8.21%	43.86%
	H Shares		8,152,618/ Long Position	20.99%	25.83%
Shanghai Zandaqian Enterprise Management Consulting Center <sup>(2)</sup>	Unlisted Shares	Interest in controlled corporation	496,183/ Long Position	1.28%	6.83%
	H Shares		4,777,225/ Long Position	12.30%	15.13%
Ningbo Meishan Bonded Port Area Xinwei Investment Management Partnership (LP) <sup>(2)</sup>	Unlisted Shares	Beneficial owner	776,237/ Long Position	2.00%	10.68%
	H Shares		1,459,703/ Long Position	3.76%	4.62%
Ningbo Meishan Bonded Port Area Kaiyuan Investment Management Partnership (LP) <sup>(2)</sup>	H Shares	Beneficial owner	1,277,192/ Long Position	3.29%	4.05%
	Unlisted Shares		Beneficial owner	496,183/ Long Position	1.28%
Shanghai Weiyu Enterprise Management Consulting Partnership (LP) <sup>(2)</sup>	H Shares	Beneficial owner	700,033/ Long Position	1.80%	2.22%
	H Shares		2,800,000/ Long Position	7.21%	8.87%
Shanghai Weiyun Enterprise Management Consulting Partnership (LP) <sup>(2)</sup>	H Shares	Beneficial owner	2,800,000/ Long Position	7.21%	8.87%
	Unlisted Shares		Interest in controlled corporation	1,566,488/ Long Position	4.03%
Mr. Chai Yanpeng <sup>(3)</sup>	H Shares	Interest in controlled corporation and Interest of spouse	1,566,488/ Long Position	4.03%	4.96%
	Unlisted Shares	Beneficial owner	869,330/ Long Position	2.24%	11.96%
Ningbo Tongchuangsuwei Investment Partnership (LP) <sup>(3)</sup>	H Shares	Beneficial owner	869,330/ Long Position	2.24%	2.75%
	Unlisted Shares		Beneficial owner	869,330/ Long Position	2.24%



## Corporate Governance and Other Information (Continued)

Name of Shareholders	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
SDIC Unity Capital	Unlisted Shares	Beneficial owner	906,220/ Long Position	2.33%	12.47%
National Emerging Industry Venture Capital Guiding Fund (LP) <sup>(4)</sup>	H Shares		906,220/ Long Position	2.33%	2.87%
Temasek Life Sciences Private Limited <sup>(5)</sup>	H Shares	Interest in controlled corporation	1,627,907/ Long Position	4.19%	5.16%
Fullerton Management Pte Ltd. <sup>(5)</sup>	H Shares	Interest in controlled corporation	1,627,907/ Long Position	4.19%	5.16%
Temasek Holdings (Private) Limited <sup>(5)</sup>	H Shares	Interest in controlled corporation	1,767,907/ Long Position	4.55%	5.60%
LYFE Columbia River Limited <sup>(6)</sup>	Unlisted Shares	Beneficial owner	152,599/ Long Position	0.39%	2.10%
	H Shares		2,899,373/ Long Position	7.47%	9.19%
LYFE Ohio River Limited <sup>(6)</sup>	Unlisted Shares	Beneficial owner	49,147/ Long Position	0.13%	0.68%
	H Shares		933,784/ Long Position	2.40%	2.96%
Raritan River Limited <sup>(6)</sup>	Unlisted Shares	Beneficial owner	65,116/ Long Position	0.17%	0.90%
	H Shares		1,237,210/ Long Position	3.19%	3.92%
LYFE Capital Fund III (Dragon), L.P. <sup>(6)</sup>	Unlisted Shares	Beneficial owner and Interest	201,746/ Long Position	0.52%	2.77%
	H Shares	in controlled corporation	4,060,457/ Long Position	10.46%	12.86%
LYFE Capital Management Limited <sup>(6)</sup>	Unlisted Shares	Interest in controlled corporation	266,862/ Long Position	0.69%	3.67%
	H Shares	corporation	5,297,667/ Long Position	13.64%	16.78%

