MicroPort®微创®

微創醫療科學有限公司

MicroPort Scientific Corporation

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00853)

2025

INTERIM REPORT

COMPANY PROFILE

MicroPort Scientific Corporation (the "Company" or "MicroPort®") and its subsidiaries (collectively the "Group") is a leading medical device group focusing on innovating, manufacturing and marketing high end medical devices globally. With a diversified product portfolio now being used in over 20,000* hospitals in the world, the Group maintains world-wide operations in a broad range of business segments including cardiovascular devices, orthopedics devices, cardiac rhythm management ("CRM"), endovascular and peripheral vascular devices, neurovascular devices, structural heart disease, surgical robot, etc.

The Group is people-oriented. We firmly believe that all people have the right to equal medical care, health and live longer, and hope to collaborate with all walks of life to actively create a variety of transformative medical treatments. Through practical application of innovative science, we continually develop leading technologies and products and provide trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping all lives to patients. Every five seconds, one of MicroPort®'s products is being used worldwide to save and prolong life or improve life quality.

We have a large and growing intellectual property portfolio and a strong research and development ("R&D") team. We work in close cooperation with internationally recognized physicians and scientists worldwide to develop a range of products that meet the highest quality and clinical standards. As we strive to provide state-of-the-art medical technologies and deliver new-generation medical devices and treatments for chronic ailments, our R&D team applies their expertise to ensure the sustained innovation of our latest products.

MicroPort® is committed to achieving its corporate vision, with a global R&D, manufacturing, marketing and service network in Shanghai, Suzhou, Jiaxing, Shenzhen in China, Irvine, Memphis, Boston in the United States, outskirts of Paris in France, outskirts of Milan in Italy, Aachen in Germany, Oxford in the United Kingdom, Santo Domingo in Dominica, Mumbai in India and San Jose in Costa Rica, as well as a strong focus on technological innovation with over 12,000* patents (including applications).

Our products touch the lives of many people every day and we take this important responsibility very seriously. We are proud that MicroPort® products will always achieve the highest standards of quality and ensure improved health for patients. We know our products offer hope and relief to many people around the world, and every one of our employees takes personal responsibility to achieve our vision. It is our commercial achievements that enable us to contribute back to the society. Our commitment to social responsibility is an important aspect of our culture and philosophy. MicroPort® Group is committed to alleviating or even eliminating the serious threats to life safety posed by various chronic diseases. It plays an increasingly important, even indispensable, role in the process of improving the average life expectancy of human beings, and makes significant contributions to satisfying the endless pursuit of "health and longevity" of human beings.

OUR VISION

Building a Super-Conglomerate of People Centric Enterprises of Emerging Medical Technologies.

OUR MISSION

To Provide Trustworthy and Universal Access to State-of-the-Art Solutions of Prolonging and Reshaping All Lives.

* Note: Include the numbers of equity-accounted investees of the Group.

CONTENTS

CORPORATE INFORMATION

HONORARY CHAIRMAN
Mr. Hiroshi Shirafuji

DIRECTORS
Executive Director
Dr. Zhaohua Chang *(Chairman of the Board and Chief Executive Officer)*

Non-Executive Directors
Mr. Hiroshi Shirafuji
Mr. Norihiro Ashida
Ms. Weiqin Sun

Independent Non-Executive Directors
Mr. Jonathan H. Chou
Dr. Guoen Liu
Mr. Chunyang Shao

COMPANY SECRETARY
Ms. Yuen Wing Yan Winnie, *FCG, HKFCG (PE)*

AUTHORIZED REPRESENTATIVES
Dr. Zhaohua Chang
Ms. Yuen Wing Yan Winnie

AUDIT COMMITTEE
Mr. Jonathan H. Chou *(Chairman)*
Mr. Norihiro Ashida
Mr. Chunyang Shao

REMUNERATION COMMITTEE
Dr. Guoen Liu *(Chairman)*
Dr. Zhaohua Chang
Mr. Jonathan H. Chou

NOMINATION COMMITTEE
Mr. Chunyang Shao *(Chairman)*
Dr. Guoen Liu
Ms. Weiqin Sun

STRATEGIC COMMITTEE
Dr. Zhaohua Chang *(Chairman)*
Mr. Hiroshi Shirafuji
Mr. Jonathan H. Chou
Ms. Weiqin Sun

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

LEGAL CONSULTANT
Sidley Austin

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www.microport.com

SECURITIES CODES
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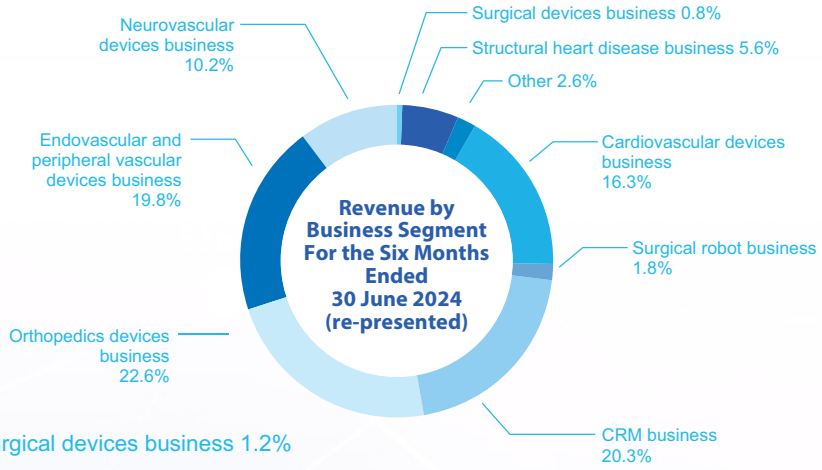
Bonds: 40168.HK

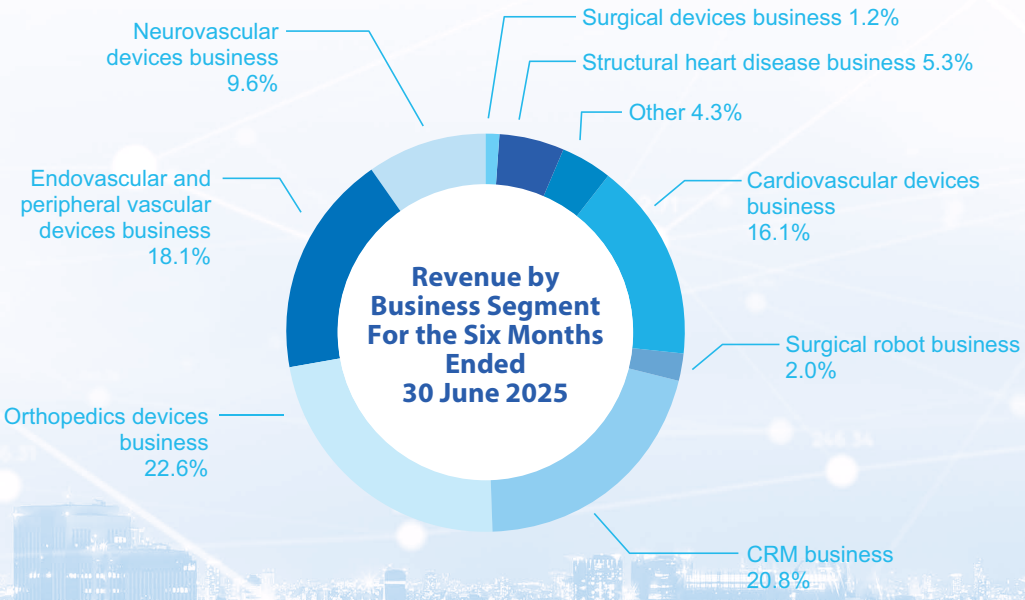
PRINCIPAL BANKERS
Shanghai Pudong Development Bank Corporation Limited
Zhangjiang Technology Sub-Branch
China Construction Bank Corporation Shanghai Pudong Branch
China Minsheng Banking Corporation Limited Tongfu Road Sub-branch
Bank of China (Hong Kong) Limited
Bank of America
BNP Paribas

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025 US$'000	2024 US$'000	Change %
Revenue	547,532	558,702	Decreased by 2.0%
Gross profit	308,576	330,580	Decreased by 6.7%
Profit/(loss) for the period	(36,361)	(106,674)	Loss narrowed by 65.9%
Profit/(loss) attributable to equity shareholders of the Company	(46,602)	(96,830)	Loss narrowed by 51.9%
Earnings/(loss) per share –			
Basic (in cents)	(2.53)	(5.29)	Loss narrowed by 52.2%
Diluted (in cents)	(2.82)	(5.63)	Loss narrowed by 49.9%
Non-HKFRS adjusted profit/(loss) for the period	1,221	(64,074)	Not applicable

REVENUE ANALYSIS





CEO STATEMENT

The first half of 2025 remained challenging for the industry against a backdrop of persistent complexities in the global geopolitical and trade environment, alongside ongoing reforms in healthcare policies. Amid external uncertainties, MicroPort® adhered to its long-term strategy, consistently advancing innovation, lean management, and global expansion.

For the six months ended 30 June 2025 (the "Reporting Period"), the Group recorded revenue of US$547.5 million, representing a decrease of 2.2% year-on-year (excluding the foreign exchange impact). However, through optimized resource allocation, enhanced operational efficiency and other initiatives, our profitability improved significantly. Our net loss narrowed substantially to US$36.4 million, representing a decrease of 65.9% year-on-year. In addition, the Group's EBITDA# continued the momentum of rapid growth during the Reporting Period, increasing to US$127.8 million for the Reporting Period from US$59.1 million for the corresponding period of 2024. These results fully demonstrate the Company's operational resilience and the effectiveness of internal efficiency enhancements.

The going-abroad business is a key strategic practice for the Group. The Group has established and continued to expand its global commercialization platform (the "HQ Going-abroad Platform") to extend its commercial influence worldwide, helping its products to quickly obtain overseas market access and realize overseas revenue growth. During the Reporting Period, the going-abroad business of the Group recorded revenue of US$59.8 million, representing a substantial year-on-year growth of 57.3% (excluding the foreign exchange impact). This growth not only demonstrates the immense potential of overseas markets but also highlights our years of accumulated advantages in business clusters, self-driven and controllable innovation capabilities, and highly efficient global expansion with extensive reach and low internal friction. Up to date, our innovative products have reached more than 20,000 hospitals in over 100 countries and regions. By collaborating across business segments, we are accelerating the commercial deployment of our product portfolios of core business segments in key overseas markets, strengthening our global competitive edge and laying a solid foundation for long-term growth in the future.

On the operational level, the Group further implemented measures for cost control and resource focus, striving to rationalize the allocation of resources and fully leveraging the intensive advantages of the Group's platforms. During the Reporting Period, our operating expense ratio* improved by 8.1 percentage points year-on-year. Among these improvements, while accelerating the launch of new products as scheduled, the Group reduced the research and development costs ratio* to 13.2% from 20.6% in the same period of the previous year by enhancing research and development efficiency and focusing on core projects.

Innovation capability remains one of the fundamental and core competencies of the Group. From the beginning of 2025 until now, the Group had a total of 20 Class III initial registration certificates from the National Medical Products Administration (the "NMPA"); 4 products were admitted in the Green Path, making a total of 40 products from the Group being included into the Green Path, ranking first in the medical device industry for ten consecutive years. In terms of overseas market access, we have established a global network for innovation, which includes overseas R&D, clinical trials, and other activities to expedite the overseas market access for all products across all business segments. From the beginning of the year until now, we obtained 232 new initial registration certificates in 37 overseas countries and regions[Note].

During the Reporting Period, each core business segment of the Group demonstrated steady performance, and profitability saw varying degrees of recovery and/or improvement:

In terms of the cardiovascular devices business, global revenue during the Reporting Period recorded a year-on-year decrease of 2.1% (excluding the foreign exchange impact), and net profit increased by 64.4% year-on-year. As the Group's core business segment, the cardiovascular devices business maintained its leading market share in the stent business in China and completed its strategic upgrade from offering a single stent product to providing a "comprehensive solution" for coronary diseases, covering multiple areas of coronary intervention, including implantable devices, interventional implant-free solutions, active devices, and imaging diagnostics. During the Reporting Period, the profitability of this business segment improved significantly, with the accelerated market entry of new products, which will accelerate the continuous optimization of the Company's product mix. In overseas markets, the Group continued to expand its pipeline network. Innovative products such as the FireRaptor® Rotational Atherectomy System gained international academic recognition, further enhancing the Group's global academic influence.

In terms of the orthopedic devices business, global revenue decreased by 3.7% year-on-year (excluding the foreign exchange impact) during the Reporting Period, the net loss narrowed by 57.9% year-on-year and EBITDA grew by 28.5% year-on-year. During the Reporting Period, the orthopedic devices business in China delivered significant results in cost reduction and efficiency improvement, successfully achieving break-even status. In overseas markets, the NEXUS® hip stem received FDA market authorization and is expected to facilitate the introduction of more partners through its new product launch initiatives.

In terms of the CRM Business, its global revenue decreased by 1.4% year-on-year (excluding the foreign exchange impact) and its EBITDA turned positive during the Reporting Period. In China, we are advancing market access of our diverse product portfolio and preparing to implement volume-based procurement. During the Reporting Period, the Group achieved a historic breakthrough in the commercial implantation of domestic implantable cardioverter-defibrillators (ICDs). The Group's domestically developed TEN™ series of MRI-conditional implantable pacemakers received NMPA approval, becoming China's first and currently only domestically produced pacemaker series achieving full-body 3.0T MRI compatibility. In overseas markets, we have built and gradually advanced LBBAP solutions through a comprehensive product portfolios, and expanded our global sales coverage and reach through strategic partnerships.

CEO STATEMENT

In terms of the endovascular and peripheral vascular devices business, it actively promoted the development of innovative products in the international markets, resulting in a significant increase of 95.2% (excluding the foreign exchange impact) in overseas business during the Reporting Period, with the proportion of overseas business in the segment's revenue increasing to 17.3%. In China, as the integrated solutions in the field of aortic and peripheral vascular interventions in this segment continue to be enriched and improved, the proportion of sales from the peripheral products has been constantly increasing. Since the beginning of 2025, the research and development achievements of Endovastec have been continuously transformed. The innovative next-generation Cratos® Branched Aortic Graft Stent System obtained marketing approval from the NMPA and achieved successful clinical implantation, and Tipspear® Transjugular Intrahepatic Puncture Kit obtained marketing approval from the NMPA. The Hector® Thoracic Aorta Multi-Branch Stent was approved for entry into the Green Path and has obtained an EU customized certification, becoming the third product of Endovastec to obtain the EU customized certification, and Minos® Abdominal Aortic Stent-Graft and Delivery System and Hercules® Coated Balloon PTA Catheter successfully obtained CE certification from the European Union.

In terms of the neurovascular devices business, its overseas revenue increased by 67.4% year-on-year (excluding the foreign exchange impact) during the Reporting Period, with the proportion of overseas revenue in this segment increasing to 12.3%. In China, NeuroScientific newly expanded its sales network by approximately 150 hospitals in the first half of 2025, with a cumulative coverage of approximately 3,600 hospitals, and continued to maintain its leading position as the domestic brand in terms of market share. In terms of innovation capability and achievements, since the beginning of 2025, a total of four new products of the segment have successfully received marketing approval from the NMPA, including Sheathru™ Lingqiao™ Delivery Catheter, Cerelmon™ filter extension tube for single use, NeuroHawk Medibox™ Intracranial Stent Retriever and Accessories, NUMEN® Nest Detachable Coil. Up to date, a total of 8 products of the segment have realized commercialization in 34 overseas countries, covering 9 of the top 10 markets in the global neurovascular surgery volume rankings. In terms of overseas access, NeuroScientific has obtained a total of 9 overseas registration certificates, continuously expanding the international presence covered by its innovative products.

In terms of the structural heart disease business, the Group achieved a global revenue growth of 2.7% year-on-year (excluding the foreign exchange impact) during the Reporting Period. In particular, overseas revenue significantly increased by 235.3% (excluding the foreign exchange impact), and the share of overseas revenue increased to 11.9% of this segment. Net loss narrowed significantly by 96.2% year-on-year. In China, TAVI products of MP CardioFlow were expanded into over 30 new hospitals, with a cumulative coverage of over 670 hospitals, maintaining steady growth in leading hospitals. The number of implantation reached 2,146 cases during the Reporting Period. The AnchorMan continued to accelerate its commercialization process. As of now, a cumulative total of over 750 commercial applications have been achieved across nearly 90 centers in 18 domestic provinces/municipalities, earning high recognition from experts and patients. The segment has continued to achieve milestone progress in the global expansion of its products. Up to date, TAVI products of this segment have been successfully introduced into 140 core hospitals in over 20 countries and regions overseas. In August 2025, its second-generation balloon, Alwide Plus®, obtained CE certification. While contributing to the growth of overseas revenue, it is also expected to facilitate the commercialization of VitaFlow Liberty® in Europe.

In terms of the surgical robot business, the Group achieved a global revenue growth of 77.0% year-on-year (excluding the foreign exchange impact) during the Reporting Period. Among which, overseas revenue increased significantly by 188.6% (excluding the foreign exchange impact), net loss narrowed by 58.9% year-on-year, and its net free cash outflow decreased by 42.8%. Up to date, this segment had a global total order volume of around 150 units, including nearly 90 units for the Toumai® and nearly 60 cumulative units for the SkyWalker®. The number of commercial installations of the entire product series exceeded 100 units. Since its overseas expansion last year, the Toumai® has secured over 50 orders internationally, with new orders exceeding 30 units since 2025 and 16 commercial installations completed in the first half of the year. During the Reporting Period, MedBot achieved a significant breakthrough in the field of remote surgery: the Toumai® Remote System received registration approval from NMPA in April this year, becoming the world's first commercially approved remote surgical robot. This milestone marks the formal entry of remote surgical procedures into the stage of commercial promotion.

The Company has been also proactively advancing synergy and transformation. We have initiated the proposed restructuring of its cardiac rhythm management and structural heart disease businesses to build an integrated cardiovascular platform, thereby enhancing global competitiveness. Meanwhile, the fund under Shangshi Capital has become a key strategic shareholder of the Company, which is expected to inject new impetus into the Company's governance optimization and core business development. These initiatives will further unlock the potential for operational improvement and long-term growth.

Looking ahead, while challenges remain, we are confident that with our self-driven and controllable innovation capabilities, extensive industrial layout, and efficient internationalization strategy, MicroPort® will continue to benefit from the high-quality development of China's healthcare industry and the vast market potential overseas. We will adhere to refined management, strengthen risk resilience, and continuously enhance corporate value to reward the trust and support of our shareholders.

Note: include the numbers of equity-accounted investees of the Group.

* The operating expense ratio is calculated by dividing the sum of research and development costs, distribution costs and administrative expenses by revenue. The research and development costs ratio is calculated by dividing research and development costs by revenue, same as hereinafter.

\# This refers to earnings before interest, taxes, depreciation and amortization, which includes changes in fair value of convertible bonds issued by a subsidiary recognized in profit or loss during the period, same as hereinafter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

In the first half of 2025, along with the continuous international geopolitical turmoil and intensifying trade protectionism, frequent adjustments were made regarding tariff policies amid complex and volatile trade environment. China was steadfastly advancing high-quality development with long-term positive momentums in the economy.

With the increasing global aging population and the rising demand for high-quality medical devices from end-users, the overall medical device industry has maintained steady growth in long-term demand. In the PRC, the policy environment was profoundly reshaping the industry landscape. Government authorities continuously introduced policy packages with focus on advancing the quality improvement and scope expansion of volume-based procurement for high-value consumables, DRG/DIP payment reforms and supporting innovation as the core. These policies aimed to achieve refined management of medical insurance funds, enhance the efficiency of medical insurance fund utilization, and ensure the sustainability of medical insurance funds. To promote the high-quality development of the pharmaceutical industry, on the one hand, the policies of PRC deepened the reform of medical insurance payment and scientifically optimised the payment mechanism, so that payment by disease type can basically achieve full coverage of the coordinated regions. On the other hand, the PRC continuously deepened price management, optimised the measures for centralised procurement of drugs, and regularly disposed of medical price risks. Facing of new situations, the medical insurance shall also empower the innovation of the pharmaceutical industry through "supporting genuine innovation, genuine supporting for innovation, and supporting for differentiated innovation", thereby to boost the innovative enterprises to increase their scale and strengths, whilst fostering internationally competitive leading enterprises and propelling domestically produced innovative devices into the global market. Meanwhile, the policies are expected to explore a diversified healthcare payment system, such as commercial insurance and charitable mutual aid, while ensuring the implementation of basic medical insurance, so as to better meet the people's diversified medical security needs and collectively contribute to the Healthy China initiative.

In the first half of 2025, in view of the impact of the complex and volatile geopolitical and international trade conflicts, coupled with ongoing challenges arising from product price adjustments of the Company driven by the refined management policies of medical insurance funds and intensifying domestic industry competition, the Group recorded revenue of US$547.5 million, representing a year-on-year decrease of 2.2% excluding the foreign exchange impact.

With the goal of improving profitability, the Group continued to optimize operational efficiency and actively promoted the divestment of non-core businesses. During the Reporting Period, the Group recorded a net loss of US$36.4 million, narrowing by 65.9% year-on-year. In addition, the Group's EBITDA continued the momentum of rapid growth during the Reporting Period, increasing to US$127.8 million for the Reporting Period from US$59.1 million for the corresponding period of 2024, and demonstrating a sustained improvement in profitability of the Group, which was mainly attributable to:

- During the Reporting Period, the Group's total distribution costs, administrative expenses and research and development costs decreased by 14.5% compared to the corresponding period of 2024, and the operating expense ratio improved 8.1 percentage points year-on-year (of which the research and development costs ratio decreased from 20.6% to 13.2%).

- During the Reporting Period, the Group completed the divestment of its several non-core business, contributing a net gain on disposal of US$26.1 million to the Group.

Innovation capability remains one of the fundamental and core competencies of the Group. During the Reporting Period and up to the date of this report, a total of 4 products from the Group were admitted in the national review and approval of innovative medical device (the "Green Path"), making a total of 40 products from the Group being included into the "Green Path", which marks the Group's tenth consecutive year of ranking first among peers in the medical device sector. During the Reporting Period and up to the date of this report, the Group had a total of 20 Class III medical devices initial registration certificates from the National Medical Products Administration (the "NMPA"), and obtained 232 initial registration certificates in 37 overseas markets (countries and regions)[Note].

As an international high-end medical device corporation growing locally in China, the industries of the Group comprehensively cover a number of key areas such as cardiovascular devices, CRM, orthopedics devices and surgical robots. Furthermore, the Group has accumulated many years of business resources and market foundations worldwide. Up to date, our innovative products have reached more than 20,000 hospitals in over 100 countries and regions. In particular, the Group has integrated relevant resources and leveraged its overseas channels and experience advantages to establish a "Headquarter Going-abroad Platform" to help each business segment quickly obtain overseas market access for products approved in the PRC and promote overseas sales growth. During the Reporting Period, amid a rapidly changing market environment and increasingly fierce industry competition, the Group consolidated its leading market share in China on the one hand while accelerating market access of new products and technologies, in order to optimize the Group's product mix and contribute new growth driver to the Group's performance as soon as possible. On the other hand, the Group empowered the domestically developed products of diverse business segments, enabling swift international market entry. During the Reporting Period, the going-abroad business of the Group recorded revenue of US$59.8 million, representing a year-on-year growth of 57.3% (excluding the foreign exchange impact).

While continuing to deepen its expertise, pursue innovation, and expand globally to accumulate differentiated competitive advantages, the Group is also actively seeking synergistic growth drivers. In July 2025, the Group initiated a proposed restructuring of its cardiac rhythm management and structural heart disease businesses, aiming to build an integrated heart disease product platform. This initiative is designed to enrich both business units' product portfolios and pipelines, synergize international marketing and sales channels, and enhance the global market presence and influence. Concurrently, the Company welcomed a fund under SIIC Capital as a strategic investor. Leveraging its state-owned enterprise background and industrial resources, the Group is well-positioned to accelerate the expansion of its core businesses, thereby further optimizing its corporate governance structure. The proposed business restructuring and the introduction of the new shareholder will collectively propel the Group into a new phase of value creation, unlocking potential for operational improvements, continuous innovation and earnings growth.

