Rainmed Medical Limited
潤邁德醫療有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2297)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

FINANCIAL SUMMARY

	Unaudited Six months ended June 30,		
	2022	2021	Change
	RMB million **(Except percentage)**	*RMB million* (Except percentage)	
Revenue	**51.9**	44.1	17.7%
Gross profit	**44.8**	38.3	16.9%
Gross profit margin	**86.4%**	87.0%	
Loss attributable to equity holders of the Company	**(1,210.2)**	(253.7)	377.0%
Adjusted non-HKFRS loss attributable to equity holders of the Company[Note]	**(22.2)**	(3.6)	511.4%
	RMB	*RMB*	
Loss per share — Basic and diluted	**(1.88)**	(0.40)	370.0%
Adjusted non-HKFRS loss per share — Basic and diluted	**(0.03)**	(0.01)	200.0%

The Board resolved not to declare any interim dividend for the six months ended June 30, 2022.

Note: For the six months ended June 30, 2022, the Group incurred loss of RMB1,210.2 million, which was mainly attributable to changes in the fair value of Preferred Shares of RMB1,166.3 million. Changes in the fair value of Preferred Shares was a non-cash item. The Preferred Shares were irrevocably converted into ordinary shares upon the listing of the Group's shares on July 8, 2022, and no further losses or gains will be recognized on changes in the fair value of Preferred Shares thereafter. Share-based payment expenses are non-cash expenses arising from share awards and Pre-IPO Share Option Scheme granted to certain management personnel and employees, which are commonly not included in similar non-HKFRS measures adopted by other companies in our industry. Listing expenses are expenses in relation to the Listing and the Global Offering and commonly not included in similar non-HKFRS measures. After eliminating potential impacts of certain non-cash or other expenses that do not affect our ongoing operating performance, including fair value loss of financial liabilities, share-based payment expenses and listing expenses, the Group's adjusted non-HKFRS loss attributable to equity holders of the Company was RMB22.2 million.

The Board of Directors of the Company is pleased to announce that, the unaudited interim condensed consolidated results of the Group for the Reporting Period, together with the comparative figures of the same period of last year are set out below:

UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended June 30,	
	Note	**2022**	2021
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	4	**51,899**	44,084
Cost of sales	5	**(7,071)**	(5,752)
Gross profit		**44,828**	38,332
Research and development expenses	5	**(27,951)**	(7,893)
Selling expenses	5	**(32,454)**	(45,859)
General and administrative expenses	5	**(47,154)**	(60,112)
Other income		**3,386**	333
Other gains/(losses) — net		**3,373**	(89)
Operating loss		**(55,972)**	(75,288)
Finance income		**1,304**	745
Finance costs		**(376)**	(454)
Finance income — net		**928**	291
Fair value loss of financial liabilities		**(1,166,305)**	(179,765)
Loss before income tax		**(1,221,349)**	(254,762)
Income tax credit	6	**11,127**	1,026
Loss for the period		**(1,210,222)**	(253,736)
Loss attributable to:			
Equity holders of the Company		**(1,210,222)**	(253,735)
Non-controlling interests		**—**	(1)
		(1,210,222)	(253,736)
Losses per share for the period and attributable to the equity holders of the Company			
— Basic and diluted losses per share (RMB)	7	**(1.88)**	(0.40)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(1,210,222)**	(253,736)
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss		
Exchange differences arising from translation of the Company	**(76,765)**	6
Items that may be reclassified to profit or loss		
Exchange differences arising from translation of subsidiaries of the Company	**435**	71
Other comprehensive (loss)/income for the period, net of tax	**(76,330)**	77
Total comprehensive loss for the period	**(1,286,552)**	(253,659)
Total comprehensive loss attributable to:		
Equity holders of the Company	**(1,286,552)**	(253,658)
Non-controlling interests	**—**	(1)
	(1,286,552)	(253,659)

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**As at June 30, 2022** ***RMB'000*** **(Unaudited)**	As at December 31, 2021 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**30,714**	28,870
Right-of-use assets		**10,249**	14,327
Intangible assets		**859**	244
Deferred income tax assets		**30,290**	19,163
Other receivables and bill receivables	9	**1,089**	1,089
Prepayments		**2,329**	854
		75,530	64,547
Current assets			
Inventories		**7,241**	9,908
Other receivables and bill receivables	9	**4,186**	379
Prepayments		**9,180**	6,218
Financial assets at fair value through profit or loss ("**FVTPL**")		**3,355**	—
Cash and cash equivalents		**518,460**	559,140
		542,422	575,645
Total assets		**617,952**	640,192
DEFICIT			
Share capital		**1**	1
Convertible preferred shares		**13,000**	13,000
Accumulated losses		**(2,083,816)**	(873,594)
Other reserves		**17,168**	86,109
Total deficit		**(2,053,647)**	(774,484)