# Corporate Governance and Other Information (Continued)

## Notes:

- (1) Ms. Zhang Yanxia is the spouse of Mr. Wang. By virtue of the SFO, Ms. Zhang Yanxia is deemed to be interested in the Shares in which Mr. Wang is interested in.
- (2) Mr. Wang Guohui directly holds 1,915,690 Unlisted Shares and 1,915,690 H Shares. Mr. Wang Guohui acts as the general partner of Xinwei Investment and Shanghai Zandaqian acts as the general partner of Kaiyuan Investment, Weiyun Shanghai and Weiyu Shanghai. Shanghai Zandaqian is a sole proprietorship wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares in which Xinwei Investment, Kaiyuan Investment, Weiyu Shanghai and Weiyun Shanghai are interested in and Shanghai Zandaqian is deemed to be interested in the Shares in which Kaiyuan Investment, Weiyu Shanghai and Weiyun Shanghai are interested in.
- (3) Tongchuangsuwei directly holds 869,330 Unlisted Shares and 869,330 H Shares. Ms. Zhang Kun directly holds 697,158 Unlisted Shares and 697,158 H Shares. Mr. Chai Yanpeng, as the general partner of Tongchuangsuwei, is the spouse of Ms. Zhang Kun. By virtue of the SFO, Mr. Chai Yanpeng is deemed to be interested in the Shares in which Ms. Zhang Kun and Tongchuangsuwei is interested in and Ms. Zhang Kun is deemed to be interested in the Shares in which Mr. Chai Yanpeng is interested in.
- (4) SDIC Unity Capital directly holds 906,220 Unlisted Shares and 906,220 H Shares. SDIC Unity Capital is a limited partnership incorporated in the PRC, whose general partner is SDIC Unity Capital Corporation Limited (國投創合基金管理有限公司). SDIC Unity Capital Corporation Limited is owned as to 40% by State Development and Hi-tech Investment Corp. (國投高科技投資有限公司), a wholly-owned subsidiary of China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業投資有限公司), which is owned by State Development & Investment Corporation (國家開發投資集團有限公司) as to 72.36%. For further details, please also refer to the Company's 2021 interim report published on September 29, 2021.
- (5) Elbrus directly holds 1,627,907 H Shares. Elbrus is a wholly-owned subsidiary of Temasek Life Sciences Private Limited, which is in turn a wholly-owned subsidiary of Fullerton Management Pte Ltd, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited. By virtue of the SFO, Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are deemed to be interested in the 1,627,907 H Shares held by Elbrus. Aranda Investments Pte. Ltd. holds 140,000 H shares, which is controlled by Seletar Investments Pte Ltd. Seletar Investments Pte Ltd is controlled by Temasek Capital (Private) Limited. By virtue of the SFO, Temasek Capital (Private) Limited is deemed to be interested in the 140,000 H shares held by Aranda Investments Pte. Ltd.
- (6) LYFE Columbia directly holds 152,599 Unlisted Shares and 2,899,373 H Shares. LYFE Ohio directly holds 49,147 Unlisted Shares and 933,784 H Shares. Raritan River directly holds 65,116 Unlisted Shares and 1,237,210 H Shares. LYFE Capital Fund III (Dragon), L.P. directly holds 227,300 H shares. LYFE Columbia and LYFE Ohio are controlled by LYFE Capital Fund III (Dragon), L.P., which was in turn controlled by LYFE Capital Management Limited. Raritan River is controlled by LYFE Capital Management Limited, which is ultimately controlled by Mr. Zhao Jin (趙晉) and Mr. Yu Zhengkun (余征坤), both of which are our Independent Third Parties. By virtue of the SFO, LYFE Capital Fund III (Dragon), L.P., is deemed to be interested in the Shares held by LYFE Columbia and LYFE Ohio while LYFE Capital Management Limited is deemed to be interested in the Shares held by LYFE Columbia, LYFE Ohio and Raritan River.

Save as disclosed above, as of June 30, 2022, the Directors were not aware of any persons (other than the Directors, the Supervisors or chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



## Corporate Governance and Other Information (Continued)

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2022.