In spite of ongoing challenges, leveraging years of accumulated advantages in business clusters, self-driven and controllable innovation capabilities, and highly efficient global expansion with extensive reach and low internal friction, the Group will still steadily benefit from the potential of overseas medical device market, the high-quality development of China's medical industry and the domestic substitution process. In the future, the Company will continue to implement lean management, strengthen its anti-risk capabilities and improve operational resilience, so as to promote stable business development.

Cardiovascular Devices Business

The cardiovascular devices business provides comprehensive treatment solutions for coronary artery-related diseases. Over years of development, the Group has transformed its cardiovascular devices business from a focus on stents only to a full-spectrum offering across six categories: implantable devices, interventional implant-free solutions, access devices, active devices, imaging device, and emergency and critical care, and continued to enhance its product lineup in microcirculation and cardiac function improvement during and post-PCI procedures. As one of enterprises featuring the most complete product lines in the coronary artery segment worldwide to date, the Group offers patients and doctors with an accessible integrated solution for the treatment of coronary artery diseases.

Note: include the numbers of equity-accounted investees of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The cardiovascular devices market continues to expand due to stable growth of clinical demand and application of innovative diagnosis. Due to trends including accelerated aging of the global population and the increasing incidence of cardiovascular disease among younger generations, the number of patients with cardiovascular diseases continued to increase. In the meantime, the difficulty in handling complex lesions and the high incidence of complications make the diagnosis and treatment of such diseases a global challenge. After years of clinical practice both internationally and domestically, the strategy and technology of coronary intervention treatment (PCI) have been continuously improved, showing a more precise and efficient development trend. Coronary artery intracavitary imaging and functional examination can not only clarify indications, guide treatment and improve prognosis, but the "Guidelines for Treatment of Percutaneous Coronary Intervention (2025)"(《經皮冠狀動脈介入治療指南 (2025)》)also explicitly recommend the implant of bioresorbable stents under the guidance of intracavitary imaging. Innovative products like specialized balloons and active intervention devices provide new technological choices for the pre-treatment of mildly, moderately and severely calcified lesions. Surgical robots enhance the connectivity among devices, making surgeries more digital, precise and intelligent. The global cardiovascular interventional terminal market is expected to grow steadily over the long term due to the influence of numerous factors, such as the growing number of patients suffering from cardiovascular diseases and technological innovation.

Strategic layout of a total solution empowered long-term development, with new products continuously optimizing product mix and expanding performance growth frontiers. As one of the global enterprises with the most comprehensive product portfolio in the coronary segment by far, as of the end of the Reporting Period, the marketed product portfolio of the cardiovascular devices business of the Group have fully covered the fields of coronary implantation devices, coronary intervention without implantation devices, coronary access devices, coronary active devices, During the Reporting Period, the Group's cardiovascular devices business achieved global revenue of US$88.2 million, representing a year-on-year decrease of 2.1% excluding the foreign exchange impact, and net profit increased by 64.4% year-on-year.

- **In overseas markets, the Group continued to expand the sales coverage of its diversified product portfolio.** Due to short-term disruption caused by such factors as geopolitical conflicts in the Middle East, fluctuations of healthcare systems in certain region of Asia Pacific and channel adjustment, revenue from this business segment in overseas markets decreased by 10.2% year-on-year excluding the foreign exchange impact during the Reporting Period. By region, the Group's cardiovascular intervention business recorded a revenue growth of 8.0% year-on-year excluding the foreign exchange impact in Europe, the Middle East and Africa (the "EMEA"), a decrease of 12.1% year-on-year excluding the foreign exchange impact in Latin America, and a decrease of 39.8% year-on-year excluding the foreign exchange impact in Asia Pacific (excluding China). During the Reporting Period, the Group continued to advance expansion of overseas channel and development of untapped markets, while making structural optimization and adjustment to its sales channels in certain regions. On the front of overseas clinical study and brand reputation enhancement, the Group released the clinical trial research results of FireRaptor® Rotational Atherectomy System at the EuroPCR 2025 held at the Paris Conference Center in France, indicating that the system demonstrated good clinical applicability and reliability in treatment of moderately and severely calcified lesions in coronary arteries.

- **In China, the leading position of the Group's stent products was maintained to accelerate the market access of newly approved products.** During the Reporting Period, revenue from this business segment in the Chinese market was relatively flat compared to the corresponding period of 2024 excluding the foreign exchange impact. Among them, stent products continued to maintain their leading market share, with sales of balloons and accessories contributing to a rapid growth of 38.3% and 20.7% year-on-year respectively, all excluding the foreign exchange impact. With the intensive launch of multiple innovative products, the Group fully commenced the implementation of its market promotion strategy for the total solutions of the cardiovascular intervention segment. The Group focused on hospital admission for new products, and achieved coverage in many core hospitals at present, laying a solid foundation for future market exploration. So far, the world's first new generation Firesorb® Bioresorbable Scaffold System has completed listing on 30 provincial procurement platforms. The FireRaptor® Rotational Atherectomy System has completed listing on 30 provincial procurement platforms nationwide. The Firelimus® Coronary Rapamycin-Eluting Balloon Dilatation Catheter has completed listing on 24 provincial procurement platforms. Sales contributions from new products will continue to optimize the product mix of this segment and drive an improvement in revenue and profitability of this segment.

  In terms of the continuous development of innovative products, as of the date of this report, the pre-marketing clinical research for the Group's self-developed FireShield™ Coronary Graft Stent System has successfully completed all patients' enrollment, which is expected to deliver a superior Chinese solution for the field of cardiovascular interventional emergency treatment. While synergizing with existing innovative devices such as rotational atherectomy systems and piezoelectric guidewires and completing the "final piece of the puzzle", the Group has established a "total solution for coronary intervention" covering pre-surgical assessment, lesion treatment and complications management. The pre-marketing clinical research for the Group's self-developed Coronary Sinus Balloon Counterpulsation System, being applied to improve microvascular function and reduce myocardial infarction area of STEMI patients, has completed its first patient enrollment, which is expected to pioneer the use of devices for treating coronary microcirculatory disorders in China.

Orthopedics Devices Business

The orthopedics devices business offers comprehensive solutions for the treatment of orthopedic problems, with an extensive range of orthopedics products that include reconstructive joints, spine and trauma products, and other specialized implants and instruments.

The global orthopedics devices market has stable long-term demand, with a remarkably pronounced domestic substitution trend in China's market. The global artificial joints market continued to demonstrate relative stability, with the leading companies remaining in a very strong position. In the orthopedic large-joint implant sector, major companies are accelerating the R&D and promotion of joint application with surgical robot systems to assist joint implant procedures worldwide. This shift aims to enhance surgical precision in joint replacement surgeries, potentially reducing patient recovery times and shortening operative duration. In China's market, factors such as population base, aging trend, changes in medical concepts and the advancement of industry technological level will drive the expansion of China's orthopedic medical device industry in the long term. In May 2025, a new cycle of the national centralized volume-based procurement of artificial joints has been implemented. It is expected that with the in-depth implementation of this new round of volume-based procurement, the trend of import substitution for domestic joint consumables will become increasingly notable, unleashing growth potentials of domestic brands.

The momentum of loss improvement continued, and efforts were being made to actively promote the adjustment of product structure within the segment. The Group's orthopedics devices business recorded global revenue of US$124.0 million, representing a year-on-year decrease of 3.7% excluding the foreign exchange impact. During the Reporting Period, the net loss narrowed by 57.9% year-on-year and EBITDA grew by 28.5% year-on-year.

– **Despite the complex and volatile situation in international trade, international (non-Chinese) orthopedics devices business demonstrated operational resilience.** Affected by disruptions from tariff disputes between China and the United States in the second quarter of 2025 and geopolitical conflicts in the Middle East, during the Reporting Period, revenue from the international (non-China) orthopedics devices business decreased by 3.8% year-on-year excluding the foreign exchange impact. Among which, revenue from the EMEA region increased by 1.1% year-on-year excluding the foreign exchange impact, with a year-on-year growth of 4.3% in Japan excluding the foreign exchange impact. Geopolitical tensions and rising trade barriers present challenges to global supply chains. During the Reporting Period, international (non-Chinese) orthopedics devices business continuously enhanced flexibility and resilience of global supply chain through preventive planning, route adjustment, strengthening inter-segment collaboration and dynamic monitoring to mitigate supply chain risks. In terms of the implementation of marketing strategies to promote the development of new market channels, the Group has provided precise and personalized knee joint replacement solutions to patients around the world through the active combination of its SkyWalker® Orthopaedic Surgery Navigation Positioning System and Evolution® Medial-pivot Total Knee Prosthesis, which significantly shortens the learning curve of physicians, improves surgical accuracy and efficiency and will effectively boost the sales growth of both products. In terms of new product launch, NEXUS® hip stem received FDA market authorization. The product is designed with the core concept of "intraoperative consistency, enhancing surgical efficiency, and ensuring long-term postoperative stability," aligning precisely with the evolving trends in modern hip replacement surgery. This includes: emphasizing the simplicity of surgical operation to significantly enhance the doctors' operation experience. The product is dedicated to providing long-term postoperative stability and enhancing patients' postoperative mobility. This marks a significant progress of the Group's hip joint products in terms of precise engineering design and doctor-friendly solutions.

– **The orthopedic devices business in China made efforts to promote market access for domestic joint products, delivering significant results in cost reduction and efficiency improvement.** During the Reporting Period, revenue from the orthopedics devices business in China decreased by 2.8% year-on-year excluding the foreign exchange impact. Along with the approaching fulfillment of the previous volume-based procurement cycle, market participants accelerated the fulfillment of this round of agreed procurement volume. In the national joint rebidding for volume-based procurement, the Group achieved full success across all its domestic-produced and imported joint product lines. The orthopedic devices business in China leveraged the transition window between volume-based procurement cycles to adjust product mix, actively facilitating market access for domestic joint products, particularly knee joint products, and laying the groundwork for significant volume growth of domestic products of the Group after the full implementation of the new round of centralised procurement. During the Reporting Period, the hospital coverage of the Group's domestic hip and knee joint products continued to expand, with sales recorded rapid growth. Specifically, domestic knee joint product sales increased by 171.0% year-on-year excluding the foreign exchange impact, while domestic hip joint product sales increased by 27.9% year-on-year excluding the foreign exchange impact. Despite growth pressure on revenue from short-term mismatch between product portfolio restructuring and market access window, orthopedic devices business in China maintained cost reduction and expense control, achieving break-even status during the Reporting Period. In August 2025, China's orthopedic device business Evolution® MPX™ domestical-produced Medial-pivot Total Knee Prosthesis was approved by NMPA, which has added important components that can not only be adapted to complex primary knee joint replacements, but also be precisely adapted to complex anatomical structures. It is particularly suitable for patients with severe varus or valgus deformities or abnormal tibial structures during primary replacement, providing doctors with more diverse intraoperative strategies. Additionally, it will complement the Group's existing simple primary replacement solutions and ongoing revision solutions under development, further establishing a comprehensive, flexible, integrated domestic knee joint solution. During the Reporting Period, the domestic Medial-pivot Total Knee Prosthesis received FDA market approval in the United States, joining the Group's going-abroad product portfolio to provide overseas markets with domestic joint products of identical quality yet higher cost-effectiveness.

CRM Business

The CRM business is committed to creating the world's leading CRM solutions, and principally engaged in developing, manufacturing and marketing products for the diagnosis, treatment, and management of heart rhythm disorders and heart failure, with products covering pacemakers, defibrillators, cardiac resynchronization therapy devices and supporting lead products, as well as a portfolio of monitoring products used in combination.

CRM business remains stable, with ongoing penetration of left bundle branch area pacing. Driven by multiple factors including accelerating population aging, rising prevalence of cardiovascular diseases (particularly arrhythmias such as atrial fibrillation), and technological innovations (including wireless and leadless pacemakers), the global CRM devices market is projected to maintain single-digit growth. Left bundle branch area pacing (LBBAP), as one of the relatively emerging technologies in the pacing field, is gaining increasing attention and recognition from pacing experts both domestically and internationally due to its superior electrophysiological characteristics that more closely mimic the physiological excitation process compared to conventional right ventricular pacing (RVP). The Chinese market has been historically dominated by imported brands, and policy regulation is expected to promote domestic substitution. The Jing-Jin-Ji '3+N' Alliance commenced implementation of its third agreement phase and progressively initiate provincial volume reporting in 2025. In July, Zhejiang Province spearheaded the national collective procurement for pacemaker devices. Driven by multiple pivotal factors including heightened market awareness, improved healthcare infrastructure, and government-led volume-based procurement, domestic substitution in China is projected to become increasingly pronounced, with critical breakthroughs anticipated particularly in high-end segments such as Implantable Cardioverter Defibrillators (ICDs).

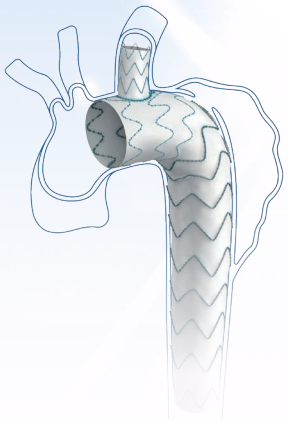
International (non-China) CRM business proactively responds to the pressure of new technology penetration, while the China business continues to expand hospital coverage for its brand-new product portfolio. During the Reporting Period, the CRM business recorded global revenue of US$114.1 million, representing a decrease of 1.4% excluding the foreign exchange impact as compared to the corresponding period of 2024, with EBITDA turning positive.

– **Overseas, we are strategically developing LBBAP solutions, as well as extending distribution coverage.** During the Reporting Period, revenue from the international (non-China) CRM business registered a modest decrease of 1.5% year-on-year excluding the foreign exchange impact. By product category, pacemaker sales registered a year-on-year decrease due to the rapid penetration of leadless pacemakers and ongoing penetration of LBBAP application; high-voltage products (Implantable Cardioverter Defibrillators (ICDs) and Cardiac Resynchronization Therapy Defibrillators (CRT-Ds)) sales saw a year-on-year increase of 4.6% excluding the foreign exchange impact. During the Reporting Period, the Group developed our first access to LBB market with "Mix and Match" EU CE certified solution. Our implantable pacemakers ALIZEA™, BOREA™, and CELEA™, along with the new SmartView Connect™ remote monitoring system and other new expanded indications for LBBAP have obtained CE certification from the European Union. As a result, the above-mentioned systems support combined application with MRI compatible leads of selected third-parties. In terms of other approvals and certifications, the FLEXIGO™ catheter system for LBBAP obtained FDA approval in the United States at the end of June 2025. Its compatible VEGA™ M pacing lead has also gained regulatory approvals in the EU and Australia. In terms of clinical studies, the Group carried out significant milestones during the Reporting Period, concentrating on the priority LBBAP development project. POLARIS aimed to evaluate the safety and performance of the innovative FLEXIGO™ catheter system during lead implantation for LBBAP. Patient enrollment for phase 1 ended ahead of schedule. The PIANO clinical sub-study in Japan, specifically targeting CRT-Ds with SonR® technology, started with patient enrollment in May. During the Reporting Period, our international (non-China) CRM business are extending their global reach through strategic partnerships, further targeting high-potential markets such as India, Latin America, and Middle East & Africa in the future.

– **In China, we are advancing market access of our diverse product portfolio and preparing to implement volume-based procurement.** Affected by delays in the implementation of centralised procurement compared to expectations, during the Reporting Period, revenue from the CRM business in China decreased by 1.0% year-on-year excluding the foreign exchange impact. With the sequential market approvals of flagship products, including MRI-conditional pacemakers and leads, as well as domestically produced single and dual-chamber ICDs, the Group's CRM business in China is nearing completion of its full product portfolio development, substantially narrowing the generational gap between domestic and leading imported products. During the Reporting Period, the Group achieved a historic breakthrough in the commercial implantation of domestic implantable cardioverter-defibrillators (ICDs). This not only marks a new phase of independent innovation in high-end CRM in the PRC but also means that Chinese patients will have access to high-quality and more cost-effective domestic treatment options in the future. During the Reporting Period, the Group continued to develop new hospital accounts and expand distribution channel networks, actively promoted the hospital access of newly approved products. As of the end of Reporting Period, the domestic pacemaker products of the Group had reached around 1,400 hospitals. In terms of newly approved products, the Group's first new generation ENO™ pacemaker compatible with 1.5T/3.0T whole-body MRI examinations has secured provincial-level listings in 24 provinces, with a significant increase in hospital coverage compared to the previous year. Domestic implantable cardioverter-defibrillators (ICDs) products have obtained Procurement Platform listings in 19 provinces; imported Vega™ active fixation pacing leads, and domestic BonaFire™ compatible passive fixed pacing lead have obtained Procurement Platform listings in 24 and 17 provinces respectively. As at the date of this report, the Group's domestically developed TEN™ series of MRI-conditional implantable pacemakers received NMPA approval, becoming China's first and currently only domestically produced pacemaker series achieving full-body 3.0T MRI compatibility. This breakthrough paved the way for next-generation domestic pacemaker advancement and broke the barriers of 3.0T MRI examinations, filling the gap in domestically produced products in this field.

MANAGEMENT DISCUSSION AND ANALYSIS

Endovascular and peripheral vascular devices business



The endovascular and peripheral vascular devices business ("Endovastec") focuses on providing integrated disease solutions for aortic, peripheral vascular, and tumor diseases.

Benefiting from policy drivers, industry penetration rates in China will increase significantly while achieving progressive import substitution by domestic players. Driven by policy support and rising per capita healthcare expenditure, China's aortic endovascular interventional medical devices sector is experiencing rapid development. Increasing population aging, advances in aortic disease screening technologies, growing clinical expertise, and heightened public health awareness are collectively driving higher detection rates of aortic and peripheral vascular diseases, resulting in an upward trend in surgical procedures. For the peripheral arterial interventions in China, rising living standards and growing health awareness are driving an increase in procedures, fueling continuous expansion of the peripheral arterial stent and balloon market. Compared with aortic disease interventions, the venous disease interventions in China remain at an earlier stage in its development, with foreign manufacturers currently dominating the device landscape. However, domestic brands approaching international performance standards are poised to capture greater market share through competitive value propositions and policy support.

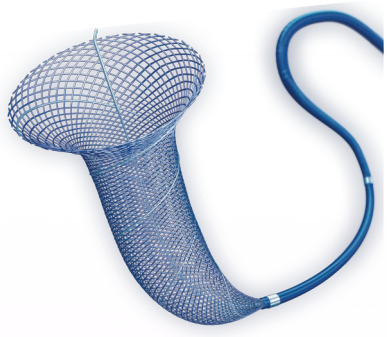
As the product portfolios focusing onaortic, peripheral vascular and tumor intervention enriched and improved continuously, the development of globalization was accelerating. Due to the introduction of new industry policies and product price and marketing strategy adjustment in the second half of 2024, Endovastec experienced pressure on its revenue and profit. During the Reporting Period, the revenue of Endovastec amounted to US$99.6 million, representing a year-on-year decrease of 9.2% excluding the foreign exchange impact. Endovastec proactively pushed forward the development of innovative products in the international business market. During the Reporting Period, Endovastec's overseas revenue increased significantly by 95.2% year-on-year, and the share of overseas revenue increased to 17.3% of this segment.

– **In China, the Group deepened and broadened the market coverage to consolidate market share of core products through technological innovation.** At the end of the Reporting Period, the product portfolio has entered more than 2,700 hospitals across all 31 provinces, autonomous regions and municipalities, including Hong Kong and Macao, in China. This expanding market coverage will drive sustained growth in product implantation volumes, enhancing Endovastec's market share and competitiveness in aortic and peripheral vascular interventions. During the Reporting Period and up to the date of this report, Endovastec maintained its leading market share in aortic intervention products domestically, increasing coverage of peripheral vascular intervention product in market, and steady advancement of new product procurement listings in hospitals. During the Reporting Period, Endovastec Castor® Branched Aortic Stent-Graft and Delivery System, Minos® Abdominal Aortic Stent-Graft and Delivery System and Reewarm® PTX Drug Coated Balloon PTA Catheter continued to perform well. A rapid growth was recorded in hospital admission and implantation volume of new products, namely Talos® Thoracic Stent Graft System and Fontus® Branched Stent Graft System in Surgical Operation. In terms of technological innovation, in early 2025, the Hector® Thoracic Aorta Multi-Branch Stent of Endovastec represents Endovastec's first triple-branch stent, further extending aortic endoluminal treatment to the entire aortic arch, addressing the urgent clinical needs. This product was approved for entry into the "Green Path", has obtained an EU customized certification and completed multiple clinical implantations overseas. During the Reporting Period, the innovative next-generation Cratos® Branched Aortic Graft Stent System obtained marketing approval from the NMPA and achieved successful clinical implantation, and Tipspear® Transjugular Intrahepatic Puncture Kit obtained marketing approval from the NMPA. Steady progress was also achieved in our product candidates, the HepaFlow® Tips Graft Stent System, the FinderSphere®/FluentSphere® Polyvinyl Alcohol Embolization Microsphere, the HawkMaster™ Detachable Fibered Embolization Coil, the Fishhawk® Mechanical Thrombectomy Catheter System are in the registration and evaluation stage. Aegis® II Abdominal Aortic Graft Stent System, the SunRiver™ Below-the-knee Drug-coated Balloon Catheter, the SeaNet™ thrombus protection device completed pre-marketing clinical follow-up. Going forward, Endovastec will continue delivering tiered, serialized innovative products by consistently focusing on integrated disease solutions for aortic, peripheral vascular and tumor intervention.

– **Efforts were made to accelerate the access and coverage of various innovative products into overseas markets.** During the Reporting Period, overseas revenue from Endovastec increased by 95.2% year-on-year excluding the foreign exchange impact. The share of overseas revenue increased to 17.3% of this segment. During the Reporting Period, Endovastec secured market access in 5 new countries or regions, bringing its cumulative presence to over 45 overseas markets across Europe, Latin America, and Southeast Asia with active clinical implementations. As of the Reporting Period, Endovastec secured initial registrations for 11 products across 26 overseas markets (countries and regions), among which 5 products obtained CE certification. Regarding core products, the Castor® Branched Aortic Stent Graft and Delivery System has entered 27 countries or regions, the Minos® Abdominal Aortic Stent Graft and Delivery System has entered 27 countries or regions, and the Hercules® Low Profile Thoracic Stent Graft and Delivery System has entered 27 countries or regions. The new generation of Cratos® Branched Aortic Stent Graft and Delivery System has entered a total of 9 overseas countries or regions. Talos® Thoracic Stent Graft System entered Brazil and Argentina in the first half of the year, achieving its first overseas sales. The Aorfix™ Abdominal Aortic Stent Graft System has entered a total of 19 countries. During the Reporting Period and as at the date of this report, Minos® Abdominal Aortic Stent-Graft and Delivery System and Hercules® Coated Balloon PTA Catheter successfully obtained CE certification from the European Union; the Hector® Thoracic Aorta Multi-Branch Stent has successfully obtained EU customized certification, becoming the third product of Endovastec with EU customized certification, and completed multiple clinical implantations overseas. This will further promote the access and application of its multi-branch stent in the EU and other overseas markets. In the future, Endovastec will introduce more quality and innovative high-end medical device portfolios to the overseas markets, in a bid to benefit more patients with circulatory diseases worldwide.

Neurovascular Devices Business

The neurovascular devices business ("MicroPort NeuroScientific") focuses on the R&D, production and commercialization of neurovascular therapeutic and access devices for the treatment of neurovascular diseases, including hemorrhagic stroke, cerebral atherosclerotic stenosis, and acute ischemic stroke.



The clinical demand in the global stroke market continues to grow, and the policy guidance promotes high-quality development of neurovascular medical device in China. Stroke, an acute cerebrovascular disease, is the second leading cause of death globally and the top cause of death in China. It is characterized by high incidence, high disability rate, high mortality, and high recurrence rate. According to data from the Global Burden of Disease Study, China continues to have the highest number of stroke patients worldwide. Furthermore, the proportion of stroke patients under the age of 70 is steadily rising, indicating a trend towards younger onset. Findings from another study on the stroke disease burden in China reveal significant urban-rural disparities. Both the incidence and mortality rates of stroke are higher in rural areas compared to urban areas. In recent years, the neurovascular devices industry has undergone multiple rounds of centralized volume-based procurement, particularly for hemorrhagic stroke products and acute ischemic stroke products. Notably, the inter-provincial alliance centralized volume-based procurement of vascular interventional medical consumables led by Hebei Province and covering 25 provinces nationwide, including flow-diverting stents, intracranial balloon dilatation catheters, and other products, has been gradually implemented across provinces and cities during the Reporting Period. As the Chinese government has introduced a series of policies to boost industrial development, shifting towards quality improvement, cost optimization, and innovative growth, it will accelerate the survival of the fittest in the industry and promote its high-quality and standardized development.