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**As at June 30, 2022**	As at December 31, 2021
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Financial liabilities at FVTPL		**2,624,663**	1,361,749
Lease liabilities		**5,878**	8,860
		2,630,541	1,370,609
Current liabilities			
Trade and other payables	10	**31,549**	29,518
Contract liabilities		**3,093**	6,730
Lease liabilities		**6,416**	7,819
		41,058	44,067
Total liabilities		**2,671,599**	1,414,676
Total deficit and liabilities		**617,952**	640,192
Net current assets		**501,364**	531,578

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended June 30, 2022

1. General Information

The Company was incorporated in the Cayman Islands on April 9, 2021 as a company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of its registered office is Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are primarily engaged in R&D, manufacturing and commercialization of medical instrument related to caFFR system and caIMR system in the PRC, Europe and other regions.

The Company's shares have been listed on the main board of the Stock Exchange since July 8, 2022.

These unaudited interim condensed consolidated financial information are presented in RMB, unless otherwise stated, which has been approved for issue on August 30, 2022.

2. Basis of preparation

This interim condensed consolidated financial information for the six months ended June 30, 2022 (the "**Interim Financial Information**") has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The unaudited interim condensed consolidated financial information should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2020 and 2021 which have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as set out in the Accountant's Report included in the prospectus of the Company dated June 27, 2022.

3. Accounting policies

The interim condensed consolidated financial information has been prepared under historical cost convention as modified by the revaluation of financial assets and financial liabilities at FVTPL, which are carried at fair value. The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those presented in the consolidated financial statements of the Company for the years ended December 31, 2020 and 2021, which have been prepared in accordance with the HKFRSs issued by the HKICPA, as set out in the Accountant's Report.

(a) New standards, amendments to existing standards and interpretations adopted by the Group

The following new standards, amendments to existing standards and interpretations are relevant and mandatory for the Group's financial reporting period beginning on January 1, 2022:

		Effective for annual periods beginning on or after
Annual Improvements	Annual Improvements to HKFRSs 2018–2020 cycle	January 1, 2022
Amendments to HKAS 16	Property, plant and equipment — proceeds before intended use	January 1, 2022
Accounting Guideline 5 (revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations	January 1, 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract'	January 1, 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	January 1, 2022

The adoption of the new standards, amendments to existing standards and improvements does not have any significant impact to the results and financial position of the Group.

(b) New standards, amendments to existing standards and interpretations not yet adopted

The following new standards, amendments to existing standards and interpretations relevant to the Group have been issued but are not effective for the financial reporting period beginning on January 1, 2022 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of liabilities as current or non-current	January 1, 2023
Hong Kong Interpretation 5 (2020)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to HKAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
HKFRS 17	Insurance contracts	January 1, 2023
Amendments to HKFRS 17	Amendments to HKFRS 17	January 1, 2023
Amendments to HKFRS 4	Extension of the temporary exemption from applying HKFRS 9	January 1, 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Management is in the process of making an assessment of the impact of the above new standards, amendments to existing standards and interpretations and considered that these new standards, amendments to existing standards and interpretations will not result in any substantial changes to the Group's existing accounting policies and presentation of the Interim Financial Information of the Group.

4. Segment and revenue information

(a) Description of segments and principal activities

The Group is engaged in the R&D, manufacturing and commercialization of medical instrument related to caFFR system and caIMR system. For management purposes, the Group is not organized into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

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

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time:		
— Sales of products	**51,605**	43,660
Over time:		
— Installation and training services	**294**	424
	51,899	44,084

(c) The following table presents the analysis of contract liabilities related to the above-mentioned revenues:

	As at June 30, 2022	As at December 31, 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract liabilities:		
— Consideration for sales of goods	**1,384**	5,342
— Consideration for installation and training services	**1,709**	1,388
	3,093	6,730

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products or services are yet to be delivered or provided.

(d) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognized that was included in the balance of contract liabilities at the beginning of the period:		
— Sales of goods	**2,763**	14,565
— Installation and training services	**150**	23
	2,913	14,588

(e) Geographical information

Revenue from customers by geographic location as determined by destination of delivery is as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	Revenue	Revenue
	(Unaudited)	(Unaudited)
China	**51,485**	44,084
Others	**414**	—
	51,899	44,084

As at June 30, 2022 and December 31, 2021, all of the non-current assets of the Group were mainly located in the PRC.

(f) Information about major customers

The major customers which contributed more than 10% of the total revenue of the Group for the six months ended June 30, 2022 and 2021 are listed as below:

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Customer A	**14.68%**	*
Customer B	**10.92%**	*
Customer C	**10.27%**	16.33%
Total	**35.87%**	16.33%

* This customer contributed less than 10% of total revenue for the corresponding period.