### MATERIAL LITIGATION AND ARBITRATION MATTERS

Save as the claim brought against the Company by Medtronic, Inc. as set out in the "Intellectual Property Infringement Claims" section of this interim report, the Company was not involved in any other material litigation or arbitration during the six months ended June 30, 2022. The Directors are also not aware of any other material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2022.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

### CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes in the information of Directors, Supervisors and senior management since the date of the 2021 annual report of the Company are as follows:

Mr. Wei Jiawei was appointed as an executive Director with effect from June 10, 2022. The biographical details of Mr. Wei Jiawei were set out in the Company's announcement dated March 28, 2022.

Mr. Ouyang Xiangyu resigned from his position as a non-executive Director with effect from July 15, 2022.

Mr. Chen Gang resigned from his position as a non-executive Director with effect from August 31, 2022.

Mr. Zhou Baolei and Mr. Mei Jianghua tendered their resignation as supervisors of the Company on August 31, 2022, such resignation shall become effective immediately upon the Shareholders' approval of appointment of new supervisors at the upcoming general meeting of the Company.

On August 31, 2022, the Company proposed to, upon the Shareholders' approval of the relevant appointment at the upcoming general meeting of the Company, appoint Mr. Chen Shaoxiong as a non-executive Director of the Company, as well as Mr. Jiang Xinbei and Ms. Jiang Xue as supervisors of the Company. For further details of the proposed appointment, please refer to the announcement of the Company dated August 31, 2022.

Save as disclosed above, there was no change in the information of Directors, Supervisors and senior management since the date of the 2021 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Corporate Governance and Other Information (Continued)

## CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As at the date of this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

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

Upon specific enquiry, all Directors and Supervisors confirmed that they had complied with the Model Code during the six months ended June 30, 2022. In addition, the Company is not aware of any non-compliance with the Model Code by the senior management of the Group during the six months ended June 30, 2022.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Company has adopted the code provisions as set out in the Corporate Governance Code as its own code to govern its corporate governance practices. Except for code provision C.2.1 set out below, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code during the six months ended June 30, 2022.

Under code provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wang Guohui is the chairman of the Board and chief executive officer of the Company. With extensive experience in the medical devices industry and having served the Company as the general manager since the very early stage of our Company, Mr. Wang is in charge of overall management of the Company. Despite the fact that the roles of our chairman of the Board and our chief executive officer are both performed by Mr. Wang which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that vesting the roles of both chairman of the Board and chief executive officer all in Mr. Wang has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Company. The balance of power and authority is ensured by the operation of our Board, which comprises experienced and diverse individuals. The Board currently comprises two non-executive Directors and three independent non-executive Directors as compared to three executive Directors. Therefore, the Board possesses a strong independent element in its composition. The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.



## Corporate Governance and Other Information (Continued)

### REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Audit Committee has three members comprising two independent non-executive Directors, being Mr. Gong Ping (chairman) and Mr. Feng Xiangqian, and one non-executive Director, being Mr. Ding Kui, with terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results and the interim report of the Group for the six months ended June 30, 2022.

The Audit Committee, together with the management of the Company, considers that the interim financial results for the six months ended June 30, 2022 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The Company's independent auditor, Ernst & Young, has reviewed the interim financial information of the Group for the six months ended June 30, 2022 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.

### SHARE OPTIONS

Neither the Company nor its subsidiaries had any share option scheme during the Reporting Period.

### SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this report.

By Order of the Board  
**Shanghai HeartCare Medical  
Technology Corporation Limited**  
**Mr. WANG Guohui**  
*Chairman and executive Director*

Shanghai, the People's Republic of China, August 31, 2022

# Independent Review Report



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## To the board of directors of Shanghai Heartcare Medical Technology Corporation Limited

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

### Introduction

We have reviewed the interim financial information set out on pages 24 to 41, which comprises the condensed consolidated statement of financial position of Shanghai Heartcare Medical Technology Corporation Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows 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 a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### Ernst & Young