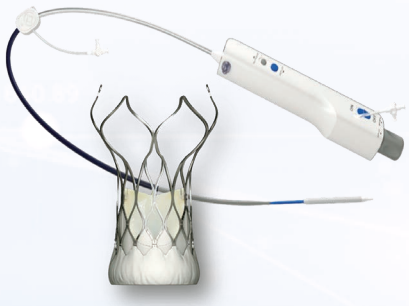
Centralized volume-based procurement has accelerated market expansion and domestic substitution, while overseas business operations have further expanded. During the Reporting Period, MicroPort NeuroScientific recorded revenue of US$53.3 million, representing a year-on-year decrease of 6.2% excluding the foreign exchange impact, which was mainly due to the following factors: the revenue from the flow-diverting Stent business decreased under the impact of volume-based procurement; and the revenue from products for cerebral atherosclerotic stenosis was affected by the termination of cooperation on the previously distributed products and the implementation of volume-based procurement in some regions. Overseas revenues increased by 67.4% from the corresponding period of 2024 excluding the foreign exchange impact, and sales revenue in the Asia-Pacific region, North America region, Latin America region, and Europe, Middle East and Africa (EMEA) region all achieved rapid growth to varying degrees. The share of overseas revenue increased to 12.3% of this segment, realizing the profitability.

- **In China, the professional business team continued to develop untapped markets, maintaining its leading market share.** The progressive implementation of centralized volume-based procurement has driven growth in clinical demand. The NUMEN® Series Coils have continuously accelerated their hospital access and clinical promotion by leveraging their wins in volume-based procurement bids over the past two years. During the Reporting Period, the revenue has maintained rapid growth, and its market share has further expanded. While the short-term revenue of the Tubridge® Flow-diverting Stent has been affected by centralized volume-based procurement, their implantations maintained robust growth through the continuous expansion and deepening of market coverage. Additionally, thrombectomy products and the WAVE-track™ Intracranial Thrombus Aspiration Catheters have also achieved high-speed growth, creating new momentum for revenue increase. During the Reporting Period, MicroPort NeuroScientific newly expanded its sales network to approximately 150 hospitals, with a cumulative coverage of approximately 3,600 hospitals, including over 2,000 tertiary hospitals and all of the top 100 hospitals in China's national stroke center rankings, cumulatively supporting approximately 250,000 neurovascular interventions. During the Reporting Period and as of the date of this report, a total of four new products of MicroPort NeuroScientific have successfully received marketing approval from the NMPA, including Sheathru™ Lingqiao™ Delivery Catheter, Cerelmon™ filter extension tube for single use, NeuroHawk Medibox™ Intracranial Stent Retriever and Accessories, NUMEN® Nest Detachable Coil. Separately, another product (Tubridge® Flow-diverting Stent) has been approved to expand its indications to small and medium-sized aneurysms. Additionally, registration applications for three products, including the Bridge® MAX Vertebral Artery DES, Intracranial Thrombus Aspiration Kit, and delivery balloon dilatation catheters, have been submitted to the NMPA for review and approval.

- **In overseas regions, sales revenue continued its strong growth momentum, and profits from overseas operations achieved high-speed growth.** During the Reporting Period, overseas revenue from MicroPort NeuroScientific increased by 67.4% year-on-year excluding the foreign exchange impact. At the end of the Reporting Period, MicroPort NeuroScientific has successfully introduced 8 products in total to the international market, with a cumulative commercialization in 34 overseas countries and regions, covering 9 of the top 10 countries in the global neurovascular surgery volume rankings. During the Reporting Period, MicroPort NeuroScientific fully implemented its direct sales model in South Korea and actively advanced market coverage in the Asia-Pacific region, contributing to a year-on-year growth of 47.6% (excluding the foreign exchange impact) in revenue in Asia Pacific. By launching multiple products in various European countries during the Reporting Period and entering emerging markets such as Turkey and Egypt for the first time, MicroPort NeuroScientific achieved a year-on-year growth of 125.1% (excluding the foreign exchange impact) in revenue in the EMEA region. In the North American region, the efficient operation of its direct sales model drove the continuous sales volume growth of the NUMEN® product series after their launch, expanding the brand's influence and contributing to a year-on-year growth of 145.8% (excluding the foreign exchange impact) in revenue in North America. In terms of overseas market access, MicroPort NeuroScientific obtained a total of 9 product registration certificates in different overseas countries or regions during the Reporting Period, continuously expanding the overseas footprint of its innovative products. During the Reporting Period, the NeuroHawk® Stent Thrombectomy Device officially received CE certification from EU, which will further strengthen the Group's strategic presence in the European neurointerventional market. As of the date of this report, the NUMEN® Coil has successfully completed its clinical application in India and Bangladesh, and realised its commercial application in Egypt.

Structural Heart Disease Business

The structural heart disease business ("CardioFlow Medtech") focuses on the R&D and commercialization of innovative transcatheter and surgical solutions in the field of structural heart disease. Through independent R&D and joint R&D with global partners, CardioFlow Medtech has established a comprehensive and innovative R&D plan covering Transcatheter Aortic Valve Implantation (TAVI) products, left atrial appendage closure products, Transcatheter Mitral Valve (TMV) products, Transcatheter Tricuspid Valve (TTV) products, ventricular septum reconstruction product and surgical ancillary products. CardioFlow Medtech is committed to building up its core competitiveness in order to provide doctors and patients with a holistic and optimal medical solution for the treatment of structural heart disease.



Structural heart disease interventional therapy is gaining increasing attention and the global market becomes stable. According to the 2024 Report on Structural Heart Disease in China, overall TAVI development has stabilized into a steady growth phase, and the relevant clinical research of TAVI will continue to advance on an international scale. China's structural heart disease industry experienced steady growth, driven by a combination of policy support, market demand and medical insurance access. However, it also faced the challenges of a complex economic environment and intensifying industry competition. The TAVI procedure is one of the key approaches in interventional treatment for structural heart disease. By virtue of the collaborative endeavors of industry participants in academic exchanges, propaganda and education among doctors and patients, medical insurance coverage and payment support, the number of qualified medical centers has been increased, the penetration rate has been further enhanced, and the industry has accelerated its growth. Meanwhile, as an effective means for stroke prevention in patients with nonvalvular atrial fibrillation, the LAAC has also made breakthroughs in several key areas, including evidence-based medical research, clinical application, development of new technologies and updating of guidelines.

Globalization has achieved substantial progress, with significant cost reduction and efficiency improvements driving a significant reduction in losses. During the Reporting Period, CardioFlow Medtech recorded revenue of US$31.9 million, representing a year-on-year increase of 2.7% excluding the foreign exchange impact. In particular, overseas revenue significantly increased by 235.3% excluding the foreign exchange impact, and the share of overseas revenue increased to 11.9% of this segment. Through continuous optimization of resource allocation and proactive implementation of cost control measures, CardioFlow Medtech continued to improve its operational efficiency. During the Reporting Period, CardioFlow Medtech recorded a net loss of US$0.4 million, representing a significant year-on-year decrease of 96.2%.

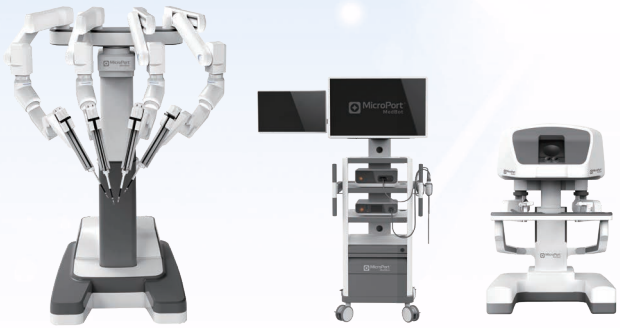
- **In China, diversified product portfolios were efficiently advanced in its precise coverage, and sales of left atrial appendage closure achieved a significant growth.** During the Reporting Period, its TAVI products were expanded into over 30 new hospitals in China, with a cumulative coverage of over 670 hospitals, maintaining steady growth in leading hospitals. The number of implantation reached 2,146 cases during the Reporting Period. During the Reporting Period, the AnchorMan® Left Atrial Appendage Closure System and its access system ("AnchorMan®") continued to accelerate its commercialization process. As of the date of this report, AnchorMan® have achieved a cumulative total of over 750 commercial applications across nearly 90 centers in 18 domestic provinces/municipalities, with zero severe complications and a 100% procedural success rate, earning high recognition from authoritative experts in the field and a large number of AFib patients. In new products, the Group's self-developed third-generation TAVI product, VitaFlow Liberty® Flex Transcatheter Aortic Valve Implantation System, obtained marketing approval from the NMPA since the end of 2024. This system commenced contributing to sales growth during the Reporting Period and will continue to support the Group's market share expansion in TAVI products.

- **The overseas sales of TAVI products increased significantly and its overseas sales footprint continued to expand.** Benefiting from the VitaFlow Liberty® transcatheter aortic valve and retrievable delivery system ("VitaFlow Liberty®") obtaining CE certification and becoming the first "China Intelligent Manufacturing" TAVI system to enter the European market, its overseas commercialization has entered an accelerated phase. During the Reporting Period, the overseas revenue of CardioFlow Medtech recorded a substantial year-on-year increase, with number of overseas implantation of nearly 250 cases. As of the date of this report, the VitaFlow® series of TAVI products have been successfully introduced into 140 core hospitals in over 20 countries and regions overseas, including Argentina, Colombia, Thailand, Russia, Italy, Spain, Chile, Switzerland, Brazil and so on. Specifically, the cumulative number of surgeries performed in CE countries of the European Union has now exceeded 150 cases. In February 2025, AnchorMan® successfully obtained CE certification from the European Union, making it China's only left atrial appendage occluder system with both CE-MDR and NMPA approvals at present. It forms a strong synergy with VitaFlow Liberty® to further enhance the Company's brand awareness and market share in the international market, contributing to its significant revenue growth and injecting strong impetus into its sustained high-quality development. As of the date of this report, AnchorMan®'s registration efforts in emerging markets have also been progressing efficiently, and the product has been successfully achieved implantation in Poland, Hong Kong and Macau. Alwide® Plus balloon catheter ("Alwide® Plus") has received CE Mark, becoming the fourth self-developed product of CardioFlow Medtech that has been approved for marketing in the European Union. With an increasingly enriched and diversified product portfolio in overseas markets and the Group's extensive reputation in the world as well as established sales network, CardioFlow Medtech's commercialization in overseas markets will efficiently and rapidly progress.

MANAGEMENT DISCUSSION AND ANALYSIS

Surgical Robot Business

The surgical robot business ("MedBot") is committed to innovatively providing intelligent surgical robot comprehensive solutions that can prolong and reshape lives by addressing the cutting-edge development needs of minimally invasive surgeries, and focuses on the R&D of five core underlying technologies in relation to surgical robots, including robot ontology, control algorithm, electrical engineering, image-based navigation and precision imaging, with its differentiation covering the whole lifecycle of surgical robot development. MedBot is the only one in the global industry with a product portfolio covering five major and fast-growing surgical specialties, namely laparoscopic, orthopedic, panvascular, natural orifice and percutaneous surgical procedures. There will be opportunities to tap the market potential of multiple surgical robot segments at home and abroad.



The global surgical robots market maintains rapid growth and the Chinese market is expected to show significant expansion. Driven by factors including technological advancements, increasing preference for minimally invasive surgeries, enhanced precision and stability in surgeries, and reduced human error, global demand for surgical robots continued to grow rapidly. Under the planning of the "14th Five-Year Plan" equipment allocation permits by China's National Health Commission, governments at all levels have introduced measures to encourage expansion of China's high-end medical equipment industry, the accelerated import substitution. Statistics indicated that at present, over 100 allocation permits remained to be issued under the "14th Five-Year Plan", presenting more hospitals with opportunities to acquire laparoscopic surgical robots. Meanwhile, for high-end medical equipment represented by surgical robots, central and local governments have been actively implementing open strategies such as the "Belt and Road" Initiative, encouraging enterprises to "go global" and compete in international markets. Domestically produced surgical robots are expected to see major breakthroughs in independent innovation and commercialization both domestically and globally.

Revenue demonstrated rapid growth and operational efficiency continued to improve. During the Reporting Period, MedBot recorded a revenue of US$24.5 million, representing a significant year-on-year increase of 77.0% (excluding the foreign exchange impact). Among which, overseas revenue increased significantly by 188.6% (excluding the foreign exchange impact). Meanwhile, by effectively enhancing the management level of costs, expenses, and cash flow, during the Reporting Period, MedBot's net loss narrowed by 58.9% year-on-year, and its net free cash outflow decreased by 42.8%.

The full product portfolio continued to gain momentum, reshaping the market space and competitive landscape of the global surgical robot industry. During the Reporting Period, the commercial orders of the core products of MedBot in the fields of laparoscopy, orthopedics, and vascular interventional therapy all achieved rapid growth, with a cumulative total order volume of around 150 units, and the cumulative number of commercial installations of the global product portfolio exceeding 100 units. Up to date, Toumai® Thoracic and Abdominal Endoscopic Surgery System ("Toumai®") reached a global commercial order volume exceeding 80 units and global commercial installations exceeding 60 units, ranking first in the global market share of domestic laparoscopic surgical robots in terms of order numbers and installation volumes. During the Reporting Period, Toumai® secured 18 orders from overseas markets and completed 16 commercial installations and sales. Domestically, among the hospitals where Toumai® robots have been installed, the coverage of provincial leading 3A hospitals and China top 100 hospitals exceed 60%. The high-quality installation of Toumai® in leading hospitals has effectively driven the improvement in commercial clinical application efficiency. The SkyWalker® Orthopaedic Surgery Navigation Positioning System ("SkyWalker®") achieved over 10 units from new orders during the Reporting Period, with cumulative global orders exceeding 55 units and cumulative commercial installations exceeding 35 units. As of the date of this report, SkyWalker® has cumulatively completed nearly 2,500 human clinical surgeries worldwide, with its clinical application in 75 hospitals at home and 25 hospitals in Europe and America. As the first coronary vascular interventional surgical robot to complete multicenter clinical trials and obtain marketing approval in China, the R-ONE® vascular interventional robot achieved newly five installations, and successfully performed over 100 vascular interventional robot-assisted surgeries during the Reporting Period.

The breakthrough product has received market approval and marks China's first "global original innovation" in the surgical robotics industry. In February 2025, Toumai® SP Abdominal Endoscopic Single-port Surgery System, currently the China-only and the world-second single-port surgical robot with a remote center of motion independently developed by MedBot, officially obtained marketing approval from the NMPA. Together with Toumai® multi-port surgical robot, DFVision® 3D electronic laparoscope and remote surgery system, they form an integrated laparoscopic intelligent surgery solution. In April 2025, Toumai® Abdominal Endoscopic Remote Surgery System ("Toumai® Remote") received approval from NMPA, becoming the world's first commercially approved remote surgical robot. It has overcome two major challenges: routine network compatibility and large-scale application deployment, and will promote transformation and upgrading across healthcare systems. During the Reporting Period and as of the date of this report, Toumai® has obtained registration certifications in over 10 countries or regions, with the total number of countries or regions worldwide that have granted such certifications exceeding 30. SkyWalker® secured registration approval from Health Canada in January 2025, cumulatively obtaining marketing approval from ten authoritative regulatory authorities in countries and regions including the US and EU. During the reporting period, SkyWalker® Hip and Knee Compatible System obtained CE certification, further expanding its global market clinical application space. As of the date of this report, the Group's self-developed Trans-bronchial Surgical Robot has submitted registration applications to the NMPA.

Telesurgery expertise provided constructive guidance and reference for global brands with the hope to reshape the commercialised network and pattern of surgical robots. Remote surgery represents not merely a technological breakthrough, but a systemic restructuring of healthcare. To date, Toumai® has established the first and only cross-continental telesurgery network architecture. Leveraging proprietary OneClick technology, it has built a one-click activated three-tier telesurgery network progressively covering 6 continents, 103 countries and regions, 229 cities, and 465 data centers. Utilizing multi-modal connectivity (5G dedicated lines, 5G networks, conventional broadband, geostationary satellites, and LEO satellite internet), the system has facilitated over 400 successful remote surgeries globally with a 100% success rate, setting over 50 world records. Through sustained pioneering exploration in telesurgery, Toumai® robot has achieved historic milestones: becoming the world's first commercially approved telesurgery system, the first to receive FDA-IDE clearance for transcontinental human trials, and the world's first to achieve multi-country, multi-specialty, full-procedure coverage. It has pioneered the "third-generation telesurgery" era – robotic satellite-assisted remote operations – ushering in a new age of integrated land, sea, air, and space telesurgery, making "borderless operating rooms" a reality.

Research and Development ("R&D")

During the Reporting Period and as at the date of this report, the Group had a total of 20 Class III medical devices initial registration certificates from the NMPA, and 4 innovative medical devices were admitted in the Green Path, reaching a total of 40 "Green Path" innovative medical devices, ranking first in the medical device industry for ten consecutive years. The Group has established a global network for innovation, which includes overseas R&D, clinical trials, and other activities, to continuously promote the launch of its innovative products in overseas markets. In terms of overseas business, during the Reporting Period and as at the date of this report, the Group obtained 232 initial registration certificates in 37 overseas markets (countries and regions)[Note].

During the Reporting Period and as at the date of this report, the Group received approval for NMPA initial registration and significant changes, including but not limited to: Firelimus® Coronary Rapamycin-Eluting Balloon Dilatation Catheter, TomaHawk® Shockwave® Coronary Intravascular Catheter, the TEN™, a domestically-produced pacemaker compatible with 3.0T whole-body MRI examinations, the Cratos® Branched Aortic Stent Graft and Delivery System, the Tipspear® Transjugular Intrahepatic Puncture Device, the Toumai® SP Abdominal Endoscopic Single-port Surgery System, the Toumai® Abdominal Endoscopic Remote Surgery System, Sheathru™ Lingqiao™ Delivery Catheter, Cerelmon™ filter extension tube for single use, NeuroHawk Medibox™ Intracranial Stent Retriever and Accessories, Numen® Nest Detachable Coil. The marketing approval of innovative products will be the important engines of the Group's business growth.

In July 2025, five innovative products of the Group, including Coronary Rotational Atherectomy Catheter, the TomaHawk® Coronary, BonaFire® Implantable Cardiac Pacing Electrode Lead, AnchorMan® Left Atrial Appendage Occluder System, were listed in the Shanghai Biomedical "New and Excellent Medical Devices" Product Catalogue (《上海市生物醫藥「新優藥械」產品目錄》). The afore-mentioned products are expected to leverage the "New and Excellent Medical Devices" related policies in Shanghai to gain multiple support in terms of application and marketing, accelerating clinical transformation and expanding access to high-quality and innovative high-end medical devices for both patients and doctors.

The Group will continue to efficiently promote the expansion and marketing of its products in both domestic and overseas markets, enhance the market strategy of penetrating hospitals with product mix through the global distribution of high-value diversified products, fully leverage the advantages of "group-type" operation to accelerate the process of turning losses into gains.

Note: include the numbers of equity-accounted investees of the Group.

Global Commercialisation Platform

To empower the Group's business segments in unlocking the boundless potential of exploring global markets more efficiently and to extend our commercial influence worldwide, the Group has established a comprehensive marketing and service network platform (the "global platform") with a grid-like coverage. In this way, we bolster the primary channels of business sub-segments by strategically addressing areas where the sub-segments find "out of reach". The global platform will not only shepherd our portfolio of about 250 products that has been released and the innovative marvels that will be successively approved for launch, fueling the Group's sales growth, but also promote the optimization, sharing, and coordination of resources within the Group at home and abroad by refining resource allocation, thereby comprehensively enhancing the operational efficiency of the Group.

Through years of relentless growth, our Group has ascended to the forefront as a leading group of high-end medical devices, operating multiple business segments across the globe. We boast a comprehensive network of research and development, manufacturing, marketing, and service that spans across Asia, North America, Europe, Latin America, and beyond. Up to date, our innovative products have reached more than 20,000 hospitals in over 100 countries and regions. The global platform consolidates all business resources within the Group, including overseas local business resources within the system, radiating from core countries/regions to surrounding areas. Each regional platform supports the integrated sales of business sub-segments products and provides functional services such as medical services, customer operations, government affairs, and regulatory compliance. The HQ Going-abroad Platform (the "HQ Going-abroad Platform") modeled after the commercialization team of the cardiovascular devices business under the global platform is crafted to empower the domestically developed products of diverse business segments, enabling swift international market entry and boosting overseas sales. During the Reporting Period, the HQ Going-abroad Platform recorded revenues of US$33.6 million, representing a year-on-year growth of 51.1% (excluding the foreign exchange impact).

The Group's various business segments have presented robust growth momentum in the sales of going-abroad products (the "going-abroad business"), leveraging both their independent overseas sales channels and the synergistic advantages of the HQ Going-abroad Platform. During the Reporting Period, the revenue of the HQ going-abroad business amounted to US$59.8 million, representing a year-on-year growth of 57.3% (excluding the foreign exchange impact). Specifically, the surgical robot business increased by 188.6% year-on-year (excluding the foreign exchange impact), the neurovascular devices business increased by 67.4% year-on-year, the endovascular and peripheral vascular devices business increased by 95.2% (excluding the foreign exchange impact), and the structural heart disease business increased by 235.3% (excluding the foreign exchange impact).

Moving forward, the Group's business segments will continue to leverage the global platform's integrated distribution network to efficiently, quickly and comprehensively deliver innovative products and explore more business opportunities, and expand into untapped international markets, thereby strengthening the global competitiveness of the Group.

HUMAN RESOURCES AND TRAINING

As at 30 June 2025, the Group had a total of 6,287 employees around the world, of which 1,697 or approximately 27% were overseas employees in the Asia Pacific region, Europe, the Middle East, Africa, North America, South America and Australia.

To cope with the increasing uncertainty in the external market, the Group is committed to building a flexible and resilient organizational competence system. By reviewing the key work of various business segments within the Group and checking the distribution of human resources, the Group has optimized its workflow, deepened collaboration mechanisms, and continuously expanded the scope of the Group's professional platform-based shared service operational functions, promoting the improvement of overall synergy to achieve overall efficiency enhancement for the organization. The Group is committed to providing employees with more diverse development opportunities by building a comprehensive organizational competence system, integrating resources and empowering platforms as well as upgrading management and operation methods. The Group provides employees with sufficient room for advancement in combined directions horizontally and vertically by continuously adhering to the principle of "maturity, usage, remuneration, cultivation and care" regarding human resources, and helps talents accelerate their development and pursue the realization of self-worth through internal learning institutions within the enterprise, so as to work together to achieve its belief of "helping hundreds of millions of earthlings to have a lifespan of over 115 years old in a healthy manner".

PROSPECTS

In the long run, with the deepening of population ageing in the world, the improved living standards of the people and the economic growth of the developing countries, it is anticipated that the global market demand for medical devices will also steadily increase. As for the PRC market, thanks to the economic and social development, the health awareness among its people has been raised significantly, and the reform of the medical system has also brought policy bonuses. The medical device market in China has huge development opportunities.

In the short term, in 2025, the global economy is still subject to macro-economic factors such as the uncertainty of the development trend, the tightening of trade protection policies and the intensification of geopolitical conflicts. On the industry side, competition in the domestic medical device sector continues to intensify. Centralized volume-based procurement of high-value medical consumables, reforms in medical insurance payments, and measures for refined management of medical expenses, such as pharmaceutical price control, are continuously being advanced, leading to an impending adjustment in the industry's landscape. The above factors will all increase uncertainty and may have an adverse impact on the Group's operations and the value of its related business segments.