5. Expenses by nature

Expenses included in cost of sales, R&D expenses, selling expenses and general and administrative expenses were analysed as follow:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**62,727**	91,415
Professional services	**3,986**	3,751
Depreciation and amortisation charges	**8,532**	3,472
Raw material costs	**5,990**	7,014
Changes in inventories of finished goods and work in progress	**2,109**	(2,521)
Travelling expenses	**1,604**	1,907
Promotion and hospitality expenses	**9,782**	7,082
Short-term lease expenses	**121**	79
Clinical trials and testing expenses	**1,713**	613
Utilities	**290**	136
Auditor's remuneration	**55**	71
Listing expenses	**14,354**	3,899
Tax surcharges	**254**	287
Other expenses	**3,113**	2,411
	114,630	119,616

6. Income tax credit

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Deferred income tax	**11,127**	1,026

The Group's principal applicable taxes and tax rates are as follows:

(a) The Cayman Islands and the British Virgin Islands

The Company is incorporated in the Cayman Islands as an exempted company and is not liable for taxation in the Cayman Islands. The Group's subsidiary incorporated in the BVI is also an exempted company and is not liable for taxation in the BVI.

(b) Hong Kong

Subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%. No provision for Hong Kong profits tax has been made as the Group did not have estimated assessable profit in Hong Kong during the six months ended June 30, 2022 and 2021.

(c) Mainland China

Pursuant to the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and the Implementation Rules of the EIT Law, the enterprise income tax is unified at 25% for all types of entities, effective from January 1, 2008.

Suzhou Rainmed, the Group's major operating subsidiary in the PRC, has obtained the certification of High and New-Tech enterprises dated November 30, 2021, which is effective for three years commencing on January 1, 2021. Suzhou Rainmed is entitled to a preferential income tax rate of 15% on the estimated assessable profits for the six months ended June 30, 2022.

No provision for Mainland China profits tax has been made as the Group's PRC entities have no estimated assessable profits during the period.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2018 onwards, enterprises engaging in R&D activities are entitled to claim 175% of their eligible R&D expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The additional tax deducting amount of the qualified R&D expenses has been increased from 175% to 200% for manufacturing enterprises, effective from 2021, according to a new tax incentives policy promulgated by the State Tax Bureau of the PRC in March 2021. The Group has considered the Super Deduction to be claimed for the Group entities in ascertaining their assessable profits during the period.

7. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the period.

In the calculation of weighted average number of ordinary shares outstanding for the six months ended June 30, 2022 and 2021, the shares issued to Shareholders during the reorganization (the "**Reorganization**") who were the then shareholders of Suzhou Runxin Medical Instrument Co., Ltd. ("**Suzhou Runxin**") as at January 1, 2021 had been adjusted retrospectively as if those shares have been issued since January 1, 2021. Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding.

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the Company (RMB'000)	**(1,210,222)**	(253,735)
Weighted average number of ordinary shares in issue (thousand) (i), (ii) and (iii)	**644,500**	642,058
Basic loss per share (in RMB/share)	**(1.88)**	(0.40)

(i) 1,527,460 Series A convertible preferred shares ("**Series A Preferred Shares**") are treated as ordinary shares for the purpose of calculating loss per share as they are recognized in equity and have no preferred right as to dividends compared with ordinary shares.

(ii) 1,527,460 Series A Preferred Shares described above and 9,595,040 ordinary shares issued to the then shareholders of Suzhou Runxin during the Reorganization had been adjusted retrospectively as if those shares have been issued since January 1, 2021.

(iii) The weighted average number of ordinary shares in issue presented above has taken into account the capitalization issue pursuant to the resolutions of the shareholders passed on June 18, 2022 as the capitalization issue has become effective on July 8, 2022.

(b) Diluted loss per share

The Group has potential dilutive shares related to the Pre-initial public offerings ("**IPO**") share option scheme and convertible preferred shares, other than Series A Preferred Shares, outstanding to assume conversion of all the underlying dilutive potential ordinary shares. For the six months ended June 30, 2022 and 2021 respectively, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2022 and 2021 are the same as basic loss per share.

8. Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during each of the six months ended June 30, 2022 and 2021.

9. Other receivables and bill receivables

	As at June 30, 2022	As at December 31, 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bill receivables	**3,878**	—
Deposits	**1,335**	1,412
Others	**76**	70
	5,289	1,482
Less: provision for impairment of other receivables and bill receivables	**(14)**	(14)
Other receivables and bill receivables — net	**5,275**	1,468
Less: non-current portion	**(1,089)**	(1,089)
	4,186	379

The carrying amounts of the Group's other receivables and bill receivables were denominated in RMB.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The carrying amounts of the Group's other receivables and bill receivables approximate their fair values.