*Certified Public Accountants*

Hong Kong

31 August 2022



# Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>REVENUE</b>	5	<b>76,713</b>	30,125
Cost of sales		<b>(25,848)</b>	(11,073)
Gross profit		<b>50,865</b>	19,052
Other income and gains	5	<b>21,592</b>	6,963
Other expenses	6	<b>(459)</b>	(1,741)
Research and development costs		<b>(60,908)</b>	(32,392)
Administrative expenses		<b>(38,296)</b>	(48,561)
Selling and distribution expenses		<b>(35,978)</b>	(18,396)
Finance costs	7	<b>(1,009)</b>	(1,241)
Listing expenses		<b>–</b>	(17,355)
Share of losses of an associate		<b>(2,792)</b>	–
<b>LOSS BEFORE TAX</b>	8	<b>(66,985)</b>	(93,671)
Income tax benefit	9	<b>170</b>	–
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(66,815)</b>	(93,671)
Attributable to:			
Owners of the parent		<b>(66,815)</b>	(91,702)
Non-controlling interests		<b>–</b>	(1,969)
		<b>(66,815)</b>	(93,671)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)	11	<b>(1.75)</b>	(3.02)

# Interim Condensed Consolidated Statement of Financial Position

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	12	74,155	77,066
Goodwill		9,711	9,711
Other intangible assets		41,957	42,429
Right-of-use assets		32,994	35,079
Prepayments, other receivables and other assets, non-current		20,505	8,039
Investment in an associate		32,008	–
<b>Total non-current assets</b>		<b>211,330</b>	172,324
<b>CURRENT ASSETS</b>			
Inventories		66,553	32,128
Trade receivables	13	23,385	18,931
Prepayments, other receivables and other assets, current		122,578	56,984
Financial assets at fair value through profit or loss (“FVTPL”)		400	–
Restricted cash		374	6,564
Cash and bank balances		996,952	1,217,717
<b>Total current assets</b>		<b>1,210,242</b>	1,332,324
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	38,594	48,175
Lease liabilities, current		5,058	2,489
Government grants, current		1,467	1,467
Contract liabilities		6,614	3,257
<b>Total current liabilities</b>		<b>51,733</b>	55,388
<b>NET CURRENT ASSETS</b>		<b>1,158,509</b>	1,276,936
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,369,839</b>	1,449,260

# Interim Condensed Consolidated Statement of Financial Position (Continued)

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities, non-current		38,054	39,451
Government grants, non-current		26,300	27,033
Deferred tax liabilities		10,055	10,225
<b>Total non-current liabilities</b>		<b>74,409</b>	76,709
<b>Net assets</b>		<b>1,295,430</b>	1,372,551
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	15	38,834	38,834
Treasury shares	15	(39,891)	(21,185)
Reserves		1,296,487	1,354,902
<b>Total equity</b>		<b>1,295,430</b>	1,372,551

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>At 1 January 2022 (audited)</b>	38,834	1,546,492	(21,185)	155,194	(346,784)	1,372,551
Loss and total comprehensive loss for the period	-	-	-	-	(66,815)	(66,815)
Equity-settled share award expense	-	-	-	8,400	-	8,400
Shares purchased under 2021 H Share Incentive Scheme	-	-	(18,706)	-	-	(18,706)
<b>At 30 June 2022 (unaudited)</b>	38,834	1,546,492	(39,891)	163,594	(413,599)	1,295,430

## Attributable to owners of the parent

	Share capital RMB'000	Share premium RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Non- controlling interests RMB'000	Total RMB'000
<b>At 1 January 2021 (audited)</b>	32,233	675,124	126,570	(152,559)	9,667	691,035
Loss and total comprehensive loss for the period	-	-	-	(91,702)	(1,969)	(93,671)
Changes in ownership interests in subsidiaries without change of control	-	-	3,843	-	(3,843)	-
Equity-settled share award expense	-	-	39,233	-	-	39,233
<b>At 30 June 2021 (unaudited)</b>	32,233	675,124	169,646	(244,261)	3,855	636,597