In order to seize the development opportunities and enhance our core competitiveness in the increasingly fierce market competition, in the second half of 2025, we will continue to implement positive business strategies, strictly adhering to the strategies of focusing on principal business and cost control, and proactively manage and hedge any potential risks, with actions as follows:

1. Consolidating our leading position in the medical device market in the PRC. With our strong brand recognition, extensive distribution network, and the economies of scale achieved by the deployment of multiple channels, we will further increase our market share in the PRC and continue to give full play to the advantages of being a leading enterprise in the industry and make all-round breakthroughs in the domestic high-end medical device industry, thereby maximising value for the shareholders, customers, employees and society.

2. Expediting the global expansion to realize integration of MicroPort® brand and global operations. We will continuously deepen the globalized branding and operation strategy based on localization by consistently implementing the operation model of "globalization in operational strategy, localized implementation, deployment with diversification, and unified positioning", thereby realising global deployment through effective integration of resources and markets around the world, which in turn will bring the products of MicroPort® to more countries or regions and benefit patients and doctors around the world.

3. Constantly improving our existing production processes, and carrying out innovation to gain high returns so as to create a diversified product portfolio. We will continuously improve the manufacturing processes of existing products to enhance their production efficiency; and pay more attention to the input-output ratio of research and development from the perspective of enterprise strategy, committing ourselves to providing more high-quality and affordable integrated medical solutions for doctors and patients while improving profitability.

4. Deepening the reform of our management system. In order to further enhance the competitiveness and risk prevention capability of the Company, we will constantly improve the system development and enhance the efficiency of internal governance by integrating resources and streamlining processes, thereby maintaining the unique entrepreneurial vitality, flexibility and efficiency of MicroPort® to the greatest extent while rapidly expanding the scale of the Company.

FINANCIAL REVIEW

Overview

Facing the impact of complex and changing unfavorable factors in China and abroad, the revenue of the Group for the Reporting Period decreased by 2.2% excluding the foreign exchange impact or decreased by 2.0% in US$ as compared to that for the six months ended 30 June 2024. The Group persisted in providing a diversified product portfolio and continuously carrying out its globalization strategy with non-China sales contributing to 49.5% of the total revenue. The Group aims to continuously bring its innovations, technologies and services to millions of global patients and become a patient-oriented global enterprise capable of leading minimally invasive treatment and other emerging medical technologies.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Revenue

US$'000	Six months ended 30 June		Percent change	
	2025	2024 (re-presented)[Note]	in US$	excluding the foreign exchange impact
Cardiovascular devices business	**88,184**	92,020	(4.2%)	(2.1%)
Orthopedics devices business	**124,040**	126,807	(2.2%)	(3.7%)
CRM business	**114,103**	113,361	0.7%	(1.4%)
Endovascular and peripheral vascular devices business	**99,582**	110,708	(10.0%)	(9.2%)
Neurovascular devices business	**53,323**	57,402	(7.1%)	(6.2%)
Structural heart disease business	**31,938**	31,384	1.8%	2.7%
Surgical robot business	**24,473**	13,960	75.3%	77.0%
Surgical devices business	**6,466**	4,571	41.5%	42.8%
Other business*	**23,293**	15,217	53.1%	52.7%
Elimination adjustments	**(17,870)**	(6,728)	165.6%	181.1%
Total	**547,532**	558,702	(2.0%)	(2.2%)
Including: the HQ Going-abroad Platform	**33,564**	23,013	45.8%	51.1%

Note: The comparative information of segment revenue has been re-presented to reflect the changes in allocation of resources and assessment of performance.

* The revenue of other business segments did not meet the quantitative thresholds for determining reportable segments.

The Group's revenue for the Reporting Period was US$547.5 million, representing a decrease of 2.0% as compared to US$558.7 million for the six months ended 30 June 2024. The Group's reported revenue was impacted by the appreciation or depreciation of US dollars against functional currencies in the process of converting from non-dollar functional currencies of the Group's subsidiaries to US dollars, the presentation currency of the Group. Excluding the foreign exchange impact, the Group's revenue decreased by 2.2%. The following discussion was made based on the Group's major business segments.

– Cardiovascular devices business

The cardiovascular devices business recorded revenue of US$88.2 million for the Reporting Period, representing a decrease of 2.1% excluding the foreign exchange impact or a decrease of 4.2% in US$ as compared to that for the six months ended 30 June 2024. Such decrease in revenue was primarily attributable to short-term macroeconomic challenges faced by the international coronary business in certain regions, including changes in geopolitical situations and fluctuations in healthcare systems. Additionally, the Company continued to advance structural optimization and adjustments to its sales channels, which collectively had a temporary impact on revenue.

– Orthopedics devices business

US$'000	Six months ended 30 June		Percentage change	
	2025	2024 (re-presented)	in US$	excluding the foreign exchange impact
Orthopedics devices business	**124,040**	126,807	(2.2%)	(3.7%)
– US	**37,748**	42,806	(11.8%)	(13.0%)
– Europe, Middle East and Africa	**43,169**	42,380	1.9%	1.1%
– Japan	**15,716**	14,753	6.5%	4.3%
– The PRC	**14,586**	15,119	(3.5%)	(2.8%)
– Others	**12,821**	11,749	9.1%	3.2%

The orthopedics devices segment recorded revenue of US$124.0 million for the Reporting Period, representing a decrease of 3.7% excluding the foreign exchange impact or a decrease of 2.2% in US$ as compared to that for the six months ended 30 June 2024. Such decrease in revenue was primarily due to supply chain fluctuations in the U.S. market and changes in the geopolitical landscape, which had a temporary impact on revenue.

– CRM business

US$'000	Six months ended 30 June		Percent change	
	2025	2024 (re-presented)	in US$	excluding the foreign exchange impact
CRM business	**114,103**	113,361	0.7%	(1.4%)
– Europe, Middle East and Africa	**94,349**	93,478	0.9%	(1.5%)
– The PRC	**12,097**	12,313	(1.8%)	(1.0%)
– Japan	**4,699**	4,187	12.2%	7.8%
– Others	**2,958**	3,383	(12.6%)	(12.7%)

The CRM business recorded revenue of US$114.1 million for the Reporting Period, representing a decrease of 1.4% excluding the foreign exchange impact or an increase of 0.7% in US$ as compared to that for the six months ended 30 June 2024. Such decrease in revenue was primarily attributable to (i) the decline in overseas pacemaker revenue due to the rapid penetration of leadless pacemakers and ongoing penetration of LBBAP application; and (ii) the decline in revenue from the CRM business in China by 1.0% year-on-year excluding the foreign exchange impact as a result of the later-than-expected rollout of volume-based procurement initiatives during the Reporting Period.

– Endovascular and peripheral vascular devices business

The endovascular and peripheral vascular devices business recorded revenue of US$99.6 million for the Reporting Period, representing a decrease of 9.2% excluding the foreign exchange impact or a decrease of 10.0% in US$ as compared to that for the six months ended 30 June 2024. Such change in revenue was mainly attributable to (i) pricing and promotion strategy adjustments for certain products in response to market changes since the second half of 2024, despite strong contributions from innovative products such as the Castor® Branched Aortic Stent Graft and Delivery System, Minos® Abdominal Aortic Stent Graft and Delivery System, and ReewarmPTX® Drug-coated Balloon Catheter, as well as rapid growth in hospital adoption and end-user implants of new products including the Talos® Straight Thoracic Stent Graft System and Fontus® Branch Stent Graft System in Surgical Operation; (ii) our global footprint continuing to expand, achieving rapid growth in the overseas markets.

– Neurovascular devices business

The neurovascular devices business recorded revenue of US$53.3 million for the Reporting Period, representing a decrease of 6.2% excluding the foreign exchange impact or a decrease of 7.1% in US$ as compared to that for the six months ended 30 June 2024. The change in revenue was primarily attributable to (i) the continued robust growth of the business's overseas operations, with revenue increasing by 67.4% year-on-year during the Reporting Period, with strong sales growth across the Asia-Pacific, North America, Latin America, and Europe, Middle East, and Africa regions to varying degrees; (ii) in the field of hemorrhagic stroke products, revenue from coil series products maintained rapid growth, resulting in a further expansion of the market share. And the revenue from Flow-diverting Stent decreased due to the impact of the volume-based procurements (VBP); and (iii) revenue from cerebral atherosclerotic stenosis products was mainly affected by the impact of the termination of cooperation on previously distributed products and of VBP in some regions.

– Structural heart disease business

The structural heart disease business recorded revenue of US$31.9 million for the Reporting Period, representing an increase of 2.7% excluding the foreign exchange impact or an increase of 1.8% in US$ as compared to that for the six months ended 30 June 2024. Such increase in revenue was mainly attributable to (i) the rapid growth in the overseas revenue of this business by 235.3% comparing with the corresponding period in 2024, contributed by the continued advancement of the VitaFlow Liberty® and the Alwide® Plus in terms of global commercialization; and (ii) the steady advancement of commercialization of our AnchorMan® LAAC System and AnchorMan® LAAA System in the PRC, and the subsequent commercialization in Europe, collectively contributed to incremental revenue.

– Surgical robot business

The surgical robot business recorded revenue of US$24.5 million during the Reporting Period, representing an increase of 77.0% excluding the foreign exchange impact or an increase of 75.3% in US$ as compared to that for the six months ended 30 June 2024. Such increase in revenue was mainly attributable to the facts that (i) the core product Toumai® continued to maintain a strong growth momentum during the Reporting Period, becoming the core engine for revenue growth for the products in overseas markets; (ii) SkyWalker® fully leveraged the mature sales network of the Group in both domestic and overseas markets to achieve rapid coverage and penetration in core regions. At the same time, the business independently established presence in emerging regions, creating a "dual driver" model to achieve steady growth; and (iii) R-ONE® Vascular Interventional Surgical Robot gained recognition in the market after approval for launch, and the demand steadily increased.

– Surgical devices business

The surgical devices business recorded revenue of US$6.5 million for the Reporting Period, representing an increase of 42.8% excluding the foreign exchange impact or an increase of 41.5% in US$ as compared to the six months ended 30 June 2024.

– Other business

The Group's other business recorded revenue of US$23.3 million for the Reporting Period, representing an increase of 52.7% excluding the foreign exchange impact or an increase of 53.1% in US$ as compared to that for the six months ended 30 June 2024. Such increase was mainly attributable to the contribution of revenue growth from non-vascular intervention and other emerging business segments. The revenue from other businesses did not meet the quantitative thresholds for segment reporting.

Cost of Sales

For the Reporting Period, the Group's cost of sales was US$239.0 million, representing an increase of 4.7% as compared to US$228.1 million for the six months ended 30 June 2024.

Gross Profit and Gross Profit Margin

As a result of the foregoing factors, the Group's gross profit decreased by 6.7% from US$330.6 million for the six months ended 30 June 2024 to US$308.6 million for the Reporting Period. Gross profit margin is calculated as gross profit divided by revenue. The Group's gross profit margin for the Reporting Period decreased to 56.4% as compared to the gross profit margin of 59.2% for the six months ended 30 June 2024, which was mainly attributable to the impact of volume-based procurement price reductions and changes in the sales mix.

Research and Development Costs

Research and development costs decreased by 37.3% from US$115.0 million for the six months ended 30 June 2024 to US$72.1 million for the Reporting Period. Such significant decrease was attributable to the proactive cost control and resource focus measures taken by the Group to prioritize and focus on core projects and improve R&D efficiency.

Distribution Costs

Distribution costs decreased by 4.9% from US$156.2 million for the six months ended 30 June 2024 to US$148.6 million for the Reporting Period. Such decrease principally derived from the Group's strategic integration of global and domestic sales networks, effectively leveraging cross-border channel synergies and implementing efficiency-driven process optimizations to achieve cost rationalization.

Administrative Expenses

Administrative expenses decreased by 1.2% from US$83.8 million for the six months ended 30 June 2024 to US$82.8 million for the Reporting Period. Such decrease was primarily attributable to the Group's proactive implementation of resource-focused and cost-saving measures, leveraging global resources to continuously boost operating efficiency and profitability.

Other Net Income

The Group recorded other net income of US$54.8 million for the Reporting Period and other net income of US$12.4 million for the six months ended 30 June 2024. Such fluctuation was mainly attributable to an increase in foreign exchange gains and government grants recognised during the Reporting Period.

Finance Costs

Finance costs increased by 21.8% from US$48.4 million for the six months ended 30 June 2024 to US$59.0 million for the Reporting Period. Such increase was mainly attributable to the increase in accrued interest of the convertible loans issued by the Company and the increase in interest of interest-bearing borrowings during the Reporting Period.

Impairment Losses of Non-current Assets

Impairment losses of non-current assets increased by 256.1% from US$6.6 million for the six months ended 30 June 2024 to US$23.4 million for the Reporting Period. Such increase was mainly attributable to the increase in impairment provisions for equity-accounted investees during the Reporting Period.

Income tax

Income tax decreased from US$20.2 million for the six months ended 30 June 2024 to US$16.9 million for the Reporting Period. Such change was mainly attributable to the decrease in profit before tax of the Group's subsidiaries in the PRC compared to the corresponding period of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the period

Loss for the period significantly narrowed from US$106.7 million for the six months ended 30 June 2024 to US$36.4 million for the Reporting Period. Additionally, EBITDA increased significantly from US$59.1 million for the six months ended 30 June 2024 to US$127.8 million for the Reporting Period.

Non-HKFRS Measure

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS Accounting Standards, we also use adjusted net loss as non-HKFRS measures, which are not required by, or presented in accordance with, HKFRS Accounting Standards. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures facilitates a comparison of our operating performance from period to period by eliminating potential impacts of items that the management does not consider to be indicative of our operating performance. Such non-HKFRS measures allow investors to consider metrics used by our management in evaluating our performance.

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

The following table sets out the reconciliation to net loss for the periods indicated:

	Six months ended 30 June		
	2025	2024	Change
	US$'000	US$'000	%
Net loss	**(36,361)**	(106,674)	Decreased by 65.9%
Add/(less):			
– Share-based compensation expenses	**16,545**	17,070	Decreased by 3.1%
– Gain on disposal of subsidiaries and equity-accounted investees	**(26,053)**	(6,922)	Increased by 276.4%
– Net realised and unrealised loss on financial instruments carried at FVPL	**9,625**	12,458	Decreased by 22.7%
– Impairment losses of non-current assets	**23,361**	6,561	Increased by 256.1%
– Interest expenses on preferred shares issued by subsidiaries	**14,104**	13,433	Increased by 5.0%
Non-HKFRS adjusted profit/(loss) for the period	**1,221**	(64,074)	N/A

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis, and makes timely adjustments to it in light of changes in economic conditions. To maintain or realign the capital structure, the Group may raise capital by way of bank loans or issuance of equity or convertible bonds.

Liquidity and Financial Resources

As at 30 June 2025, the Group had US$764.5 million of cash and cash equivalents, as compared to US$713.0 million as at 31 December 2024. The increase was primarily attributable to (i) the completion of a new share placement in the surgical robot business, (ii) the Group disposed of certain equity interests in surgical robot business without losing control and (iii) the successful strategic divestment of several non-core businesses during the Reporting Period. The approach of the Board to managing liquidity of the Group is to ensure sufficient liquidity at any time to meet its matured liabilities in order to avoid any unacceptable losses or damage to the Group's reputation.

Borrowings and Liabilities to Assets Ratio

Total borrowings of the Group, including interest-bearing borrowings and convertible bonds/loans, as at 30 June 2025 were US$1,682.9 million, representing an increase of US$85.8 million as compared to US$1,597.1 million as at 31 December 2024. During the Reporting Period, the Group's Liabilities to Assets ratio (calculated as total liabilities divided by total assets) increased from 68.5% as at 31 December 2024 to 68.7% as at 30 June 2025.

Net Current Assets

The Group's net current assets as at 30 June 2025 were US$550.2 million, as compared to US$558.3 million as at 31 December 2024.

Foreign Exchange Exposure

The Group is exposed to currency risk primarily from sales, purchases, borrowing and lending which give rises to receivables and payables that are denominated in a foreign currency (mainly RMB, Euro and JPY). During the Reporting Period, the Group recorded a net exchange gain of US$24.1 million, as compared to a net exchange loss of US$11.8 million for the six months ended 30 June 2024. The Group did not have any significant hedging arrangements to manage foreign exchange risk but has been actively monitoring and overseeing its foreign exchange risk.

Capital Expenditure

Except for the above mentioned items, during the Reporting Period, the Group's total capital expenditure amounted to approximately US$38.0 million, which was used for (i) construction of buildings; (ii) acquiring equipment and machinery; and (iii) expenditures for R&D projects in development stage.

Charge on Assets

As at 30 June 2025, for the purpose of securing bank loans with a carrying value of US$560.9 million, the Group had mortgaged its production buildings held for own use and land use right, and pledged the equity interest held by the Group in several subsidiaries and certain patents. In order to obtain convertible loans with a principal amount of US$200.0 million, the Group pledged (i) a property situated in the United States and (ii) shares held in certain subsidiaries.

OTHER INFORMATION

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

As at 30 June 2025, interests and short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the directors of the Company ("Directors") and chief executives of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (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 have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

Name of Director/ Chief Executive	No. of Shares	Note	Capacity	Nature of interest	Approximate percentage of interest in the Company
Zhaohua Chang	49,047,671	1	Beneficial owner	Long position	2.65%
Jonathan H. Chou	167,590	2	Beneficial owner	Long position	0.00%
Guoen Liu	161,290	1	Beneficial owner	Long position	0.00%
Chunyang Shao	161,290	1	Beneficial owner	Long position	0.00%
Jonathan W Chen	5,637,360	1	Beneficial owner	Long position	0.30%

Notes:

(1) Dr. Zhaohua Chang, Dr. Guoen Liu, Mr. Chunyang Shao and Mr. Jonathan W Chen are interested in the underlying Shares of the Company by virtue of the share options granted to them under the share scheme(s) of the Company. For further details, please refer to the section headed "Share Schemes" below.

(2) Mr. Jonathan H. Chou is interested in (i) 161,290 underlying Shares of the Company by virtue of the share options granted to him under the share scheme(s) of the Company and (ii) 6,300 Shares of the Company. For further details, please refer to the section headed "Share Schemes" below.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE ASSOCIATED CORPORATIONS

Name of Director/ Chief Executive	Name of associated corporation	No. of shares/ registered capital	Note	Capacity	Nature of interest	Approximate percentage of interest in the associated corporation
Zhaohua Chang	MicroPort CardioFlow Medtech Corporation	6,000,000	1	Beneficial owner	Long position	0.24%
Jonathan H. Chou	MicroPort CardioFlow Medtech Corporation	449,683	1	Beneficial owner	Long position	0.01%

Note:

(1) Dr. Zhaohua Chang and Mr. Jonathan H. Chou are interested in the underlying shares of the associated corporation by virtue of the share options granted to them under the share scheme of MicroPort CardioFlow Medtech Corporation.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives 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 would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would need to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

INTERESTS AND SHORT POSITIONS IN THE SHARES

Name of Substantial Shareholder	No. of Shares	Note	Capacity	Nature of interest	Percentage of total number of Shares in issue (%)
Otsuka Holdings Co., Ltd.	382,994,120	1	Interest of controlled corporation	Long Position	20.70
Otsuka Medical Devices Co., Ltd.	382,994,120	1	Beneficial owner	Long Position	20.70
Maxwell Maxcare Science Foundation Limited	348,716,563	2	Interest of controlled corporation/ Beneficial owner	Long Position	18.84
	90,000,000		Interest of controlled corporation	Short Position	4.86
We'Tron Capital Limited	345,417,444	2	Beneficial owner	Long Position	18.66
	90,000,000		Beneficial owner	Short Position	4.86
JPMorgan Chase & Co.	184,422,501	3	–	Long Position	9.96
	157,600,204		–	Short Position	8.51
	11,148,921		–	Lending Pool	0.60
Shanghai Zhangjiang (Group) Co., Ltd.	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd.	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai Zhangjiang Science and Technology Investment Co.	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai Zhangjiang Haocheng Venture Capital Co., Ltd.	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai Zhangjiang Science and Technology Investment (Hong Kong) Company Limited	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai (Z.J.) Holdings Limited	151,748,050	4	Interest of controlled corporation	Long Position	8.20
Shanghai ZJ Hi-tech Investment Corporation	151,748,050	4	Interest of controlled corporation/ Beneficial owner	Long Position	8.20
Shanghai Zhangjiang Health Solution Holdings Limited	144,705,470	4	Beneficial owner	Long Position	7.82
D. E. Shaw & Co. II, Inc.	108,404,763	5	Interest of controlled corporation	Long Position	5.85
	55,556,927			Short Position	3.00
D. E. Shaw & Co., Inc.	108,404,763	5	Interest of controlled corporation	Long Position	5.85
	56,419,027			Short Position	3.04
D. E. Shaw & Co., L.L.C.	108,404,763	5	Interest of controlled corporation	Long Position	5.85
	55,556,927			Short Position	3.00
D. E. Shaw & Co., L.P.	108,404,763	5	Investment manager/Interest of controlled corporation	Long Position	5.85
	56,419,027			Short Position	3.04
Shaw David Elliot	108,404,763	5	Interest of controlled corporation	Long Position	5.85
	56,419,027			Short Position	3.04
D. E. Shaw Valence Portfolios, L.L.C.	96,174,073	6	Interest of controlled corporation	Long Position	5.19
	50,771,527	6	Interest of controlled corporation	Short position	2.74
	12,230,690	6	Beneficial owner	Long Position	0.66
	5,000,000	6	Beneficial owner	Short position	0.27

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Notes:

(1) Otsuka Holdings Co., Ltd. holds the entire issued share capital of Otsuka Medical Devices Co., Ltd., and therefore, is deemed to be interested in the same number of Shares held by Otsuka Medical Devices Co., Ltd..

(2) Maxwell Maxcare Science Foundation Limited ("Maxwell") holds 100% interest of We'Tron Capital Limited, and therefore, is deemed to be interested in the same number of Shares and share interests held by We'Tron Capital Limited. Maxwell is also the beneficial owner of 3,299,119 Shares.

(3) Capacity in which interests disclosed herein are held through:

Capacity	Nature of interest	Number of Shares	Approximate percentage of total number of Shares in issue (%)
Beneficial owner	Long position	157,920,263	8.53
	Short position	157,600,204	8.51
Person having a security interest in shares	Long position	15,353,317	0.82
Approved lending agent	Long position	11,148,921	0.60

Please refer to Form 2 – Corporate Substantial Shareholder Notice for the relevant event on 26 June 2025 for further details of the shareholding structure.

(4) Shanghai Zhangjiang (Group) Co., Ltd. is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People's Government. Shanghai Zhangjiang (Group) Co., Ltd. holds 100% interest in Shanghai Zhangjiang Science and Technology Investment Co., which in turn holds 100% interest in Shanghai Zhangjiang Science and Technology Investment (Hong Kong) Company Limited, which in turn holds 50% interest in Shanghai ZJ Hi-Tech Investment Corporation. Shanghai Zhangjiang (Group) Co., Ltd. also holds 50.75% interest in Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd., which in turn holds 100% interest in Shanghai Zhangjiang Haocheng Venture Capital Co., Ltd., which in turn holds 100% interest in Shanghai (Z.J.) Holdings Limited, which in turn holds 50% interest in Shanghai ZJ Hi-Tech Investment Corporation. Shanghai ZJ Hi-Tech Investment Corporation holds 100% interest in Shanghai Zhangjiang Health Solution Holdings Limited. The interest in 151,748,050 Shares relates to the same block of Shares in long position held by the following companies:

Name of Controlled Corporation	No. of Shares	Approximate Percentage of total number of Shares in issue (%)
Shanghai Zhangjiang Health Solution Holdings Limited	144,705,470	7.82
Shanghai ZJ Hi-Tech Investment Corporation	7,042,580	0.38
Total	151,748,050	8.20

(5) Please refer to Form 2 – Corporate Substantial Shareholder Notice for the relevant event on 16 June 2025 for further details of the shareholding structure.

(6) Please refer to Form 2 – Corporate Substantial Shareholder Notice for the relevant event on 19 June 2025 for further details of the shareholding structure.

Save as disclosed above, as at 30 June 2025, the Directors of the Company were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Company's Shares or underlying Shares which would need to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

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

During the six months ended 30 June 2025, 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). As at 30 June 2025, the Company did not hold any treasury Shares.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in Note 16 to the financial statements in this interim report, there was no other material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2025.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During the six months ended 30 June 2025, the Directors were not aware of any business or interest of the Directors or any substantial shareholders (as defined under the Listing Rules) of the Company and their respective associates (as defined under the Listing Rules) that had competed or might compete directly or indirectly with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the period of the six months ended 30 June 2025.