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(66,985)	(93,671)
Adjustments for:			
Finance costs	7	1,009	1,241
Share of losses of an associate		2,792	–
Impairment of trade receivables	6	110	509
Bank interest income	5	(7,022)	(2,328)
Fair value gains on financial assets at FVTPL	5	–	(2,758)
Depreciation of plant and equipment		10,965	2,853
Depreciation of right-of-use assets		2,660	2,129
Amortisation of other intangible assets		880	–
Income from government grants for plant and equipment		(733)	(733)
Equity-settled share award expense		8,400	39,233
Foreign exchange differences, net		–	1,001
		(47,924)	(52,524)
Increase in inventories		(34,425)	(3,021)
Increase in trade receivables		(4,564)	(15,185)
Increase in prepayments and other receivables		(66,090)	(18,328)
Increase in trade and other payables		7,413	16,507
Increase in contract liabilities		3,357	2,009
Net cash flows used in operating activities		(142,233)	(70,542)

# Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Placement of financial assets at FVTPL	(400)	(1,010,000)
Purchase of items of plant and equipment	(22,955)	(23,455)
Purchase of items of other intangible assets	(884)	–
Withdrawal/(Placement) of time deposits	131,006	(159,142)
Interest received	8,299	1,157
Investment income of financial assets at FVTPL	–	2,138
Proceeds from disposal of financial assets at FVTPL	–	760,000
Acquisition of investment in an associate	(34,800)	–
Net cash flows from/(used in) investing activities	80,266	(429,302)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Withdraw of restricted cash for share purchase, net	6,189	–
Shares purchased under 2021 H Share Incentive Scheme	(24,896)	–
Issuance costs paid	–	(2,546)
Acquisition of non-controlling interests	(8,826)	–
Repayment of lease liabilities	(259)	(796)
Net cash flows used in financing activities	(27,792)	(3,342)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(89,759)</b>	<b>(503,186)</b>
Cash and cash equivalents at beginning of period	1,086,711	632,418
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>996,952</b>	<b>129,232</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	996,952	287,373
Time deposits with original maturity of more than three months but less than one year when acquired	–	158,141
Cash and cash equivalents as stated in the interim condensed consolidated statements of cash flows	996,952	129,232

# Notes to Interim Condensed Consolidated Financial Information

30 June 2022

## 1. CORPORATE INFORMATION

Shanghai HeartCare Medical Technology Corporation Limited (the “Company”) was incorporated in the People’s Republic of China (“PRC”) on 16 June 2016 as a limited liability company. On 3 December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at 1st and 3rd Floor, Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, the PRC.

The Company and its subsidiaries (together, the “Group”) were principally engaged in the research, development, manufacturing and sale of innovative medical devices.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”), and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

This interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Accountants’ Report, except for the adoption of the following revised IFRSs for the first time for the current period’s financial information.

Amendment to IFRS 3	Reference to the Conceptual Framework
Amendment to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendment to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The adoption of the revised standard has had no significant financial effect on the Group’s interim condensed consolidated financial information.

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 4. OPERATING SEGMENT INFORMATION

### Segment information

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

### Geographical information

During the reporting period, most of the Group's revenue was derived from customers located in Mainland China and all of the Group's non-current assets were located in Mainland China, and therefore no geographical segment information is presented in accordance with IFRS 8 Operation Segments.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of medical devices	76,713	30,125

### Revenue from contracts with customers

#### Disaggregated revenue information

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Geographical markets</b>		
Mainland China	76,637	30,125
Others	76	–
	76,713	30,125
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	76,713	30,125



# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 5. REVENUE, OTHER INCOME AND GAINS (Continued)

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<u>Other income</u>		
Government grants	10,032	1,877
Bank interest income	7,022	2,328
	17,054	4,205
<u>Other gains</u>		
Fair value gains on financial assets at FVTPL	–	2,758
Foreign exchange gains, net	4,538	–
	21,592	6,963

## 6. OTHER EXPENSES

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Foreign exchange losses, net	–	914
Donation	319	284
Impairment of trade receivables	110	509
Others	30	34
	459	1,741