SHARE SCHEMES

Share Option Schemes

A share option scheme (the "2010 Share Option Scheme") was approved and adopted pursuant to a written resolution passed by all the Shareholders on 3 September 2010.

The purpose of the 2010 Share Option Scheme was to provide the Company with a means of incentivizing eligible participants to work towards enhancing the value of our Company and promote the long-term growth of the Company. The 2010 Share Option Scheme will link the value of the Company with the interests of participants, enabling participants and the Company to develop together and promoting the Company's corporate culture.

The Directors may, at their discretion, invite any Directors (including executive Directors, non-executive Directors and independent non-executive Directors), employees and officers of any members of the Group and any advisors, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners, joint venture business partners and service providers of any members of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group to participate in the 2010 Share Option Scheme.

The Company shall be entitled to issue share options, provided that the total number of Shares which may be allotted and issued upon exercise of all outstanding share options to be granted under the 2010 Share Option Scheme of the Company shall not exceed 10% of the aggregate Shares in issue as at the date when the Shares were first listed on the Stock Exchange, which was 140,411,234 Shares. The Company may at any time refresh this 10% limit, subject to compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the share option scheme and any other share option scheme of the Company does not exceed 30% of the Shares in issue from time to time.

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Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of the share options granted under the 2010 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding share options) to each participant in any 12-month period shall not exceed 1% of the then issued share capital of the Company.

A share option may be accepted by a participant within 28 days from the date of the offer of the grant of such share option. The amount payable by each grantee of share option to the Company on acceptance of the offer for the grant of such share option is US$1.00.

The 2010 Share Option Scheme does not contain any minimum period for which a share option must be held before it can be exercised. At the time of the grant of the share options, the Company will specify such minimum period. The period within which the share option must be exercised will be specified by the Company at the time of grant. Such period must expire no later than 10 years from the relevant date of grant (being the date on which the Board resolves to make an offer of share options to the relevant grantee).

The Board will determine the price per Share upon the exercise of a share option according to the terms of the 2010 Share Option Scheme, provided that it shall not be lower than the highest of: (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of the offer of a grant; (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of the offer of a grant; and (iii) the nominal value of a Share on the date of grant.

As at 30 June 2025, the total outstanding options that has been granted under the 2010 Share Option Scheme was 70,769,340, representing approximately 3.82% of the total issued share capital of the Company.

Owing to the expiry of the term of the 2010 Share Option Scheme, the Shareholders have resolved at the annual general meeting held on 18 June 2020 to adopt a new share option scheme (the "2020 Share Option Scheme") with largely similar terms as that of the 2010 Share Option Scheme. Upon the adoption of the 2020 Share Option Scheme on 18 June 2020, the 2010 Share Option Scheme was cancelled, no further share options should be granted under the 2010 Share Option Scheme, and the number of share options available for grant under the 2010 Share Option Scheme at the beginning and the end of the Reporting Period was nil respectively. Share options that have been granted under the 2010 Share Option Scheme prior to its cancellation shall remain valid in accordance with its terms.

The purpose of the 2020 Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The Directors consider that the 2020 Share Option Scheme will serve to motivate the eligible participants to contribute to the Group's development. The 2020 Share Option Scheme, which will be in the form of share options to subscribe for Shares, will enable the Group to recruit, incentivize and retain high-calibre staff, which the Directors consider that it is in line with modern commercial practice that eligible participants, which will include any directors (including executive directors, non-executive directors and independent non-executive directors), employees and officers of any members of the Group and any advisors, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners, joint venture business partners and service providers of any member of the Group who have contributed or will contribute to the Group, be given incentives and align their interests and objectives with that of the Group.

The 2020 Share Option Scheme does not specify a minimum period for which a share option must be held nor a performance target which must be achieved before a share option can be exercised. However, the rules of the 2020 Share Option Scheme provide that the Board may determine, at its sole discretion, such terms and conditions on the grant of a share option. Based on 1,736,355,940 Shares in issue as at the date of the annual general meeting at which the 2020 Share Option Scheme was approved, the maximum number of Shares that may be issued upon the exercise of the share options that may be granted under the 2020 Share Option Scheme is 173,635,594 Shares, being 10% of the issued share capital of the Company as at the date of the adoption of the 2020 Share Option Scheme.

The maximum number of Shares in respect of which share options may be granted under the 2020 Share Option Scheme to any eligible participant shall not exceed 1% of the Shares in issue within any 12-month period.

Any share option offer will be deemed to have been granted and accepted by the grantee when the duplicate offer document constituting acceptance of the share option duly signed by the grantee, and a remittance in favour of the Company of US$1.00 as consideration for the grant thereof is received by the Company within the prescribed period under the scheme.

The exercise price of the share options is determined by the Board at its absolute discretion and will be not less than the highest price of the official closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer a grant, the average official closing prices of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant and the nominal value of the shares of the Company.

The aggregate number of Shares which may be issued upon the exercise of all share options that may be granted under the 2020 Share Option Scheme and all outstanding share options granted and yet to be exercised under the other share option schemes of the Company has not exceeded 30% of the Shares in issue.

Due to the termination of the 2020 Share Scheme on 25 May 2023, details of which please refer to the section headed "2023 Share Scheme", no further share options should be granted under the 2020 Share Option Scheme. As at the beginning and the end of the Reporting Period, the number of share options available for grant under the 2020 Share Option Scheme was nil. As at 30 June 2025, the total number of outstanding share options that have been granted under the 2020 Share Option Scheme was 67,368,509, representing approximately 3.64% of the total issued share capital of the Company.

2023 Share Scheme

Pursuant to the amendments to Chapter 17 of the Listing Rules in relation to share schemes of listed issuers that came into effect on 1 January 2023, the Board resolved to adopt a new share scheme (the "2023 Share Scheme") in compliance with the new Chapter 17 of the Listing Rules.

The 2023 Share Scheme was approved by the Shareholders at the annual general meeting of the Company held on 19 June 2023. Following the adoption of the 2023 Share Scheme, the 2020 Share Option Scheme was terminated. Share options granted under the 2020 Share Option Scheme prior to its termination shall remain valid in accordance with its terms.

The purpose of the 2023 Share Scheme is to provide incentive to the eligible participants in order to promote the development and success of the business of the Group. The eligible participants under the 2023 Share Scheme includes employee participants, related entity participants and service provider participants. The award that may be granted under the 2023 Share Scheme could be a share option or a share award.

The total number of Shares which may be issued in respect of all awards which may be granted at any time under the 2023 Share Scheme together with share options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the adoption date (the "Scheme Mandate Limit").

The total number of Shares which may be issued in respect of all awards which may be granted at any time under the 2023 Share Scheme together with share options and awards which may be granted under any other share schemes for the time being of the Company to service provider participants shall not exceed such number of Shares as equals to 2% of the Shares in issue as at the adoption date (the "Service Provider Participant Sublimit").

Based on 1,833,465,053 Shares in issue as at the date of the annual general meeting at which the 2023 Share Scheme was approved, the Scheme Mandate Limit is 183,346,505 Shares, being 10% of the issued share capital of the Company as at the date of the adoption of the 2023 Share Scheme (the "Adoption Date"), representing approximately 9.64% of the issued share capital of the Company as at the date of this interim report, of which, the Service Provider Participant Sublimit is 36,669,301 Shares, being 2% of the issued share capital of the Company as at the Adoption Date, representing approximately 1.93% of the issued share capital of the Company as at the date of this interim report.

Where any grant of an award to an eligible participant would result in the Shares issued and to be issued in respect of all share options and awards granted to such eligible participant (excluding any share options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such eligible participant and the person's close associates (or associates if the eligible participant is a connected person) abstaining from voting.

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An offer shall be deemed to have been accepted by an eligible participant concerned in respect of all the award Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a payment in favour of the Company of HK$1.00 or such other amount (if any) as may be determined by the Board as consideration for the grant thereof, is received by the Company. An offer shall remain open for acceptance by the eligible participant concerned (and by no other person, including the eligible participant's personal representative) for a period of twenty-one (21) days from the date of the offer.

An award must be held by the grantee for a period that is not shorter than a period commencing on offer date and ending on the day immediately prior to the first anniversary thereof before the award can be exercised save for the circumstances that: (i) grants of "make-whole" awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers; (ii) grants to an employee participant whose employment is terminated due to death or occurrence of any out of control event; (iii) grants that are made in batches during a year for administrative and compliance reasons, which include awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch; (iv) grants of awards with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of twelve (12) months; or (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

The exercise price shall, subject to any adjustment made pursuant to the terms of the 2023 Share Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of: (i) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and (iii) the nominal value of the Share on the offer date.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant award which must be satisfied before an award may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant award, there is no performance target which must be achieved before an award can be exercised under the terms of the 2023 Share Scheme nor any clawback mechanism for the Company to recover or withhold any awards granted to any eligible participant.

The 2023 Share Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further share options shall be granted. Subject to the early termination, the remaining life of the Share Scheme is approximately 7 years and 9 months as of the date of this interim report.

As at the beginning of the Reporting Period, the number of the awards available for grant under the 2023 Share Scheme was 152,541,595. On 1 April 2025 and 27 June 2025, the Company granted 3,408,502 and 3,700,000 share options at the exercise price of HK$8.34 and HK$8.61 per Share under 2023 Share Scheme respectively. As at 30 June 2025, the total number of outstanding share options that have been granted under the 2023 Share Scheme was 37,372,092, representing approximately 2.01% of the total issued share capital of the Company. As at the end of the Reporting Period, the number of the awards available for grant under the Scheme Mandate Limit and Service Provider Participant Sublimit was 145,433,093 and 34,885,287, respectively.

During the Reporting Period, an aggregate of 7,108,502 share options of the Company were granted. As at the end of the Reporting Period, the ratio of the number of Shares that may be issued in respect of share options granted under all schemes to the weighted average number of Shares for the year is approximately 9.51%. The particulars of the share options of the Company granted during the Reporting Period is as follows:

Category of participants	As at 1 January 2025	Granted during the Period	Exercised during the Period	Expired during the Period	Cancelled during the Period	Lapsed during the Period	As at 30 June 2025	Date of Grant of Share Options	Vesting Period	Exercise Period	Exercise Price	Closing price of the Shares immediately before the grant date of share options	Weighted average closing price of the Shares immediately before the exercise date of share options
Directors													-
Zhaohua Chang	13,500,000	0	0	0	0	0	13,500,000	23 Jan 2017	23 Jan 2017 – 23 Jan 2022	23 Jan 2022 – 22 Jan 2027	HKD5.628	HKD5.480	
	313,636	0	0	0	0	0	313,636	30 Mar 2017	30 Mar 2017 – 30 Mar 2022	30 Mar 2022 – 29 Mar 2027	HKD5.798	HKD5.740	
	214,535	0	0	0	0	0	214,535	29 Mar 2018	29 Mar 2023	29 Mar 2023 – 28 Mar 2028	HKD8.510	HKD8.330	
	15,594,188	0	0	0	0	0	15,594,188	24 Dec 2018	24 Dec 2018 – 30 Dec 2022	24 Dec 2020 – 23 Dec 2028	HKD7.692	HKD7.000	
	225,752	0	0	0	0	0	225,752	1 Apr 2019	1 Apr 2024	1 Apr 2024 – 31 Mar 2029	HKD7.448	HKD7.38	
	80,306	0	0	0	0	0	80,306	31 Mar 2020	31 Mar 2025	31 Mar 2025 – 30 Mar 2030	HKD17.54	HKD18.20	
	615,360	0	0	0	0	0	615,360	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	47,754	0	0	0	0	0	47,754	1 Apr 2022	1 Apr 2027	1 Apr 2027 – 31 Mar 2032	HKD18.12	HKD17.78	
	615,360	0	0	0	0	0	615,360	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	17,840,780	0	0	0	0	0	17,840,780	10 Oct 2023	10 Oct 2025 – 10 Oct 2027	10 Oct 2025 – 9 Oct 2033	HKD11.54	HKD11.58	
Jonathan H. Chou	80,645	0	0	0	0	0	80,645	14 May 2021	13 Jun 2021 – 13 May 2022	14 May 2021 – 13 May 2031	HKD57.59	HKD56.25	
	26,881	0	0	0	0	0	26,881	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	26,881	0	0	0	0	0	26,881	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	26,883	0	0	0	0	0	26,883	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2032	HKD14.26	HKD14.18	
Guoen Liu	80,645	0	0	0	0	0	80,645	14 May 2021	13 Jun 2021 – 13 May 2022	14 May 2021 – 13 May 2031	HKD57.59	HKD56.25	
	26,881	0	0	0	0	0	26,881	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	26,881	0	0	0	0	0	26,881	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	26,883	0	0	0	0	0	26,883	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2032	HKD14.26	HKD14.18	
Chunyang Shao	80,645	0	0	0	0	0	80,645	14 May 2021	13 Jun 2021 – 13 May 2022	14 May 2021 – 13 May 2031	HKD57.59	HKD56.25	
	26,881	0	0	0	0	0	26,881	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	26,881	0	0	0	0	0	26,881	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	26,883	0	0	0	0	0	26,883	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2032	HKD14.26	HKD14.18	

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Category of participants	As at 1 January 2025	Granted during the Period	Exercised during the Period	Expired during the Period	Cancelled during the Period	Lapsed during the Period	As at 30 June 2025	Date of Grant of Share Options	Vesting Period	Exercise Period	Exercise Price	Closing price of the Shares immediately before the grant date of share options	Weighted average closing price of the Shares immediately before the exercise date of share options
Rotating Co-Chief Executive Officer (Note 1)													
Jonathan W Chen	2,960,000	0	0	0	0	0	2,960,000	30 Mar 2016	30 Mar 2016 – 30 Mar 2021	30 Mar 2017 – 29 Mar 2026	HKD3.482	HKD3.34	
	93,580	0	0	0	0	0	93,580	30 Mar 2017	30 Mar 2022	30 Mar 2022 – 29 Mar 2027	HKD5.798	HKD5.74	
	104,560	0	0	0	0	0	104,560	29 Mar 2018	29 Mar 2023	29 Mar 2023 – 28 Mar 2028	HKD8.510	HKD8.33	
	150,000	0	0	0	0	0	150,000	23 Jan 2019	23 Jan 2019 – 23 Jan 2020	23 Feb 2019 – 22 Jan 2029	HKD7.730	HKD7.56	
	113,284	0	0	0	0	0	113,284	1 Apr 2019	1 Apr 2024	1 Apr 2024 – 31 Mar 2029	HKD7.448	HKD7.38	
	43,725	0	0	0	0	0	43,725	31 Mar 2020	31 Mar 2025	31 Mar 2025 – 30 Mar 2030	HKD17.54	HKD18.2	
	14,865	0	0	0	0	0	14,865	31 Mar 2021	31 Mar 2026	31 Mar 2026 – 30 Mar 2031	HKD43.75	HKD41.9	
	4,955	0	0	0	0	0	4,955	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	4,955	0	0	0	0	0	4,955	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	24,313	0	0	0	0	0	24,313	1 Apr 2022	1 Apr 2027	1 Apr 2027 – 31 Mar 2032	HKD18.12	HKD17.78	
	4,955	0	0	0	0	0	4,955	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2032	HKD14.26	HKD14.18	
	85,466	0	0	0	0	0	85,466	31 Mar 2023	31 Mar 2028	31 Mar 2028 – 30 Mar 2033	HKD20.01	HKD19.58	
	1,000,000	0	0	0	0	0	1,000,000	31 Mar 2023	31 Mar 2024 – 31 Mar 2028	31 Mar 2024 – 30 Mar 2033	HKD20.01	HKD19.58	
	163,786	0	0	0	0	0	163,786	8 Apr 2024	8 Apr 2029	8 Apr 2029 – 7 Apr 2034	HKD6.58	HKD6.77	
	594,902	0	0	0	0	0	594,902	8 Apr 2024	8 Apr 2025	8 Apr 2025 – 7 Apr 2034	HKD6.58	HKD6.77	
	0	274,014 (Note 2)	0	0	0	0	274,014	1 Apr 2025	1 Apr 2030	1 Apr 2030 –31 Mar 2035	HKD8.34	HKD7.97	
In Aggregate	54,894,887	274,014	0	0	0	0	55,168,901						
Business associates/Service provider (Note 1)													-
Maxwell Maxcare Science Foundation Limited	14,100,000	0	0	0	0	0	14,100,000	30 Mar 2016	30 Mar 2016 – 30 Mar 2021	30 Mar 2017 – 29 Mar 2026	HKD3.482	HKD3.360	
	36,940	0	0	0	0	0	36,940	31 Mar 2021	31 Mar 2026	31 Mar 2026 – 30 Mar 2031	HKD43.75	HKD41.90	
	16,876,788	0	0	0	0	0	16,876,788	14 May 2021	13 Jun 2021 – 13 May 2022	14 May 2021 – 13 May 2031	HKD57.59	HKD56.25	
	15,683,008	0	0	0	0	0	15,683,008	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2033	HKD14.26	HKD14.18	
Service Provider A	500,000	0	0	0	0	0	500,000	8 Apr 2024	8 Apr 2025 – 8 Apr 2029	8 Apr 2025 – 7 Apr 2034	HKD6.58	HKD6.77	
In Aggregate	47,196,736	0	0	0	0	0	47,196,736						

Category of participants	As at 1 January 2025	Granted during the Period	Exercised during the Period	Expired during the Period	Cancelled during the Period	Lapsed during the Period	As at 30 June 2025	Date of Grant of Share Options	Vesting Period	Exercise Period	Exercise Price	Closing price of the Shares immediately before the grant date of share options	Weighted average closing price of the Shares immediately before the exercise date of share options
Employees (Note 1)													HKD7.732
	630,000	0	630,000	0	0	0	0	20 Jan 2015	20 Jan 2015 – 20 Jan 2019	20 Jan 2016 – 19 Jan 2025	HKD3.210	HKD3.14	
	2,392,042	0	432,042	0	0	0	1,960,000	30 Mar 2016	30 Mar 2016 – 30 Mar 2021	30 Mar 2017 – 29 Mar 2026	HKD3.482	HKD3.34	
	5,860,000	0	1,270,000	0	0	0	4,590,000	23 Jan 2017	23 Jan 2022	23 Jan 2022 – 22 Jan 2027	HKD5.628	HKD5.48	
	1,483,871	0	565,774	0	0	0	918,097	30 Mar 2017	30 Mar 2022	30 Mar 2022 – 29 Mar 2027	HKD5.798	HKD5.74	
	1,428,647	0	0	56,933	0	0	1,371,714	29 Mar 2018	29 Mar 2023	29 Mar 2023 – 28 Mar 2028	HKD8.510	HKD8.33	
	9,425,136	0	254,025	40,000	0	0	9,131,111	24 Dec 2018	24 Dec 2018 – 30 Dec 2022	24 Dec 2020 – 23 Dec 2028	HKD7.692	HKD7.00	
	1,134,611	0	85,469	75,979	0	0	973,163	23 Jan 2019	23 Jan 2019 – 31 Jan 2023	23 Jan 2021 – 22 Jan 2029	HKD7.730	HKD7.56	
	200,000	0	0	0	0	0	200,000	23 Jan 2019	23 Jan 2019 – 23 Jan 2024	23 Jan 2020 – 22 Jan 2029	HKD7.730	HKD7.56	
	162,500	0	0	0	0	0	162,500	23 Jan 2019	23 Jan 2019 – 23 Jan 2020	23 Feb 2019 – 22 Jan 2029	HKD7.730	HKD7.56	
	2,687,357	0	211,518	0	0	0	2,475,839	1 Apr 2019	1 Apr 2024	1 Apr 2024 – 31 Mar 2029	HKD7.448	HKD7.38	
	500,000	0	0	0	0	0	500,000	30 Aug 2019	30 Aug 2019 – 30 Aug 2024	30 Aug 2020 – 29 Aug 2029	HKD6.95	HKD6.88	
	893,427	0	0	0	0	0	893,427	31 Mar 2020	31 Mar 2025	31 Mar 2025 – 30 Mar 2030	HKD17.54	HKD18.2	
	99,923	0	0	0	0	0	99,923	31 Mar 2020	31 Mar 2022 – 31 Mar 2024	31 Mar 2022 – 30 Mar 2030	HKD17.54	HKD18.2	
	400,000	0	0	0	40,000	0	360,000	28 Aug 2020	28 Aug 2021 – 28 Aug 2025	28 Aug 2021 – 27 Aug 2030	HKD34.70	HKD35.3	
	750,000	0	0	0	0	0	750,000	28 Dec 2020	28 Dec 2021 – 28 Dec 2025	28 Dec 2021 – 27 Dec 2030	HKD42.20	HKD41.0	
	494,979	0	0	0	0	0	494,979	31 Mar 2021	31 Mar 2026	31 Mar 2026 – 30 Mar 2031	HKD43.75	HKD41.9	
	581,794	0	0	8,869	0	0	572,925	31 Mar 2021	31 Mar 2023 – 31 Mar 2025	31 Mar 2023 – 30 Mar 2031	HKD43.75	HKD41.9	
	3,850,000	0	0	0	250,000	0	3,600,000	31 Aug 2021	31 Aug 2028	31 Aug 2028 – 30 Aug 2031	HKD48.15	HKD48.3	
	570,000	0	0	0	0	0	570,000	2 Nov 2021	2 Nov 2028	2 Nov 2028 – 1 Nov 2031	HKD36.79	HKD34.8	
	2,280,409	0	0	74,467	0	0	2,205,942	21 Jan 2022	21 Feb 2022 – 21 Jan 2023	21 Feb 2022 – 20 Jan 2032	HKD28.05	HKD27.60	
	2,232,375	0	0	74,467	0	0	2,157,908	1 Apr 2022	1 May 2022 – 1 Apr 2023	1 May 2022 – 31 Mar 2032	HKD18.12	HKD17.78	
	3,724,295	0	0	33,026	23,584	0	3,667,685	1 Apr 2022	1 Apr 2024 – 1 Apr 2026	1 Apr 2024 – 31 Mar 2032	HKD18.12	HKD17.78	
	957,715	0	0	0	24,287	0	933,428	1 Apr 2022	1 Apr 2027	1 Apr 2027 – 31 Mar 2032	HKD18.12	HKD17.78	
	2,173,476	0	0	74,475	0	0	2,099,001	16 May 2022	16 Jun 2022 – 16 May 2023	16 Jun 2022 – 15 May 2032	HKD14.26	HKD14.18	
	300,000	0	0	0	0	0	300,000	23 Jun 2022	23 Jun 2023 – 23 Jun 2027	23 Jun 2023 – 22 Jun 2032	HKD19.92	HKD19.68	
	2,259,716	0	0	0	41,450	0	2,218,266	31 Mar 2023	31 Mar 2028	31 March 2028 – 30 March 2033	HKD20.01	HKD19.58	
	1,951,777	0	0	1,547	10,444	0	1,939,786	31 Mar 2023	31 March 2025 – 31 March 2027	31 March 2025 – 30 March 2033	HKD20.01	HKD19.58	
	10,000,000	0	0	0	0	0	10,000,000	31 Mar 2023	31 March 2024 – 31 March 2028	31 March 2024 – 30 March 2033	HKD20.01	HKD19.58	
	1,200,000	0	0	40,000	160,000	0	1,000,000	12 Sep 2023	12 Sep 2024 – 12 Sep 2028	12 Sep 2024 – 11 Sep 2033	HKD12.88	HKD12.98	
	115,322	0	0	0	0	0	115,322	12 Sep 2023	12 Sep 2028	12 Sep 2028 – 11 Sep 2033	HKD12.88	HKD12.9	
	3,862,458	0	0	0	0	0	3,862,458	8 Apr 2024	8 Apr 2029	8 Apr 2029 – 7 Apr 2034	HKD6.58	HKD6.77	
	5,354,114	0	0	0	0	0	5,354,114	8 Apr 2024	8 Apr 2025	8 Apr 2025 – 7 Apr 2034	HKD6.58	HKD6.77	
	832,228	0	0	0	0	0	832,228	8 Apr 2024	8 Apr 2026 – 8 Apr 2028	8 Apr 2026 – 7 Apr 2034	HKD6.58	HKD6.77	
	0	3,034,488 (Note 2)	0	0	0	0	3,034,488	1 Apr 2025	1 Apr 2030	1 Apr 2030 -31 Mar 2035	HKD8.34	HKD7.97	
	0	100,000 (Note 2)	0	0	0	0	100,000	1 Apr 2025	1 Apr 2026 – 1 Apr 2030	1 Apr 2026 -31 Mar 2035	HKD8.34	HKD7.97	
	0	3,700,000 (Note 3)					3,700,000	27 Jun 2025	27 Jun 2026 – 27 Jun 2030	27 Jun 2026 – 26 Jun 2035	HKD8.61	HKD8.61	
In Aggregate	70,788,172	6,834,488	3,448,828	479,763	549,765	0	73,144,304						
Total	172,879,795	7,108,502	3,448,828	479,763	549,765	0	175,509,941						

Note 1: Mr. Jonathan W Chen and Dr. Brian Chang was appointed as Rotating Co-Chief Executive Officer and Chief Medical Officer of the Company effective on 27 June 2025 respectively, such share options held by them have been reclassified at the beginning of 2025.