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 7. FINANCE COSTS

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest on lease liabilities	1,009	797
Interest on restricted share repurchase obligations	–	444
	<b>1,009</b>	1,241

## 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cost of sales		25,848	11,073
Research and development costs		60,908	32,392
Impairment of trade receivables	6	110	509
Depreciation of plant and equipment		10,965	2,853
Depreciation of right-of-use assets		2,660	2,129
Government grants	5	(10,032)	(1,877)
Bank interest income	5	(7,022)	(2,328)
Fair value gains on financial assets at FVTPL	5	–	(2,758)
Listing expenses		–	17,355
Lease payments not included in the measurement of lease liabilities		901	23
Auditors' remuneration		1,000	332
Employee benefit expenses			
– Independent non-executive directors' fee		222	222
– Wages, salaries and allowances		48,817	20,686
– Pension scheme contributions		4,790	1,680
– Staff welfare expenses		1,417	1,064
– Equity-settled share award expenses		8,400	39,233
Foreign exchange gains/losses, net	5,6	(4,538)	914
Donation	6	319	284

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 9. INCOME TAX

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Enterprise Income Tax Law (the "EIT Law") which was approved and became effective on 1 January 2008.

Weiming Medical Devices (Shanghai) Co., Ltd. was accredited as a "Key industry enterprise in the Lingang New Area of China (Shanghai) Pilot Free Trade Zone" in January 2021 and has been entitled to a preferential income tax rate of 15% for a five-year period since 2020.

The Company was accredited as a "High and New Technology Enterprise" in November 2021 and therefore is entitled to a preferential tax rate of 15% for a three-year period since 2021. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authority in the PRC for every three years and the Company should self-evaluate whether it meets the criteria of High and New Technology Enterprise each year.

Pursuant to Caishui [2018] circular No. 76, the Company and its subsidiaries which were accredited as "Technology-based Small and Medium-sized Enterprises", Weiming Medical Devices (Shanghai) Co., Ltd., Nanjing SealMed Medical Technology Co., Ltd., Shanghai Weiqi Medical Devices Co., Ltd., Shanghai Weilang Medical Technology Co., Ltd. and Shanghai Shenji Medical Technology Co., Ltd., can carry forward their unutilised tax losses for up to ten years. This extension of the expiration period applies to all the unutilised tax losses that were carried forward by the entities at the effective date of the tax circular. In addition, pursuant to the relevant EIT Law, the Company and abovementioned subsidiaries enjoyed a super deduction of 200% on qualifying research and development expenditures during the period.

No PRC Enterprise Income tax was provided as there was no estimated assessable profit of the Group's PRC subsidiaries during the periods presented in the interim condensed consolidated financial information.

Deferred tax assets have not been recognised in respect of these losses and temporary differences as they have arisen in the Group that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period (during the six months ended 30 June 2021: Nil).

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue for the six months ended 30 June 2022 and 2021.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2022 and 2021 in respect of a dilution as the impact of the share award scheme had an anti-dilutive effect on the basic loss per share amounts presented.

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

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000)	<b>(66,815)</b>	(91,702)
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	<b>38,140,084</b>	30,376,516
Loss per share (basic and diluted) (RMB per share)	<b>(1.75)</b>	(3.02)

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 12. PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets at a cost of RMB8,055,000 (30 June 2021: RMB11,716,000).

## 13. TRADE RECEIVABLES

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

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Within 6 months	<b>23,385</b>	18,931

## 14. TRADE AND OTHER PAYABLES

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Trade payables	<b>3,225</b>	2,252
Payable for acquisition of non-current assets	<b>3,642</b>	5,620
Payroll payable	<b>12,014</b>	15,250
Other tax payables	<b>2,192</b>	585
Other payables and accruals	<b>17,147</b>	9,078
Payable for share purchase	<b>374</b>	6,564
Payable for acquisition of non-controlling interests	<b>–</b>	8,826
	<b>38,594</b>	48,175

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 14. TRADE AND OTHER PAYABLES (Continued)

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

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Within 3 months	2,966	1,048
3 to 6 months	205	1,123
6 to 12 months	41	74
1 to 2 years	13	7
	<b>3,225</b>	2,252

## 15. SHARE CAPITAL

### Shares

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Issued and fully paid:		
38,834,408 (2021: 38,834,408) ordinary shares of RMB1.00 each	<b>38,834</b>	38,834

### Treasury shares

On 1 November 2021, the shareholders approved the adoption of the 2021 H share incentive scheme (the "2021 H Share Incentive Scheme"). Pursuant to the 2021 H Share Incentive Scheme, 326,950 shares were purchased on the Hong Kong Stock Exchange by the trustee under the scheme for a total consideration of RMB18,706,000 before expenses during the period, of which RMB18,332,000 was settled as at 30 June 2022 and RMB374,000 was settled subsequently.

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 16. COMMITMENTS

The Group had the following capital commitments at the end of each of the reporting period:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Contracted, but not provided for:		
Leasehold improvements	<b>1,952</b>	1,079
Buildings	<b>4,607</b>	–
Plant and machinery	<b>4,744</b>	1,631
Capital contributions payable to an investment	–	4,000
	<b>11,303</b>	6,710

The Group has a lease contract that has not yet commenced as at 30 June 2022. The future lease payments for the non-cancellable lease contract are nil due within one year, RMB10,380,000 due in the second to fifth years, inclusive and RMB14,251,000 due after five years.

## 17. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

On 8 February 2022, Shanghai Weiqi Medical Devices Co., Ltd., a wholly owned subsidiary of the Group, entered into an agreement with a close family member of an executive director and a close family member of a non-executive director to acquire 36% of equity interest of IasoCardiac Medical Technology Co., Ltd. (上海御瓣醫療科技有限公司) at a consideration of RMB4,800,000 and make a capital injection of RMB30,000,000 into IasoCardiac Medical Technology Co., Ltd. in exchange for an additional registered capital of RMB543,000.

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 17. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and allowances	2,868	1,842
Pension scheme contributions	157	124
Independent non-executive directors' fee	222	222
Equity-settled share award expenses	3,708	37,584
	6,955	39,772

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### Fair value

All the carrying amounts of the Group's financial instruments approximate to their fair values. Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in trade and other payables and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.



# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value (Continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instrument:

Assets measured at fair value:

As at 30 June 2022

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant Observable Inputs (Level 2) RMB'000 (Unaudited)	Significant Unobservable Inputs (Level 3) RMB'000 (Unaudited)	
Financial assets at fair value through profit or loss	-	400	-	400

The fair value of financial assets at fair value through profit or loss is determined using recent transaction method.

# Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2022

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

As at 31 December 2021

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant Observable Inputs (Level 2) RMB'000 (Audited)	Significant Unobservable Inputs (Level 3) RMB'000 (Audited)	
Financial assets at fair value through profit or loss	-	-	-	-

The Group did not have any financial liabilities measured at fair value as at the end of each of the periods presented.

For the six months ended 30 June 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

## 19. EVENTS AFTER THE REPORTING PERIOD

### (a) The impact of COVID-19

The management of the Company currently expected that clinical trials in Mainland China will not be significantly affected by the outbreak of COVID-19. The Directors believe that, based on the information available as of the date of this report, the outbreak of COVID-19 would not result in a material disruption to the Group's business operations or a material impact on the financial position or financial performance of the Group.



## Definitions

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

“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CG Code” or “Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“China” or “the PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Company” or “our Company”	Shanghai HeartCare Medical Technology Corporation Limited (上海心璋醫療科技股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 6609)
“Director(s)”	the director(s) of the Company
“Elbrus”	Elbrus Investments Pte. Ltd., a limited liability company incorporated in Singapore on June 16, 2015, indirectly owned as to 100% by Temasek Holdings (Private) Limited, an Independent Third Party of our Company
“Global Offering”	has the meaning as ascribed to it under the Prospectus
“GMP”	good manufacturing practices, the aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
“Group”, “the Group”, “our Group”, “our”, “we” or “us”	the Company and its subsidiaries