Note 2: Fair value of such share options as at the date of grant in total is approximately US$1.8 million. These share options granted are not subject to any other exercising conditions nor any performance targets.

Note 3: Fair value of such share options as at the date of grant is approximately US$2.1 million. These share options granted are not subject to any other exercising conditions nor any performance targets.

In relation to the related accounting policy, please refer to note 1(w)(iii) to the consolidated financial statements in the 2024 annual report of the Company. The estimate of the fair value of the share options granted is measured based on a binomial tree model. The following inputs were used to calculate the fair values of the share options granted:

	Share options granted on 1 April 2025	Share options granted on 27 June 2025
Share price	HKD7.78	HKD8.61
Expected volatility	48.5%	48.7%
Share option life	10 years	10 years
Exercise multiple	2.4	2.4
Expected dividend yield	0.0%	0.0%
Average risk-free interest rate	3.35%	3.03%

The subjective input assumptions used in calculating the fair value of share options were based on the Director's best estimates. Changes in the subjective input assumptions could affect the fair value estimate.

Share Award Scheme

The Company has adopted a share award scheme (the "Share Award Scheme") in 2011. The purposes of the Share Award Scheme are to provide incentives to attract and retain employees, consultants and advisers whose contributions will be beneficial to the growth and development of the Group. The eligible participants under the Share Award Scheme includes Directors, employees, consultants and advisors of any member of the Group. The Share Award Scheme has an initial term of ten years. On 27 August 2020, the Board resolved to extend the term of the Share Award Scheme for a further ten years from the date of resolution of the Board (i.e. 26 August 2030), so the remaining life of the Share Award Scheme is approximately 4 years and 11 months as at the date of this interim report.

On 30 August 2023, the Board resolved to amend the rules of the Share Award Scheme to remove the subscription of new shares of the Company by the Share Award Scheme and prohibit the trustee from subscribing for new shares of the Company for the purpose of the Share Award Scheme. Upon such amendments, the Share Award Scheme became a scheme for existing shares of the Company under Chapter 17 of the Listing Rules, and no Shares will be available for issue under the Share Award Scheme. Details of the Share Award Scheme were set out in the announcements of the Company dated 15 September 2011, 28 August 2020 and 30 August 2023.

The maximum number of shares which could be granted under the Share Award Scheme is up to 10% of the issued share capital of the Company from time to time. The maximum number of shares that may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

A selected participant is not required to make any payment to accept awarded Shares and there is no purchase price of the Shares awarded under the Share Award Scheme. Awarded Shares to a selected participant will be subject to vesting and the trustee will transfer the vested awarded Shares to the selected participant upon all the vesting conditions have been satisfied. The vesting date shall be on any business day in the end of March of any year, but in any event not later than 12 months after the date of final approval by the Board of the amount for the purchase of Shares pursuant to the Share Award Scheme.

During the Reporting Period, the Company resolved to award an aggregate of 3,876,166 Shares to 26 selected participants through secondary Shares purchased by the trustee in the open market. As at 30 June 2025, the number of Shares held by the trustee that may be made available for future grant was 989,497, representing 0.05% and 0.05% of the total issued share capital of the Company as at 30 June 2025 and as at the date of this interim report.

Particulars of the Share Award Scheme and the related accounting policy are set out in note 28(b)(i) and note 1(w)(iii) to the consolidated financial statements, respectively.

Movement in the number of awarded Shares during the year are as follows:

Category of participants	Unvested awarded Shares as at 1 January 2025	Granted during the Reporting Period (Note 1)	Vested during the Reporting Period	Expired during the Reporting Period	Lapsed during the Reporting Period	Unvested awarded Shares as at 30 June 2025	Date of Grant of awarded Shares	Vesting Period	Purchase price	Closing price of the Shares immediately before the date of grant of awarded Shares	Weighted average closing price of the Shares immediately before the vested date of awarded Shares
Employees	64,049	–	47,694	–	16,355	–	31 Mar 2021	31 Mar 2022 – 31 Mar 2025	–	HKD41.9	HKD6.58
	–	3,872,601	3,872,601	–	–	–	8 Apr 2025	8 Apr 2025	–	HKD6.56	
	–	3,565	3,565	–	–	–	15 Jun 2025	15 Jun 2025	–	HKD8.28	
Total	64,049	3,876,166	3,923,860		16,355						

Notes:

1 Fair value of the awards as at the date of grant is approximately US$3.3 million. These awarded Shares granted are not subject to any other exercising conditions nor any performance targets.

2 No cancellation provision in relation to the unvested awarded Shares is available pursuant to the terms of the Share Award Scheme.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company strives to maintain a high standard of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability.

Throughout the six months ended 30 June 2025, the Company had complied with all the applicable code provisions (the "Code Provisions") as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules with the exception as addressed below:

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The roles of chairman and chief executive officer of the Company are held by Dr. Zhaohua Chang ("Dr. Chang"). Dr. Chang has assumed the responsibility of the executive Director and the chairman of the Board and is responsible for managing the Board and the Group's business. As the Board considers that Dr. Chang has in-depth knowledge of the Group's business and can make appropriate decisions promptly and efficiently, he also assumes the position of the chief executive officer of the Company. Nevertheless, the Board will continue to review the efficacy of the Group's corporate governance structure to assess whether the separation of the positions of chairman and chief executive officer of the Company is necessary. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Effective on 27 June 2025, Mr. Jonathan W Chen has been appointed as the Rotating Co-chief Executive Officer of the Company, subject to rotation on a yearly basis and adjustment based on his performance. The setup of the office of a rotating co-chief executive officer aims at, among others, further enhancing the Group's global corporate governance standards, comprehensively improving its international and professional operational capabilities, and substantively expanding the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend to the Shareholders for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

INDEPENDENT REVIEW OF AUDITOR

The interim financial report for the six months ended 30 June 2025 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 Hong Kong Institute of Certified Public Accountants.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this report, the Audit Committee comprises three members: Mr. Jonathan H. Chou (Chairman), Mr. Norihiro Ashida and Mr. Chunyang Shao.

The Audit Committee has reviewed and discussed the interim results and interim report for the six months ended 30 June 2025.

CHANGES IN DIRECTORS' INFORMATION

Changes in the Directors' information required to be disclosed pursuant to R13.51B(1) of the Listing Rules are set out below:

Name of Director	Details of change
Dr. Zhaohua Chang	Re-elected by rotation as executive Director and entered into a letter of appointment dated 30 May 2025 with the Company
Mr. Hiroshi Shirafuji	Re-elected by rotation as non-executive Director and entered into a letter of appointment dated 30 May 2025 with the Company
Mr. Chunyang Shao	Re-elected by rotation as independent non-executive Director and entered into a letter of appointment dated 30 May 2025 with the Company

Upon specific enquiry by the Company and confirmations from the Directors, save as otherwise set out in this interim report, there are no other changes in the directors' information required to be disclosed pursuant to R13.51B(1) of the Listing Rules since the Company's last published annual report up to the publication date of this interim report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Except for the non-adjusting events after the Reporting Period as disclosed in note 20 to the consolidated financial statements, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this interim report.

CONVERTIBLE BONDS

2028 CONVERTIBLE BONDS

On 5 December 2023, the Company and J.P. Morgan Securities plc, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited and Merrill Lynch (Asia Pacific) Limited (the "Managers") entered into a subscription agreement (the "Subscription Agreement") pursuant to which the Company agreed to issue 5.75 per cent. convertible bonds due 2028 (the "2028 Convertible Bonds") with an aggregate principal amount of US$220 million. The 2028 Convertible Bonds may be convertible into Shares at the initial conversion price of HK$12.7790 per Share ("2028 Conversion Price"). Assuming full conversion of the 2028 Convertible Bonds, the 2028 Convertible Bonds will be convertible into 134,537,601 Shares ("2028 Conversion Shares"), representing approximately 7.3% of the issued share capital of the Company as at the date of Subscription Agreement and approximately 6.8% of the issued share capital of the Company as enlarged by the allotment and issue of the 2028 Conversion Shares. The 2028 Conversion Shares have a nominal value of approximately US$1,345.38 and a market value of approximately HK$1,555.25 million based on the closing price of the Shares of HK$11.56 on 5 December 2023. The net issue price of the 2028 Conversion Shares is approximately HK$12.58 per Share. The net proceeds from the issue of the 2028 Convertible Bonds in the amount of approximately US$216.6 million were mostly intended to be applied for refinancing the Company's medium and long term offshore debts. The issue of the 2028 Convertible Bonds has been completed and the 2028 Convertible Bonds are listed on the Stock Exchange (Stock Code: 40168). Such proceeds were fully utilized for the intended purpose as of 31 December 2023 and no proceed was brought forward to the financial year of 2024 and the Reporting Period.

OTHER INFORMATION

Assuming no 2028 Convertible Bonds are converted by the bondholders, the table below illustrates the shareholding structure of the Company (a) as at 31 December 2024; and (b) immediately upon the issue of the adjusted conversion shares (i.e. full conversion of the 2028 Convertible Bonds at the initial 2028 Conversion Price), and assuming there is no other change in the issued share capital of the Company from 30 June 2025 up to the date of the full conversion of 2028 Convertible Bonds:

	(a) As at 30 June 2025		(b) Immediately upon the issue of the adjusted conversion shares based on the assumptions stated above	
	Number of Shares	Approximate percentage of total number of Shares in issue (%)	Number of Shares	Approximate percentage of total number of Shares in issue (%)
Otsuka Medical Devices Co., Ltd. (Note 1)	382,994,120	20.70	382,994,120	19.29
Maxwell Maxcare Science Foundation Limited ("Maxwell") and its controlled corporations (Note 2)	302,019,827	16.32	302,019,827	15.22
Bondholders	–	–	134,537,601	6.78
Other public Shareholders	1,165,160,636	62.98	1,165,160,636	58.71
Total	1,850,174,583	100	1,984,712,184	100

Note:

1. Otsuka Holdings Co., Ltd. holds the entire issued share capital of Otsuka Medical Devices Co., Ltd., and therefore, is deemed to be interested in the same number of Shares held by Otsuka Medical Devices Co., Ltd..

2. Maxwell holds 100% interest of We'Tron Capital Limited, and therefore, is deemed to be interested in the same number of Shares and share interests held by We'Tron Capital Limited. Maxwell is also the beneficial owner of 3,299,119 Shares.

2029 CONVERTIBLE LOAN

References are made to the connected transaction announcement dated 5 April 2024, the supplemental circular of annual general meeting dated 6 May 2024 (the "Circular") and the poll results announcement of annual general meeting dated 22 May 2024 of the Company, as well as the announcement of the Company dated 28 May 2024. Unless the content otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

On 5 April 2024, the Company entered into a convertible facility agreement (the "Convertible Facility Agreement") with the HFTY I Holdings Pte. Ltd., HFTY II Holdings Pte. Ltd., HFTY III Holdings Pte. Ltd. and Jumbo Glorious Limited (the "Original Lenders") pursuant to which the Original Lenders agreed to make available to the Company a US Dollars convertible term loan facility in an aggregate principal amount of US$150 million (the "Initial Total Commitments") at an interest rate of 5.75% per annum, with an accordion option (the "Accordion Option") to increase the total commitments by an aggregate principal amount of up to US$50 million (the total commitments will be US$200 million (the "Maximum Increased Total Commitments") if the accordion option is exercised in full) (the "Convertible Loans"). Assuming that convertible loans in an aggregate principal amount equal to Initial Total Commitments of US$150 million (translated into Hong Kong dollars at the Fixed Exchange Rate) would be converted into Conversion Shares in full at the initial Conversion Price of HK$7.46 per Share ("2029 Conversion Price"), such convertible loans are convertible into approximately 157,409,517 Conversion Shares, which represent approximately 8.58% of the issued share capital of the Company as at the date of the Convertible Facility Agreement and approximately 7.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. Assuming that the Accordion Option is exercised in full, convertible loans in an aggregate principal amount equal to the Maximum Increased Total Commitments (translated into Hong Kong dollars at the Fixed Exchange Rate) would be converted into Conversion Shares in full at the initial Conversion Price of HK$7.46 per Share, such convertible loans are convertible into approximately 209,879,356 Conversion Shares, which represent approximately 11.44% of the issued share capital of the Company as at date of the Convertible Facility Agreement and approximately 10.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. Such Conversion Shares have a nominal value of approximately US$1,574.09517 and a market value of approximately HK$1,065.66 million (assuming no Accordion Option is exercised) or a nominal value of US$2,098.79356 and a market value of approximately HK$1,420.88 million (assuming the Accordion Option is exercised in full). The closing price of the Shares on the date of the Convertible Facility Agreement was HK$6.77 per Share. The net proceeds of the convertible facility (after deducting the fees and expenses in relation to the obtaining of the convertible facility) are estimated to be approximately US$145.08 million (assuming no Accordion Option is exercised) or approximately US$195.08 million (assuming the Accordion Option is exercised in full). On such basis, the net price received by the Company for each Conversion Share is approximately HK$7.2151 (assuming no Accordion Option is exercised) or HK$7.2763 (assuming the Accordion Option is exercised in full). The Company intends to use the net proceeds of the convertible facility to repay the then outstanding amounts under the zero coupon convertible bonds due 2026 with a principal amount of US$700 million issue in June 2021, pay all fees, costs and expenses under or in connection with the finance documents, and (if any proceeds of the convertible facility are available after payment of the above) fund the general corporate purposes of the Group.

On 28 May 2024, all the conditions precedent under the Convertible Facility Agreement have either been satisfied or waived by the Lenders and the drawdown of the convertible loan in an aggregate principal amount equal to the Initial Total Commitments has been completed on 28 May 2024 (the "Drawdown"). As of 31 December 2024, the Accordion Option has been fully exercised and the drawdown of the convertible loan in an aggregate principal amount of US$50 million has been completed. Such proceeds were fully utilized for the intended purpose as of 31 December 2024 and no proceed was brought forward to the Reporting Period.

OTHER INFORMATION

Assuming no Convertible Loans are converted by the lenders, the table below illustrates the shareholding structure of the Company (a) as at 30 June 2025; and (b) immediately upon the issue of the adjusted conversion shares (i.e. full conversion of the Convertible Loans at the initial 2029 Conversion Price), and assuming there is no other change in the issued share capital of the Company from 30 June 2025 up to the date of the full conversion of Convertible Loans:

	(a) As at 30 June 2025		(b) Immediately upon the issue of the adjusted conversion shares based on the assumptions stated above	
	Number of Shares	Approximate percentage of total number of Shares in issue (%)	Number of Shares	Approximate percentage of total number of Shares in issue (%)
Otsuka Medical Devices Co., Ltd. (Note 1)	382,994,120	20.70	382,994,120	18.59
Maxwell Maxcare Science Foundation Limited ("Maxwell") and its controlled corporations (Note 2)	302,019,827	16.32	302,019,827	14.66
Lenders	–	–	209,879,356	10.19
Other public Shareholders	1,165,160,636	62.98	1,165,160,636	56.56
Total	1,850,174,583	100	2,060,053,939	100

Note:

1. Otsuka Holdings Co., Ltd. holds the entire issued share capital of Otsuka Medical Devices Co., Ltd., and therefore, is deemed to be interested in the same number of Shares held by Otsuka Medical Devices Co., Ltd..

2. Maxwell holds 100% interest of We'Tron Capital Limited, and therefore, is deemed to be interested in the same number of Shares and share interests held by We'Tron Capital Limited. Maxwell is also the beneficial owner of 3,299,119 Shares.

The 2028 Convertible Bonds and 2029 Convertible Loan are anti-dilutive and are therefore excluded from the calculation of diluted earnings per Share to the consolidated financial statements for the six months ended 30 June 2025.

If the Group is able to successfully implement of Group strategy and all of the measures set out in the section headed "Management Discussion and Analysis", the Directors expects that the Company will be able to meet its redemption obligations under the 2028 Convertible Bonds and 2029 Convertible Loan.

Without taking into the interest element of the 2028 Convertible Bonds and 2029 Convertible Loan, it would be equally financially advantageous for holders to convert the 2028 Convertible Bonds and 2029 Convertible Loan, when the trading price of the Shares approximates the prevailing conversion price in the future. However, holders of the 2028 Convertible Bonds and 2029 Convertible Loan shall consider their own circumstances as well as the interest payments under the 2028 Convertible Bonds and 2029 Convertible Loan in determining whether and when to convert into the Shares or to hold until redemption in accordance with the terms of the indenture of the 2028 Convertible Bonds and 2029 Convertible Loan.

By Order of the Board
MicroPort Scientific Corporation
Dr. Zhaohua Chang
Chairman

Shanghai, the PRC
29 August 2025

INDEPENDENT AUDITOR'S REPORT

Review report to the board of directors of MicroPort Scientific Corporation
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 45 to 84, which comprises the consolidated statement of financial position of MicroPort Scientific Corporation (the "Company") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-months 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* as 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* as 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 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting.*

INDEPENDENT AUDITOR'S REPORT

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 to the interim financial report, which indicates that as at 30 June 2025, the Group had (i) bank borrowings of US$419,357,000 due within 1 year, (ii) convertible bonds issued by MicroPort Cardiac Rhythm Management Limited ("CRM Cayman", a subsidiary of the Company) (the "Subsidiary") of US$156,834,000 due in October 2025, and (iii) share repurchase obligations (included in current portion of other payables) issued by CRM Cayman with a carrying value of US$254,491,000. In addition, certain non-current bank borrowings and convertible bonds amounting to US$687,663,000 are subject to the fulfilment of covenants relating to certain of the Group's financial performance and ratios. For the six months ended 30 June 2025, the Group incurred a net loss of US$36,361,000 and a net operating cash outflow of US$11,541,000. These conditions, along with other matters as set forth in note 1 to the interim financial report indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

KPMG
Certified Public Accountants

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

29 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Note	Six months ended 30 June 2025 US$'000	2024 US$'000
Revenue	*3*	**547,532**	558,702
Cost of sales		**(238,956)**	(228,122)
Gross profit		**308,576**	330,580
Research and development costs		**(72,078)**	(115,033)
Distribution costs		**(148,551)**	(156,150)
Administrative expenses		**(82,785)**	(83,785)
Other net income	*4*	**54,785**	12,390
Other operating costs	*5(b)*	**(3,949)**	(5,787)
Finance costs	*5(a)*	**(58,958)**	(48,416)
Changes in the fair value of convertible bonds	*13*	**(12,399)**	(15,108)
Changes in the fair value of other financial instruments		**2,774**	2,650
Impairment losses of non-current assets	*5(c)*	**(23,361)**	(6,561)
Gain on disposal of subsidiaries and interests in equity-accounted investees	*16*	**26,053**	6,922
Share of profits less losses of equity-accounted investees		**(9,557)**	(8,146)
Loss before taxation	*5*	**(19,450)**	(86,444)
Income tax	*6*	**(16,911)**	(20,230)
Loss for the period		**(36,361)**	(106,674)
Attributable to:			
Equity shareholders of the Company		**(46,602)**	(96,830)
Non-controlling interests		**10,241**	(9,844)
Loss for the period		**(36,361)**	(106,674)
Loss per share	*7*		
– Basic (in cents)		**(2.53)**	(5.29)
– Diluted (in cents)		**(2.82)**	(5.63)

The notes on pages 53 to 84 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Loss for the period	**(36,361)**	(106,674)
Other comprehensive income for the period, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit liabilities	**497**	494
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements, net of nil tax	**987**	(11,624)
Share of other comprehensive income of equity-accounted investees	**–**	16
Other comprehensive income for the period	**1,484**	(11,114)
Total comprehensive income for the period	**(34,877)**	(117,788)
Attributable to:		
Equity shareholders of the Company	**(44,603)**	(105,032)
Non-controlling interests	**9,726**	(12,756)
Total comprehensive income for the period	**(34,877)**	(117,788)

The notes on pages 53 to 84 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Note	**At 30 June 2025**		At 31 December 2024	
		US$'000	**US$'000**	US$'000	US$'000
Non-current assets					
Investment properties			**4,176**		4,214
Property, plant and equipment	*8*		**916,420**		934,159
			920,596		938,373
Intangible assets	*8*		**229,100**		234,317
Goodwill			**201,100**		188,514
Equity-accounted investees			**402,029**		382,861
Financial assets measured at fair value through profit or loss ("FVPL")			**9,964**		9,883
Deferred tax assets			**21,341**		18,488
Other non-current assets	*9*		**118,011**		123,713
			1,902,141		1,896,149
Current assets					
Financial assets measured at FVPL		**115,565**		51,817	
Inventories		**352,020**		379,288	
Trade and other receivables	*10*	**481,493**		376,564	
Pledged deposits and time deposits		**155,925**		213,509	
Cash and cash equivalents	*14*	**764,498**		712,995	
		1,869,501		1,734,173	
Assets classified as held-for-sale		**3,290**		3,100	
		1,872,791		1,737,273	
Current liabilities					
Trade and other payables	*11*	**651,874**		638,997	
Contract liabilities		**18,356**		19,863	
Interest-bearing borrowings	*12*	**419,357**		318,066	
Convertible bonds	*13*	**161,131**		147,133	
Lease liabilities		**36,844**		40,143	
Income tax payable		**27,488**		7,311	
Derivative financial liabilities		**7,547**		7,500	
		1,322,597		1,179,013	
Net current assets			**550,194**		558,260
Total assets less current liabilities			**2,452,335**		2,454,409

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Note	**At 30 June 2025**		At 31 December 2024	
		US$'000	**US$'000**	US$'000	US$'000
Non-current liabilities					
Interest-bearing borrowings	*12*	**722,294**		757,711	
Lease liabilities		**38,282**		47,932	
Deferred income		**53,735**		51,491	
Contract liabilities		**31,227**		26,948	
Convertible bonds	*13*	**380,073**		374,224	
Other payables	*11*	**19,357**		24,124	
Derivative financial instruments	*13(b)*	**1,904**		5,534	
Deferred tax liabilities		**24,099**		21,601	
			1,270,971		1,309,565
NET ASSETS			**1,181,364**		1,144,844
CAPITAL AND RESERVE	*15*				
Share capital			**18**		18
Reserves			**623,100**		603,455
Total equity attributable to equity shareholders of the Company			**623,118**		603,473
Non-controlling interests			**558,246**		541,371
TOTAL EQUITY			**1,181,364**		1,144,844

Approved and authorised for issue by the board of directors on 29 August 2025.