## Definitions (Continued)

“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”; “HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IasoCardiac Medical”	IasoCardiac Medical Technology Co., Ltd. (上海御瓣醫療科技有限公司), a company established in the PRC with limited liability
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party” or “Independent Third Parties”	a person or entity who is not a connected person of our Company under the Listing Rules
“Kaiyuan Investment”	Ningbo Meishan Bonded Port Area Kaiyuan Investment Management Partnership (LP) (寧波梅山保稅港區楷遠投資管理合夥企業(有限合夥)), a limited partnership in the PRC established on December 4, 2017 with Shanghai Zandaqian as its general partner, being one of our single largest Shareholders
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“LYFE Columbia”	LYFE Columbia River Limited, a limited liability company incorporated in Hong Kong on May 18, 2020, ultimately controlled by LYFE Capital Management Limited



## Definitions (Continued)

“LYFE Ohio”	LYFE Ohio River Limited, one of our Pre-IPO Investors and a limited liability company incorporated in Cayman Islands on March 6, 2020, ultimately controlled by LYFE Capital Management Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“NMPA”	the National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) or the CFDA
“Prospectus”	the prospectus published by the Company on August 10, 2021 in relation to the Global Offering
“Raritan River”	Raritan River Limited, a limited liability company incorporated in Cayman Islands, ultimately controlled by LYFE Capital Management Limited
“Reporting Period”	the six months period from January 1, 2022 to June 30, 2022
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China
“SDIC Unity Capital”	SDIC Unity Capital National Emerging Industry Venture Capital Guiding Fund (LP) (國投創合國家新興產業創業投資引導基金(有限合夥)), a limited partnership established in the PRC on September 13, 2016, with SDIC Unity Capital Funds Management Corporation Limited (國投創合基金管理有限公司), an Independent Third Party of our Company, as its general partner
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Shanghai Zandaqian”	Shanghai Zandaqian Enterprise Management Consulting Center (上海贊大乾企業管理諮詢中心), a sole proprietorship established on June 18, 2020, wholly owned by Mr. Wang Guohui

## Definitions (Continued)

“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	member(s) of the supervisory committee of the Company
“Tongchuangsuwei”	Ningbo Tongchuangsuwei Investment Partnership (LP) (寧波同創速維投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 6, 2018 with Mr. Chai Yanpeng (柴燕鵬), the spouse of Ms. Zhang Kun, our executive Director and deputy general manager, as its general partner
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands and having its registered office at Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Share(s)”	the ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed and credited as fully paid up in Renminbi
“USD” or “US\$”	United States dollars, the lawful currency of U.S.



## Definitions (Continued)

“Weiqi Medical”	Shanghai Weiqi Medical Devices Co., Ltd. (上海瑋啟醫療器械有限公司), a limited liability company established in the PRC on February 4, 2021, a wholly-owned subsidiary of our Company
“Weiyu Shanghai”	Shanghai Weiyu Enterprise Management Consulting Partnership (LP) (上海瑋鈺企業管理諮詢合夥企業(有限合夥)), a limited partnership in the PRC established as an employee shareholding platform on August 28, 2020, being one of our single largest Shareholders
“Weiyun Shanghai”	Shanghai Weiyun Enterprise Management Consulting Partnership (LP) (上海瑋鑿企業管理諮詢合夥企業(有限合夥)), formerly known as Shanghai Weijun Enterprise Management Consulting Partnership (LP) (上海瑋均企業管理諮詢合夥企業(有限合夥)), a limited partnership in the PRC established as an employee shareholding platform on August 28, 2020, being one of our single largest Shareholders upon Listing
“Xinwei Investment”	Ningbo Meishan Bonded Port Area Xinwei Investment Management Partnership (LP) (寧波梅山保稅港區心瑋投資管理合夥企業(有限合夥)), a limited partnership in the PRC established as an employee shareholding platform on September 6, 2017, being one of our single largest Shareholders upon Listing
“%”	per cent

\* English names of entities incorporated in the PRC are set out for identification purposes only



**上海心瑋醫療科技股份有限公司**  
**Shanghai HeartCare Medical Technology Corporation Limited**