Zhaohua Chang
Chairman

Jonathan H. Chou
Director

The notes on pages 53 to 84 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

		Attributable to equity shareholders of the Company								
	Note	Share capital US$'000	Share premium US$'000	Exchange reserve US$'000	Capital reserve US$'000	Statutory general reserve US$'000	Accumulated loss US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2024		18	677,626	(94,656)	1,418,774	136,956	(1,380,899)	757,819	645,178	1,402,997
Changes in equity for the six months ended 30 June 2024:										
Loss for the period		–	–	–	–	–	(96,830)	(96,830)	(9,844)	(106,674)
Other comprehensive income		–	–	(8,582)	380	–	–	(8,202)	(2,912)	(11,114)
Total comprehensive income		–	–	(8,582)	380	–	(96,830)	(105,032)	(12,756)	(117,788)
Net contributions from non-controlling shareholders of subsidiaries		–	–	–	2,655	–	–	2,655	4,880	7,535
Disposal of subsidiaries		–	–	–	–	–	–	–	(674)	(674)
Acquisition of non-controlling interests		–	–	–	(9,202)	–	–	(9,202)	(12,415)	(21,617)
Disposal of interest in a subsidiary to non-controlling shareholders		–	–	–	7,562	–	–	7,562	(7,562)	–
Equity-settled share-based transactions		–	–	–	10,035	–	–	10,035	3,393	13,428
Shares issued under share option scheme of the Company		–	212	–	(53)	–	–	159	–	159
Repurchase of shares under share award scheme		–	–	–	(3,603)	–	–	(3,603)	(7,110)	(10,713)
Shares granted under share award scheme	*15(c)(iii)*	–	–	–	3,056	–	–	3,056	586	3,642
Lapse of share options		–	–	–	(891)	–	891	–	–	–
Issuance of convertible bonds		–	–	–	37,271	–	–	37,271	–	37,271
Dividends to holders of non-controlling interests		–	–	–	–	–	–	–	(24,898)	(24,898)
Others		–	–	–	(907)	–	–	(907)	(482)	(1,389)
Balance at 30 June 2024		18	677,838	(103,238)	1,465,077	136,956	(1,476,838)	699,813	588,140	1,287,953

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

		Attributable to equity shareholders of the Company								
	Note	Share capital US$'000	Share premium US$'000	Exchange reserve US$'000	Capital reserve US$'000	Statutory general reserve US$'000	Accumulated loss US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2025		**18**	**684,448**	**(105,542)**	**1,481,364**	**139,804**	**(1,596,619)**	**603,473**	**541,371**	**1,144,844**
Changes in equity for the six months ended 30 June 2025:										
Loss for the period		–	–	–	–	–	(46,602)	(46,602)	10,241	(36,361)
Other comprehensive income		–	–	1,617	382	–	–	1,999	(515)	1,484
Total comprehensive income		–	–	1,617	382	–	(46,602)	(44,603)	9,726	(34,877)
Effect of placement and disposal of interests in a subsidiary without losing control, net of taxation	*16(a)*	–	–	–	65,628	–	–	65,628	28,480	94,108
Disposal of subsidiaries		–	–	–	–	–	–	–	(7,034)	(7,034)
Acquisition of non-controlling interests		–	–	–	(11,673)	–	–	(11,673)	(350)	(12,023)
Equity-settled share-based transactions		–	–	–	8,412	–	–	8,412	2,978	11,390
Shares issued under share option scheme of the Company		–	3,149	–	(820)	–	–	2,329	–	2,329
Repurchase of shares under share award scheme		–	–	–	(4,769)	–	–	(4,769)	(10,572)	(15,341)
Shares granted under share award scheme	*15(c)(iii)*	–	–	–	4,321	–	–	4,321	834	5,155
Lapse of share options		–	–	–	(1,063)	–	1,063	–	–	–
Dividends to holders of non-controlling interests		–	–	–	–	–	–	–	(7,187)	(7,187)
Balance at 30 June 2025		**18**	**687,597**	**(103,925)**	**1,541,782**	**139,804**	**(1,642,158)**	**623,118**	**558,246**	**1,181,364**

The notes on pages 53 to 84 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Operating activities		
Cash generated from/(used in) operations	**5,481**	(22,244)
Income tax paid	**(18,789)**	(21,781)
Income tax refund received	**1,767**	10,581
Net cash used in operating activities	**(11,541)**	(33,444)
Investing activities		
Payments for purchase of property, plant and equipment and intangible assets	**(38,013)**	(70,158)
Payments for the investments in equity-accounted investees	**(19,710)**	(5,929)
Payments for the investments in financial assets at FVPL	**(470,339)**	(558,304)
Redemption of financial assets at FVPL	**409,165**	405,128
Decrease in pledged deposits and time deposits	**57,463**	54,404
Proceeds from disposal of subsidiaries, net of cash disposed	**48,994**	–
Loans to equity-accounted investees	**(12,302)**	(6,109)
Loans repaid by equity-accounted investees	**4,885**	3,195
Proceeds from sale of property, plant and equipment	**8,218**	851
Other cash flows arising from investing activities	**5,293**	4,829
Net cash used in investing activities	**(6,346)**	(172,093)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025 (unaudited)
(Expressed in United States dollars)

	Note	Six months ended 30 June 2025 US$'000	2024 US$'000
Financing activities			
Capital element of lease rentals paid		**(20,616)**	(16,336)
Interest element of lease rentals paid		**(2,721)**	(3,298)
Payments for purchase of non-controlling interests		**(12,023)**	(20,034)
Payment for repurchase of convertible bonds	*13*	**–**	(461,619)
Repayments of interest-bearing borrowings		**(221,943)**	(173,272)
Proceeds from interest-bearing borrowings, net of transaction costs		**270,388**	487,030
Proceeds from issuance of convertible bonds, net of transaction costs	*13*	**–**	169,613
Capital contributions from non-controlling interests, net of transaction costs	*16(a)*	**48,981**	7,535
Proceeds from disposal of subsidiaries without losing control	*16(a)*	**59,449**	–
Payment for repurchase of shares under share award schemes		**(15,341)**	(10,713)
Interest paid for convertible bonds		**(18,317)**	(11,115)
Interest paid for interest-bearing borrowings		**(18,780)**	(14,437)
Payment of dividends to non-controlling interests		**(3,497)**	(21,069)
Other cash flows arising from financing activities		**2,329**	512
Net cash generated from/(used in) financing activities		**67,909**	(67,203)
Net increase/(decrease) in cash and cash equivalents		**50,022**	(272,740)
Cash and cash equivalents at 1 January		**712,995**	1,019,551
Effect of foreign exchange rate changes		**1,481**	(6,714)
Cash and cash equivalents at 30 June		**764,498**	740,097

The notes on pages 53 to 84 form part of this interim financial report.

1 BASIS OF PREPARATION

The 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, 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 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, 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.

The 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 MicroPort Scientific Corporation (the "Company") and its subsidiaries (together, the "Group") since the 2024 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 HKFRS Accounting Standards.

This 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 of the Company (the "Directors") is included on pages 43 to 44.

The financial information relating to the financial year ended 31 December 2024 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 2024 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2025.

1 BASIS OF PREPARATION (CONTINUED)

Material uncertainty related to going concern

In determining the appropriate basis of preparation of the interim financial report, the directors of the Company (the "Directors") are required to consider whether the Group could continue in operational existence for the foreseeable future.

As at 30 June 2025, the Group had (i) bank borrowings of US$419,357,000 due within 1 year (see note 12); (ii) convertible bonds issued by MicroPort Cardiac Rhythm Management Limited ("CRM Cayman", a subsidiary of the Group) of US$156,834,000 due in October 2025 (see note 13(a)); and (iii) share repurchase obligations (included in current portion of other payables) issued by CRM Cayman with a carrying value of US$254,491,000 (see note 11).

In addition, certain non-current bank borrowings and convertible bonds amounting to US$687,663,000 (see notes 12 and 13(b)) are subject to the fulfilment of covenants relating to certain of the Group's financial performance and ratios. If the Group were to breach the covenants, these bank borrowings and part of the convertible bonds would be immediately repayable if requested by the lenders of these bank borrowings and the holders of the convertible bonds in accordance with the underlying facilities agreements. The occurrence of such circumstance may trigger the cross-default provisions of other borrowings of the Group and, as a possible consequence, these other borrowings may also be declared to be immediately due and repayable.

For the six months ended 30 June 2025, the Group incurred a net loss of US$36,361,000 and had a net operating cash outflow of US$11,541,000.

Given the above, the liquidity of the Group is primarily dependent on (i) its ability to renew or refinance existing borrowings and to utilise its cash and cash equivalents available to the Group (see note 14) for repayment of its borrowings; (ii) whether the share repurchase obligations could be terminated; and (iii) whether the above-mentioned financial covenants could be achieved. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

1 BASIS OF PREPARATION (CONTINUED)

Material uncertainty related to going concern (continued)

In view of these circumstances, the Directors have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow projections prepared by management, which covers a period of at least 12 months from 30 June 2025. Certain plans and measures have been taken to mitigate the liquidity pressures and to improve its financial position which include, but not limited to, the following:

(1) In July 2025, the Group announced that the Directors are considering a non-binding proposal relating to the proposed strategic restructuring of the Group's cardiac rhythm management business (the "CRM business"), pursuant to which, subject to further negotiations with interested parties, the execution of definitive agreements (the "Definitive Agreements") and obtaining the necessary consents and approvals, the CRM business will be consolidated with the business of MicroPort CardioFlow Medtech Corporation ("MP CardioFlow", a subsidiary of the Group);

(2) The Group has planned or implemented various strategies to improve the liquidity of the Group including to maintain more stringent cost control measure, substantially reduce the budget for operating costs, defer the plan for discretionary capital expenditure;

(3) The Group has plans to realise additional cash from disposal of certain properties, equity accounted investees or other assets;

(4) The Group is in discussion with potential investors to make direct investment or to purchase certain equity interests in subsidiaries/ equity-accounted investees of the Group; and

(5) The Group is in discussion with banks for the renewal of existing bank borrowings and obtaining new banking facilities.

The plans and measures as described above incorporate assumptions about future events and conditions. If the above plans and measures are successful, the Group will be able to generate sufficient financing and operating cash flows to meet its liquidity requirements for at least the next twelve months from the end of the reporting period. Based on the Directors' intentions and the cash flow forecast mentioned above, the Directors are of the opinion that it is appropriate to prepare the Group's interim financial report for the six months ended 30 June 2025 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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 business by divisions, which are organised by a mixture of both business lines (products and services) and geography. 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 a number of reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of medical devices	**535,557**	549,546
– Others	**8,854**	6,611
	544,411	556,157
Revenue from other sources	**3,121**	2,545
	547,532	558,702

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Disaggregated by geographical location of external customers		
– the People's Republic of China (the "PRC") (country of domicile)	**277,112**	305,978
– North America	**42,134**	47,082
– Europe	**158,788**	145,340
– Asia (excluding the PRC)	**47,851**	37,837
– South America	**15,048**	13,453
– Others	**6,599**	9,012
	270,420	252,724
	547,532	558,702

The geographical analysis above includes property rental income from external customers in the PRC and the United States of America (the "US") for the six months ended 30 June 2025 of US$2,735,000 (six months ended 30 June 2024: US$2,048,000).

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as 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 2025									
	Cardiovascular devices business US$'000	Orthopedics devices business US$'000	Cardiac rhythm management business US$'000	Endovascular and peripheral vascular devices business US$'000	Neurovascular devices business US$'000	Structural heart disease business US$'000	Surgical robot business US$'000	Surgical devices business US$'000	Others# US$'000	Total US$'000
Disaggregated by timing of revenue recognition										
Point in time	87,743	122,571	110,126	99,012	52,660	29,083	10,712	6,466	21,867	540,240
Over time	212	1,345	3,966	–	134	–	419	–	1,216	7,292
Revenue from external customers	87,955	123,916	114,092	99,012	52,794	29,083	11,131	6,466	23,083	547,532
Inter-segment revenue	229	124	11	570	529	2,855	13,342	–	210	17,870
Reportable segment revenue	88,184	124,040	114,103	99,582	53,323	31,938	24,473	6,466	23,293	565,402
Reportable segment net profit/(loss)	18,630	(7,481)	(29,810)	42,977	12,669	(368)	(16,017)	3,263	(19,557)	4,306

	At 30 June 2025									
	Cardiovascular devices business US$'000	Orthopedics devices business US$'000	Cardiac rhythm management business US$'000	Endovascular and peripheral vascular devices business US$'000	Neurovascular devices business US$'000	Structural heart disease business US$'000	Surgical robot business US$'000	Surgical devices business US$'000	Others# US$'000	Total US$'000
Reportable segment assets	492,630	518,271	368,279	642,405	290,449	371,227	209,493	52,395	452,135	3,397,284
Reportable segment liabilities	409,317	413,840	558,111	75,845	44,308	62,142	136,424	56,495	113,495	1,869,977

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Information about profit or loss, assets and liabilities (continued)

	Six months ended 30 June 2024 (Re-presented) (Note)									
	Cardiovascular devices business US$'000	Orthopedics devices business US$'000	Cardiac rhythm management business US$'000	Endovascular and peripheral vascular devices business US$'000	Neurovascular devices business US$'000	Structural heart disease business US$'000	Surgical robot business US$'000	Surgical devices business US$'000	Others# US$'000	Total US$'000
Disaggregated by timing of revenue recognition										
Point in time	90,296	125,882	111,239	110,376	57,127	31,106	9,713	4,303	13,760	553,802
Over time	722	402	2,115	–	–	–	240	–	1,421	4,900
Revenue from external customers	91,018	126,284	113,354	110,376	57,127	31,106	9,953	4,303	15,181	558,702
Inter-segment revenue	1,002	523	7	332	275	278	4,007	268	36	6,728
Reportable segment revenue	92,020	126,807	113,361	110,708	57,402	31,384	13,960	4,571	15,217	565,430
Reportable segment net profit/(loss)	11,333	(16,573)	(41,149)	56,123	19,694	(7,675)	(39,394)	(18,191)	(30,532)	(66,364)

	At 31 December 2024 (Re-presented) (Note)									
	Cardiovascular devices business US$'000	Orthopedics devices business US$'000	Cardiac rhythm management business US$'000	Endovascular and peripheral vascular devices business US$'000	Neurovascular devices business US$'000	Structural heart disease business US$'000	Surgical robot business US$'000	Surgical devices business US$'000	Others# US$'000	Total US$'000
Reportable segment assets	465,775	509,802	360,720	597,017	284,447	373,009	178,488	56,709	462,895	3,288,862
Reportable segment liabilities	370,798	408,113	524,126	67,179	46,392	62,722	140,612	76,496	140,843	1,837,281

Note: The comparative information of segment reporting has been re-presented to reflect the changes in allocation of resources and assessment of performance.

Revenues and results from segments below the quantitative thresholds are mainly attributable to non-vascular interventional devices business and fermentation-based active pharmaceutical ingredients business, etc. None of those segments individually met any of the quantitative thresholds for reportable segments.

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(c) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Segments total net profit/(loss)	**4,306**	(66,364)
Share awards scheme	**(3,414)**	(2,435)
Other equity-settled share-based payment expenses	**(6,316)**	(7,808)
Unallocated exchange loss	**(746)**	(5,903)
Interest on convertible bonds issued by the Company	**(22,117)**	(13,772)
Impairment losses of equity-accounted investees	**(12,861)**	–
Gain on disposal of subsidiaries	**23,023**	6,922
Unallocated expenses, net	**(18,236)**	(17,314)
Consolidated loss for the period	**(36,361)**	(106,674)

4 OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Government grants	**16,516**	9,163
Interest income on financial assets carried at amortised cost	**8,689**	11,705
Net gain/(loss) on disposal of property, plant and equipment (note 8)	**3,649**	(1,075)
Net foreign exchange gain/(loss)	**24,081**	(11,801)
Others	**1,850**	4,398
	54,785	12,390

Majority of the government grants are subsidies received from government for the encouragement of research and development projects.

5 LOSS BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Interest on the convertible bonds	**22,190**	13,772
Interest on other interest-bearing borrowings	**17,192**	13,984
Interest on preferred shares issued by subsidiaries (note 11)	**14,104**	13,433
Interest on lease liabilities	**4,399**	5,277
Total interest expense on financial liabilities not at FVPL	**57,885**	46,466
Less: interest expense capitalised into properties under development	**(1,070)**	(1,064)
	56,815	45,402
Others	**2,143**	3,014
	58,958	48,416

(b) Other operating costs

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Legal and professional fee	**341**	884
Donations and others	**3,608**	4,903
	3,949	5,787

5 LOSS BEFORE TAXATION (CONTINUED)

(c) Other items

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Amortisation of intangible assets	**11,099**	10,434
Depreciation charge		
– owned property, plant and equipment	**40,273**	46,264
– right-of-use assets	**21,385**	25,817
Less: Amounts capitalised as development costs	**(510)**	(454)
Total amortisation and depreciation in the consolidated statement of profit or loss	**72,247**	82,061
Research and development costs	**79,834**	128,267
Less: Amortisation of capitalised development costs	**(4,462)**	(2,245)
Costs capitalised into intangible assets	**(7,756)**	(13,234)
	67,616	112,788
Provision of inventories write-down	**1,576**	3,558
Impairment losses on:		
– intangible assets	**577**	–
– property, plant and equipment	**6,272**	4,358
– equity-accounted investees	**16,512**	2,203
	23,361	6,561

6 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Current tax – the PRC corporate income tax ("CIT")	**13,730**	18,957
Current tax – other jurisdictions	**2,980**	1,854
Deferred taxation	**201**	(581)
	16,911	20,230

Pursuant to the CIT Law of the PRC, during the six months ended 30 June 2025, all of the Company's PRC subsidiaries are liable to PRC CIT at a rate of 25% except for those subsidiaries entitled to a preferential income tax rate of 15% as they are certified as "High and New Technology Enterprise" ("HNTE"). According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

(b) Pillar Two income tax

Effective 1 January 2024, many countries, including Japan and many European Union member states, adopted a global minimum effective tax rate of 15% based on the Pillar Two framework issued by the Organization for Economic Cooperation and Development ("OECD"). Other countries where the Group does business are also actively considering adopting the framework or are in various stages of enacting the framework into their country's laws. The Group continues to monitor legislative adoption of the Pillar Two rules by country, as well as for additional guidance from the OECD. The Group considers the current impact of the adoption of a global minimum effective tax is not material.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and would account for the tax as current tax when incurred.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of US$46,602,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: US$96,830,000) and the weighted average of 1,845,592,000 ordinary shares in issue during the six months ended 30 June 2025 (six months ended 30 June 2024: 1,829,494,000 ordinary shares).

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to ordinary equity shareholders of the Company of US$52,120,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: US$103,083,000) and the weighted average number of ordinary shares of 1,845,592,000 shares for the six months ended 30 June 2025 (six months ended 30 June 2024: 1,829,494,000 ordinary shares) after adjusting the effects of dilutive potential issuable ordinary shares under a put option granted to Sino Rhythm Limited ("SRL") that may be settled in ordinary shares of the Company.

8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended 30 June 2025, the Group entered into lease agreements for use of manufacturing facilities, warehouses and office buildings, and therefore recognised the additions to right-of-use assets of US$3,782,000 (six months ended 30 June 2024: US$8,642,000).

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of US$15,172,000 (six months ended 30 June 2024: US$27,926,000), incurred construction costs for buildings of US$21,265,000 (six months ended 30 June 2024: US$22,990,000) and capitalised development costs of US$7,756,000 (six months ended 30 June 2024: US$13,522,000).

Items of property, plant and equipment with a net book value of US$2,916,000 were disposed of or written off during the six months ended 30 June 2025 (six months ended 30 June 2024: US$4,551,000), resulting in gain of US$3,649,000 (six months ended 30 June 2024: losses of US$1,075,000).

9 OTHER NON-CURRENT ASSETS

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Lease and security deposits (i)	**48,275**	46,849
Income tax recoverable (ii)	**10,034**	8,538
Lease receivables	**8,574**	11,543
Valued-added tax recoverable	**15,185**	16,589
Prepayment for non-current assets	**28,384**	30,114
Others	**7,559**	10,080
	118,011	123,713

Notes:

i Lease and security deposits are typically paid for leased properties, which are refundable after the expiry of the lease.

ii Income tax recoverable primarily represents a tax credit of US$10,920,000 (31 December 2024: US$9,468,000) from French government, which is an incentive tax program to support the research and development projects of a subsidiary in France ("France CIR"). The French CIR is deductible from the following 3 years' income tax or is receivable from the France government after 3 years if there are no sufficient profits available to deduct such research and development costs. As at 30 June 2025, the France CIR are classified as current and non-current receivables amounting US$886,000 (31 December 2024: US$930,000) and US$10,034,000 (31 December 2024: US$8,538,000), respectively.

10 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Within 1 month	**166,863**	126,052
1 to 3 months	**87,924**	79,739
3 to 12 months	**97,041**	53,045
More than 12 months	**9,913**	6,800
Trade debtors, net of loss allowance	**361,741**	265,636
Other debtors	**40,039**	39,064
Amounts due from a related party in relation to transfer of non-current assets	**780**	777
Consideration receivable in relation to disposal of subsidiaries	**487**	7,167
Income tax recoverable (note 9)	**886**	930
Deposits and prepayments	**77,560**	62,990
	481,493	376,564

Trade receivables are normally due within 30 to 360 days from the date of billing.

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Current		
Within 1 month	**106,313**	93,869
Over 1 month but within 3 months	**21,262**	24,925
Over 3 months but within 6 months	**18,543**	19,652
Over 6 months but within 1 year	**11,434**	4,249
Over 1 year	**14,577**	31,885
Trade payables	**172,129**	174,580
Share repurchase obligations (Note)	**254,491**	240,690
Consideration payables in connection with the acquisition of subsidiaries	**955**	952
Dividends payables to non-controlling interests of a subsidiary	**3,690**	–
Other payables and accrued charges	**220,609**	222,775
	651,874	638,997
Non-current		
Share repurchase obligation (Note)	**–**	6,258
Contingent consideration in connection with the acquisition of a subsidiary	**5,607**	4,935
Net defined benefit obligation	**10,993**	10,184
Other payables	**2,757**	2,747
	19,357	24,124

Note:

As at 30 June 2025, CRM Cayman has several series of outstanding preferred shares issued to certain investors in connection with its previous financings. These preferred shares include liquidation preference right, redemption right and conversion right granted to these investors. If CRM Cayman does not complete a qualified public offering by July 2025, the holders of these preferred shares would have right to request CRM Cayman to redeem their preferred shares at an amount equal to the original purchase price plus per annum interest of 8%. Pursuant to the amended and restated memorandum and articles of association of CRM Cayman, no preferred shares may be, or requested to be, redeemed or repurchased by the Group unless all outstanding CRM Convertible Bonds (defined in note 13(a)) have been fully discharged.

11 TRADE AND OTHER PAYABLES (CONTINUED)

Note: (continued)

The share repurchase obligations borne by CRM Cayman are settled by cash, which give rise to financial liabilities and measured at the highest of those amounts that could be payable, and on a present value basis. Since these obligations are undertaken by the issuer itself, the subsequent changes of financial liabilities under amortised costs are recognised in profit or loss directly.

Movement of the share repurchase obligations arising from the above shares are as follows:

	Preferred shares issued by CRM Cayman US$'000	**Redemption rights issued by other subsidiary US$'000**	**Total US$'000**
As at 1 January 2025	240,690	6,258	246,948
Derecognition in relation to the disposal of a subsidiary	–	(6,425)	(6,425)
Charge to finance costs (note 5(a))	13,801	303	14,104
Exchange adjustments	–	(136)	(136)
As at 30 June 2025	254,491	–	254,491

12 INTEREST-BEARING BORROWINGS

As of the end of the reporting period, the interest-bearing borrowings were repayable as follows:

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Within 1 year or on demand	**419,357**	318,066
After 1 year but within 2 years	**446,756**	321,805
After 2 years but within 5 years	**182,640**	331,492
After 5 years	**92,898**	104,414
	722,294	757,711
	1,141,651	1,075,777

12 INTEREST-BEARING BORROWINGS (CONTINUED)

As of the end of the reporting period, the interest-bearing borrowings were secured as follows:

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Bank loans		
– secured	**560,864**	556,319
– unsecured	**577,295**	519,458
	1,138,159	1,075,777
Loans from a non-controlling interest of a subsidiary	**3,492**	–
	1,141,651	1,075,777

As at 30 June 2025, the bank loans drawn down by the Group totaling US$560,864,000 (31 December 2024: US$556,319,000) were secured by (i) the land use rights and buildings held for own use with net book values of US$12,489,000 and US$257,590,000, respectively (31 December 2024: land use rights of US$12,585,000 and buildings held for own use of US$267,903,000, respectively); (ii) the Group's equity interest in several subsidiaries, and (iii) certain patents held by the Group. The carrying amount of these patents is nil as they have not been capitalised as intangible assets.

Part of the Group's non-current bank borrowings amounting to US$522,723,000 (31 December 2024: US$439,851,000) are subject to the fulfilment of covenants relating to certain financial targets or ratios, as are commonly found in facility and lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The occurrence of such circumstance may trigger the cross-default provisions of other borrowings available to the Group and, as a possible consequence, these other borrowings may also be declared to be immediately due and payable. The Group regularly monitors its compliance with these covenants. As at 30 June 2025, none of the covenants relating to drawn down facilities had been breached.

13 CONVERTIBLE BONDS

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Convertible bonds issued by CRM Cayman (a)	**156,834**	147,133
Convertible bonds/loans issued by the Company (b)	**380,073**	369,945
Convertible bonds issued by another subsidiary	**4,297**	4,279
	541,204	521,357
Representing		
Current portion	**161,131**	147,133
Non-current portion	**380,073**	374,224
	541,204	521,357

(a) Convertible bonds issued by CRM Cayman (the "CRM Convertible Bonds")

In October 2022, CRM Cayman issued the CRM Convertible Bonds with a principal amount of US$90 million to several external investors. The maturity date of the CRM Convertible Bonds is 14 October 2025, and each bondholder may, in its sole discretion, exercise a one-time option to extend the maturity date for two years. The holders have the right to convert any portion of the CRM Convertible Bonds into shares of CRM Cayman at any time on or after the issue date based on the enterprise value of CRM Cayman, being US$1.25 billion (subject to adjustments). The CRM Convertible bonds are designated as financial liabilities at FVPL.

The movement of the CRM Convertible Bonds during the period represents as follow:

	US$'000
At 1 January 2025	147,133
Changes in fair value recognised in profit or loss during the period	16,029
Interests paid	(6,328)
At 30 June 2025	156,834

13 CONVERTIBLE BONDS (CONTINUED)

(b) Convertible bonds/loans issued by the Company

(i) Convertible bonds issued by the Company due in 2028 (the "2028 Convertible Bonds")

In December 2023, the Company issued the 2028 Convertible Bonds with a principal amount of US$220 million, which are listed on the Stock Exchange. The 2028 Convertible Bonds bear an interest rate of 5.75% per annum and the interests are payable semi-annually.

Pursuant to the terms of the 2028 Convertible Bonds, the bondholders could convert part of or the entire outstanding bond balances at the option of the bondholders into fully paid ordinary shares of the Company at an initial conversion price of HK$12.7790 per share, subject to the adjustment under certain terms and conditions at the fixed exchange rate of HK$7.8148 to US$1 before the maturity date.

The maturity date of the 2028 Convertible Bonds is 19 December 2028 and the Company shall redeem the 2028 Convertible bonds at its principal amount together with accrued and unpaid interests. In addition, the bondholders also have a right to require the Company to redeem entire or partial of the 2028 Convertible Bonds on 21 December 2026 at their principal amount together with interest accrued but unpaid.

The 2028 Convertible Bonds are accounted for as compound financial instruments which contain both a liability component and an equity component. The liability component is initially measured as the present value of the future cash flows, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. The liability component is subsequently carried at amortised cost. The interest expenses recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until the 2028 Convertible Bonds are either converted or redeemed.

As at 30 June 2025, the outstanding principal of the 2028 Convertible Bonds was US$220 million. The carrying value of the liability component of the 2028 Convertible Bonds was US$215,133,000 as at 30 June 2025.

As at 30 June 2025, the quoted market value of the 2028 Convertible Bonds was approximately US$217.1 million.

13 CONVERTIBLE BONDS (CONTINUED)

(b) Convertible bonds/loans issued by the Company (continued)

(ii) Convertible loans issued by the Company due in 2029 (the "2029 Convertible Loans")

In 2024, the Company entered into a convertible facility agreement with several lenders and issued the 2029 Convertible Loans with a principal amount of US$200 million under the convertible facility agreement.

The 2029 Convertible Loans bear interest at of 5.75% per annum. The lender could convert part of or the entire outstanding balances into fully paid ordinary shares of the Company at an initial conversion price of HK$7.46 per share, subject to adjustment under certain terms and conditions at the fixed exchange rate of HK$7.8285 to US$1 before the maturity date.

The Company shall repay the 2029 Convertible Loans in 2029, together with all interest, a premium, being 40% of the outstanding principal and any accrued but unpaid amounts payable to the lenders.

In addition, pursuant to the terms of the 2029 Convertible Loans, in May 2027, the lenders have right to require the Company to redeem all 2029 Convertible Loans, together with all interest, a premium, being 30% of the outstanding principal and any accrued but unpaid amounts payable to the lenders. And at any time after May 2027, the Company could redeem all 2029 Convertible Loans, together with all interest, a premium, being 40% of the outstanding principal and any accrued but unpaid amounts payable to the lenders, provided that the closing price of the ordinary shares of the Company for each of any 20 trading days within a period of 30 consecutive trading days, the last of which occurs not more than 5 trading days prior to the publishing date of such notice, is at least 130% of the conversion price, subject to further adjustments.

The Company shall also attain certain performance targets, failing which the lenders may require the Company to apply an amount equal to US$50,000,000 towards prepayment of the 2029 Convertible Loans and payment of all accrued interest on the prepayment amount and a premium, being 30% of the prepayment amount.

The 2029 Convertible Loans are secured by (i) assignment by way of security of certain intercompany loan(s) by the Company; (ii) security over a property located in the US with a carrying value of approximately US$45 million as at 30 June 2025; and (iii) share mortgage in respect of all issued ordinary shares of two subsidiaries.

The 2029 Convertible Loans are accounted for as compound financial instruments which contain a debt component, derivative components and an equity component. The accounting treatment of initial recognition and subsequent measurement of the debt component are similar to the 2028 Convertible Bonds. The derivative components represent the aforesaid early redemption rights granted to the lenders and the Company and are initially measured at fair value. Changes in the fair value of the derivative components are recognised in profit or loss. Any excess of proceeds over the amount initially recognised as the debt components and derivative components is recognised as the equity component. The equity component is recognised in the capital reserve until the 2029 Convertible Loans are either converted or redeemed.

As at 30 June 2025, the outstanding principal of the 2029 Convertible Loans was US$200 million. The carrying value of the liability component of the 2029 Convertible Loans was US$164,940,000 as at 30 June 2025.

13 CONVERTIBLE BONDS (CONTINUED)

(b) Convertible bonds/loans issued by the Company (continued)

The movement of the convertible bonds/loans issued by the Company during the period represents as follow:

	Derivative component US$'000	Debt component US$'000	Equity component US$'000	Total US$'000
At 1 January 2025	**5,534**	**369,945**	**83,651**	**459,130**
Changes in fair value recognised in profit or loss during the year	**(3,630)**	**–**	**–**	**(3,630)**
Interest charged	**–**	**22,117**	**–**	**22,117**
Interest paid	**–**	**(11,989)**	**–**	**(11,989)**
At 30 June 2025	**1,904**	**380,073**	**83,651**	**465,628**

No conversion of the convertible bonds/loans issued by the Company had occurred up to 30 June 2025.

14 CASH AND CASH EQUIVALENTS

As at 30 June 2025, the balance of the deposits in the designated bank accounts of Shanghai MicroPort Endovascular MedTech (Group) Co., Ltd. (上海微創心脈醫療科技(集團)股份有限公司, "EV MedTech") is US$130,702,000 (31 December 2024: US$181,422,000) which is not available for general usage and could only be used for purposes specified in the initial public offering and placing prospectus of EV MedTech.

Apart from the above, as at 30 June 2025, cash and cash equivalents situated in Chinese Mainland amounted to US$552,358,000 (31 December 2024: US$434,054,000), which are not freely remissible to the Company as the remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign currency exchange control.

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Directors did not propose any payment of final dividend in respect of the previous year during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

The Directors did not propose any payment of interim dividend during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

(Expressed in United States dollars unless otherwise indicated)

15 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Purchase of own shares

During the six months ended 30 June 2025, the Company did not purchase any of its own ordinary shares (for the six months ended 30 June 2024: 1,877,400 ordinary shares) through the designated trustees under the share award scheme (note 15(c)(iii)).

Repurchased shares held at the end of reporting period under the share award scheme were classified as treasury shares and presented as a decrease in the capital reserve.

As at 30 June 2025, the trustee under a long-term benefit plan held 172,000 ordinary shares of the Company (31 December 2024: 172,000 ordinary shares). These shares are treated as plan assets and carried at fair value with reference to the share price of ordinary shares of the Company, which are presented as a deduction of non-current defined benefit obligation.

(c) Equity-settled share-based payment transactions

(i) Share scheme adopted by the Company

The Company has adopted a share scheme, pursuant to which, the board of directors may authorise, at their discretion, the issuance of share options to the executives, employees, external or business associates of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The movements in the number and weighted average exercise prices of share options are as follow:

	2025		2024	
	Weighted average exercise price HK$	**Number of options**	Weighted average exercise price HK$	Number of options
Outstanding at 1 January	**16.25**	**172,879,795**	16.42	179,566,120
Granted during the period	**8.48**	**7,108,502**	6.59	11,648,808
Exercised during the period	**5.26**	**(3,448,828)**	3.64	(342,779)
Forfeited during the period	**27.89**	**(549,765)**	29.41	(2,446,570)
Cancelled during the period	**14.38**	**(479,763)**	21.31	(946,957)
Outstanding at 30 June	**16.15**	**175,509,941**	15.15	187,478,622

The amount payable by each grantee on acceptance of the offer for the option granted is HK$1.00. The share options granted during the six months ended 30 June 2025 are exercisable upon vesting and then expire in a period from December 2025 to June 2035.

(Expressed in United States dollars unless otherwise indicated)

15 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Equity-settled share-based payment transactions (continued)

(ii) Share schemes adopted by subsidiaries

Several subsidiaries of the Group have adopted their respective share schemes (the "Subsidiary Share Scheme"), pursuant to which, the board of directors of each subsidiary may authorise, at their discretion, the issuance of share options to the eligible person as defined in each Subsidiary Share Scheme. Each option gives the holder the right to subscribe for one ordinary share or one registered capital unit of the respective subsidiary.

During the six months ended 30 June 2025, the number and weighted average exercise prices of share options granted under the Subsidiary Share Scheme are as follow:

Name of subsidiary	Month/year granted	Number of share options granted	Weighted average exercise price	Vesting period	Contractual life
MP CardioFlow	March 2025	8,138,312	HK$1.11	From March 2025 to March 2030	10 years
MicroPort NeuroScientific Corporation ("MicroPort Neuro")	May 2025	2,445,000	HK$10.68	From May 2025 to May 2030	10 years

(iii) Share award scheme

Pursuant to the share award scheme (as amended) of the Company, which was adopted and approved by the Board in 2021, the Company may purchase its own shares and grant such shares to certain employees of the Group at nil consideration. For the six months ended 30 June 2025, the Company granted 3,920,295 shares (six months ended 30 June 2024: 3,030,738) with a fair value of US$3,414,000 (six months ended 30 June 2024: US$2,435,000) to the Group's executives and employees.

MP CardioFlow has adopted its share award scheme and may purchase its own shares and grant such shares to certain directors, employees, consultants and advisors. For the six months ended 30 June 2025, MP CardioFlow granted 3,626,804 shares (six months ended 30 June 2024: 3,254,407 shares) with a fair value of US$356,000 (six months ended 30 June 2024: US$373,000) to the executives and employees of MP CardioFlow.

MicroPort Neuro has also adopted its share award scheme and may purchase its own shares and grant such shares to certain employee of the eligible person. For the six months ended 30 June 2025, MicroPort Neuro granted 1,132,000 shares (six months ended 30 June 2024: 780,000) with a fair value of US$1,385,000 (six months ended 30 June 2024: US$834,000) to the executives and employees of MicroPort Neuro.

15 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Equity-settled share-based payment transactions (continued)

(iv) Bonus distribution plan

On 30 March 2020, the board of the Company approved a bonus distribution plan, pursuant to which, the Company may purchase the shares of the designated subsidiaries and grant such shares to the executive and the employee of the Group at nil consideration.

During the six months ended 30 June 2025, 1,702,000 ordinary shares of MP CardioFlow (six months ended 30 June 2024: 3,620,000) and 272,000 ordinary shares of MicroPort Neuro (six months ended 30 June 2024: 320,000) were purchased with aggregated consideration of US$559,000 (six months ended 30 June 2024: US$790,000) in cash.

During the six months ended 30 June 2025, 1,343,492 ordinary shares of MP CardioFlow (six months ended 30 June 2024: 3,547,301), 246,714 ordinary shares of Shanghai MicroPort MedBot (Group) Co., Ltd. ("MP MedBot") (six months ended 30 June 2024: 118,489) and 287,225 ordinary shares of MicroPort Neuro (six months ended 30 June 2024: 468,079) were granted with a fair value of US$934,000 (six months ended 30 June 2024: US$1,083,000).

(v) Employee share purchase plan ("ESPP")

The Group adopted several ESPPs, pursuant to which, the partnership firms, whose limited partners consisted of employees of the Group, invested in the Group's subsidiaries and equity-accounted investees (together, the "Target Companies") by way of subscribing newly issued equity interests of the Target Companies, or acquiring equity interests from the Group. All participants of above ESPPs have purchased equity interests in respective partnership firms at amounts specified in the respective partnership agreements.

All ESPPs contain a service condition. Employees participating in the plan have to transfer out their equity interests if their employments with the Group or the Group's equity-accounted investees were terminated within the vesting period, to a person or a party nominated by the general partners of the partnership firms at a price no higher than the amounts specified in the respective partnership agreements. The fair value of the ESPP at the grant date, being the difference between the considerations and the fair value of the equity interests subscribed shall be spread over the vesting period and recognised as staff costs in the profit or loss.

16 DISPOSAL/DILUTION OF INTERESTS IN SUBSIDIARIES

(a) MP MedBot

In May 2025, MP MedBot completed a placement and issued 25,136,500 ordinary shares at a price of HK$15.5 per share. The net proceeds received from the placement was approximately US$48,981,000.

Simultaneously, the Group disposed 30,163,500 shares of MP MedBot at a price of HK$15.5 per share to third party investors and received net proceeds of HK$466.6 million (equivalent to US$59,449,000).

Upon the completion of the above transactions, the Group's equity interest in MP MedBot decreased from 48.08% as at 31 December 2024 to 43.98%. The Group's voting right on MP MedBot is approximately 45.63% considering an acting-in-concert agreement entered into between the Group and an employee share purchase platform. Management believe the Group retains control over MP MedBot even though it holds less than half of the voting rights of them. In making this judgement, the Group has taken into account that the Group continues to be the single major shareholder of MP MedBot and holds relatively larger voting rights than other dispersed public shareholders in aggregate. Therefore, the above transactions were all treated as transactions within its shareholders in their capacity as equity holders.

The difference between the net proceeds received from the above-mentioned transactions and the carrying amount of net assets in proportion of the diluted or disposed equity interests in MP MedBot, net of the tax in relation to the disposal, was credited to capital reserve of the Group.

(b) MicroPort Neuronical Corporation ("MP Neuronical")

During the six months ended 30 June 2025, the Group transferred certain equity interest in MP Neuronical to an investor at a consideration of RMB24.5 million (the "Equity Transfer"). Following the Equity Transfer, an original investor of MP Neuronical contributed RMB50 million and subscribed for new issued shares of MP Neuronical. Upon the completion of the aforesaid transactions, the Group's equity interests in MP Neuronical were decreased from 56.58% as at 31 December 2024 to 43.38%.

Accordingly, a gain on disposal of US$28,840,000 was recognised in profit or loss and the Group's remaining equity interest in MP Neuronical was recognised as an equity-accounted investee.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) 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

The Group has a team with assistance of external valuers, performing valuations for the financial instruments, including unlisted equity securities and options which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the Group's management.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

		Fair value measurements as at 30 June 2025 categorised into		
	Fair value at 30 June 2025 US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
Recurring fair value measurement				
Financial assets:				
Unlisted debt and equity securities	**9,964**	**–**	**–**	**9,964**
Convertible bond issued by equity-accounted investees	**1,572**	**–**	**–**	**1,572**
Structured deposits	**115,003**	**–**	**–**	**115,003**
Loan forward contracts	**562**	**–**	**562**	**–**
Financial liabilities:				
Contingent liabilities in business combination	**(5,607)**	**–**	**–**	**(5,607)**
Convertible bonds issued by a subsidiary (note 13(a))	**(156,834)**	**–**	**–**	**(156,834)**
Options embedded in the convertible notes issued by the Company (note 13(b))	**(1,904)**	**–**	**–**	**(1,904)**
Put option written to SRL ("SRL Put Option")	**(7,500)**	**–**	**–**	**(7,500)**
Loan forward contracts	**(47)**	**–**	**(47)**	**–**

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

		Fair value measurements as at 31 December 2024 categorised into		
	Fair value at 31 December 2024 US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
Recurring fair value measurement				
Financial assets:				
Unlisted debt and equity securities	9,883	–	–	9,883
Convertible bond issued by equity-accounted investees	12,971	–	–	12,971
Structured deposits	51,817	–	–	51,817
Financial liabilities:				
Contingent liabilities in business combination	(4,935)	–	–	(4,935)
Convertible bonds issued by a subsidiary (note 13(a))	(147,133)	–	–	(147,133)
Options embedded in the convertible notes issued by the Company (note 13(b))	(5,534)	–	–	(5,534)
SRL Put Option	(7,500)	–	–	(7,500)

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. During the six months ended 30 June 2024, the Convertible bonds issued by a subsidiary were transferred from Level 3 into Level 2.

The fair value of the financial instruments in Level 2 is determined by the recent transaction price.

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.

(Expressed in United States dollars unless otherwise indicated)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

(ii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted equity securities	Equity allocation model (Note a)	Expected volatility	59%
		Expected probability of event	55%
Unlisted debt securities	Default risk method (Note b)	Event probability	Possibility of next round financing
		Event probability	Possibility of liquidation
Contingent liabilities	Probability-weighted discounted cash flow method (Note c)	Expected probability of achievement of milestones and conditions	100%
Structured deposits	Net asset value (Note d)	Expected rate of return	From 0.65% to 2.70%
Early redemption options in relation to the convertible bonds	Binomial tree model (Note e)	Expected volatility	30%
		Expected probability of event	20%
SRL Put Option	Binomial tree model (Note f)	Expected volatility	34%
Convertible bonds	Binomial tree model (Note g)	Expected volatility	33%
		Discount rate	26%

Notes:

a As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected probability of event by 10% would have increased/decreased the Group's loss by US$308,000/US$308,000 and an increase/decrease in the expected volatility by 5% would have decreased/increased the Group's loss by US$81,000/US$79,000.

b As at 30 June 2025, it is determined with reference to the valuation reports prepared by the external valuer, on an annual basis based on market approach. The significant unobservable inputs include the possibility of next round financing or liquidation. An increase in the possibility of next round financing would result in a decrease in the Group's loss.

c As at 30 June 2025, it is estimated that with all other variables held constant, a decrease in the expected probability of achievement of milestones and conditions by 10% would have decreased the Group's loss by US$561,000.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

(ii) Information about Level 3 fair value measurements (continued)

Notes: (continued)

d As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease of 100 basis points in the expected rate of return would have increase/decrease the Group's profit by US$257,000/US$285,000.

e As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would have decreased/increased the Group's loss by US$4,308,000/US$3,340,000 and an increase/decrease in the expected probability of event by 10% would have increased/decreased the Group's loss by US$210,000/US$210,000.

f As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would have increased/decreased the Group's loss by US$458,000/US$437,000.

g As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would have increase/decrease the Group's loss by US$578,000/US$311,000 and an increase/decrease in the discount rate by 5% would have decrease/increase the Group's loss by US$2,136,000/US$2,208,000.

(iii) Reconciliation of Level 3 fair value measurements

	Financial assets US$'000	Financial liabilities US$'000
At 1 January 2025	**74,671**	**(165,102)**
Additions	**470,339**	**–**
Changes in fair value recognised in profit or loss during the period	**2,931**	**(13,071)**
Settlements	**(409,165)**	**–**
Transferred into preferred shares of an associate	**(12,125)**	**–**
Interests paid	**–**	**6,328**
Exchange adjustments	**(112)**	**–**
At 30 June 2025	**126,539**	**(171,845)**

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

Except for the 2028 Convertible Bonds issued by the Company as disclosed in note 13, the carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 30 June 2025.

18 COMMITMENTS

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report are set out as below:

	At 30 June 2025 US$'000	At 31 December 2024 US$'000
Contracted for	**71,885**	48,902
Authorised but not contracted for	**46,615**	85,824
	118,500	134,726

19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

	Six months ended 30 June	
	2025 US$'000	2024 US$'000
Salaries and other benefits	**3,351**	3,669
Discretionary bonuses	**1,245**	2,288
Retirement scheme contributions	**68**	82
Defined benefit plans costs	**–**	6
Equity-settled share-based payment expenses	**4,334**	3,528
Cash-settled share-based payment expenses	**37**	66
	9,035	9,639

19 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Financing arrangements

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Loans to equity-accounted investees	**12,302**	6,109
Loans repaid by equity-accounted investees	**4,885**	3,195
Interest income on loans to equity-accounted investees	**158**	106

The Group provided financial guarantee to certain equity-accounted investees for their bank facilities. As at 30 June 2025, bank loans amounting to US$42,872,000 drawn down by these equity-accounted investees were guaranteed by the Group (31 December 2024: US$43,401,000). Management of the Group consider the default risk of financial guarantee is insignificant and no expected credit loss was recognised in this regard for the six months ended 30 June 2025.

In addition, one of the lenders of the 2029 Convertible Loans with a principal amount of US$20,000,000 is wholly owned by a family member of a director of the Company. During the six months ended 30 June 2025, interest charged in relation to this lender amounted to US$1,501,000.

(c) Leasing arrangement

As a lessor

The Group leased out certain property and building in the PRC to several equity-accounted investees under operating lease. The lease term typically lasts 1 to 3 years. During the six months ended 30 June 2025, the Group recorded rental income from these equity-accounted investees of US$1,168,000 (six months ended 30 June 2024: US$1,625,000).

(d) Disposal of investment property

In December 2024, Shanghai MicroPort Orthopedics Co., Ltd. ("Shanghai MP Orthopedics"), a subsidiary of the Company, entered into an agreement with Shanghai MicroPort EP MedTech Co., Ltd. ("EP MedTech"), an equity-accounted investee, pursuant to which, Shanghai MP Orthopedics agreed to sale an investment property located in Shanghai to EP MedTech at a consideration of RMB48.5 million (equivalent to US$6,760,000). The transaction was completed during the six months ended 30 June 2025 and the Group recognised a gain on disposal of investment property of US$3,375,000 in profit or loss.

19 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Sales, purchase and other related party transactions

During the six months ended 30 June 2025 and 2024, the Group entered into sales, purchase and other transactions with the following related parties:

Name of party	Relationship
Thai Otsuka Pharmaceutical Co., Ltd.	Subsidiary of Otsuka Holdings Co., Ltd. ("Otsuka Holdings"), the controlling party of a substantial shareholder of the Company
Zhejiang AccuPath Smart Manufacturing (Group) Co., Ltd.	Equity-accounted investee of the Group
Shanghai InnovaPath Medical Co., Ltd.	Equity-accounted investee of the Group
Baitong Medical Technology (Jiaxing) Co., Ltd.	Equity-accounted investee of the Group
EP MedTech	Equity-accounted investee of the Group
Purple Medical Solutions Private Limited	Equity-accounted investee of the Group
Suzhou ProSteri Medical Technology Co., Ltd.	Equity-accounted investee of the Group
Shanghai Integrity Test Co., Ltd.	Equity-accounted investee of the Group
Cathbot (Shanghai) Robot Co., Ltd.	Equity-accounted investee of the Group

Particulars of the Group's sales, purchase and other transactions with related parties are as follows:

	Six months ended 30 June	
	2025	2024
	US$'000	US$'000
Sales of goods and rendering of services to:		
Subsidiaries of Otsuka Holdings	**–**	219
Equity-accounted investees	**4,910**	12,010
Purchase of goods from equity-accounted investees	**23,871**	21,257
Payment on behalf of equity-accounted investees by the Group	**1,050**	876

20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) In August 2025, part of the 2029 Convertible Loans with an aggregate principal amount of US$41.5 million were converted into 43,549,965 ordinary shares of the Company at a conversion price of HK$7.46 per share.