10. Trade and other payables

	As at June 30, 2022 *RMB'000* (Unaudited)	As at December 31, 2021 *RMB'000* (Audited)
Trade payables	**1,010**	963
Staff salaries and welfare payables	**14,646**	13,586
Other tax payables	**7,014**	3,530
Accrued listing expenses	**6,121**	8,513
Payables for equipment and intangible assets	**490**	163
Payables for service suppliers	**390**	865
Amounts due to related parties	**—**	10
Other accrued expenses	**1,878**	1,888
	31,549	29,518

The aging analysis of trade payables based on invoice date are as follows:

	As at June 30, 2022 *RMB'000* (Unaudited)	As at December 31, 2021 *RMB'000* (Audited)
Within 1 year	**1,010**	963

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Founded in 2014, we are committed to becoming a global leading vascular interventional surgical robotics company, with our current focus on the design, development and commercialization of coronary angiography-derived fractional flow reserve system ("**caFFR System**") and coronary angiography-derived index of microvascular resistance system ("**caIMR System**"). Our Core Products, caFFR System and caIMR System, are innovative medical devices used to evaluate the severity of myocardial ischemia arising from coronary artery stenosis and microvascular dysfunction, which are the underlying causes of CAD. They are designed to eliminate the usage of pressure wires, significantly reduce the risk of technical errors and operation time, and improve physiological assessment. These two systems are currently utilized singularly for precision diagnosis of CAD. As FFR measures the macrocirculation of arteries which account for 5% of all arteries and IMR measures the micro-circulation of arteries which account for 95% of all arteries, therefore, using a combination of IMR and FFR can provide a comprehensive evaluation on coronary circulation status of CAD patients. These two systems are expected to form the center and crucial modules for our future vascular interventional surgical robots.

Our caFFR System has obtained both certificates of CE Mark in Europe and NMPA approval in China. With the high accuracy rate of over 95% and convenient operation process that takes less than five minutes, our caFFR System has become a leading domestic FFR measurement product and is currently competing closely with an international leading medical device company for the national leader position in FFR measurement market in China. We plan to expand the indication of our caFFR System from the current scope (covering patients with stable angina pectoris, unstable angina pectoris and post-acute phase of myocardial infarction) to further cover patients experiencing acute STEMI, acute NSTEMI and HFpEF. In addition, we are also developing our caIMR System, which is the only less-invasive IMR measurement product having completed a confirmatory clinical trial globally and is expected to become the first less-invasive IMR system approved for commercialization globally. Building on our caFFR System and caIMR System, we aim to launch our vascular interventional surgical robot, a one-stop hybrid procedure, that can be carried out for diagnostic and therapeutic purposes by connecting and integrating all our clinical applications, to automate the whole process of PCI by 2024.

Commercialization

During the first half of 2022, we kept on expanding the market channels of our commercialized product caFFR system and have achieved outstanding results, which strengthen our competitive advantages in the FFR field. Our revenue increased from RMB44.1 million for the six months ended June 30, 2021 to RMB51.9 million for the six months ended June 30, 2022, all of which were generated from the sales of our caFFR System, representing a year-on-year increase of approximately 17.7%.

We have a proven track record in commercializing our Core Product, caFFR System, with a comprehensive commercialization network in China. We actively engage with KOLs — such as Dr. Ge Junbo and Dr. Huo Yong — physicians and medical associations as a part of our academic promotion and marketing strategy. As of June 30, 2022, our efficient and highly experienced sales team have established an extensive distribution network comprising 125 domestic distributors who are authorized by us to cover over 1,000 hospitals across 21 provinces, four autonomous regions and four municipal cities in China. With our effective and extensive sales and marketing activities, as of June 30, 2022, our caFFR Systems had been sold to and installed in over 350 hospitals and had been performed at over 850 hospitals in China, and we had completed the procurement approval procedure with over 450 hospitals in China. We have also obtained the patient charging price of RMB12,000 for our proprietary consumable of caFFR System in 30 provinces and regions, among which 16 provinces and regions (such as Shanghai, Guangdong, Chongqing, Henan, etc.) included our proprietary consumable of caFFR System into the medical insurance reimbursement list.

Research and Development

Our R&D team develops innovative products focusing on the field of interventional precision diagnosis and treatment. We have a dedicated in-house R&D team of over 100 members primarily based in Suzhou, Jiangsu province, China. The R&D team accounts for around one third of our total employees and is led by Mr. Liu Guangzhi, our chief technology officer, who has over eight years of experience in medical device development and over 15 years of experience in software and algorithm development as well as profound management experience.

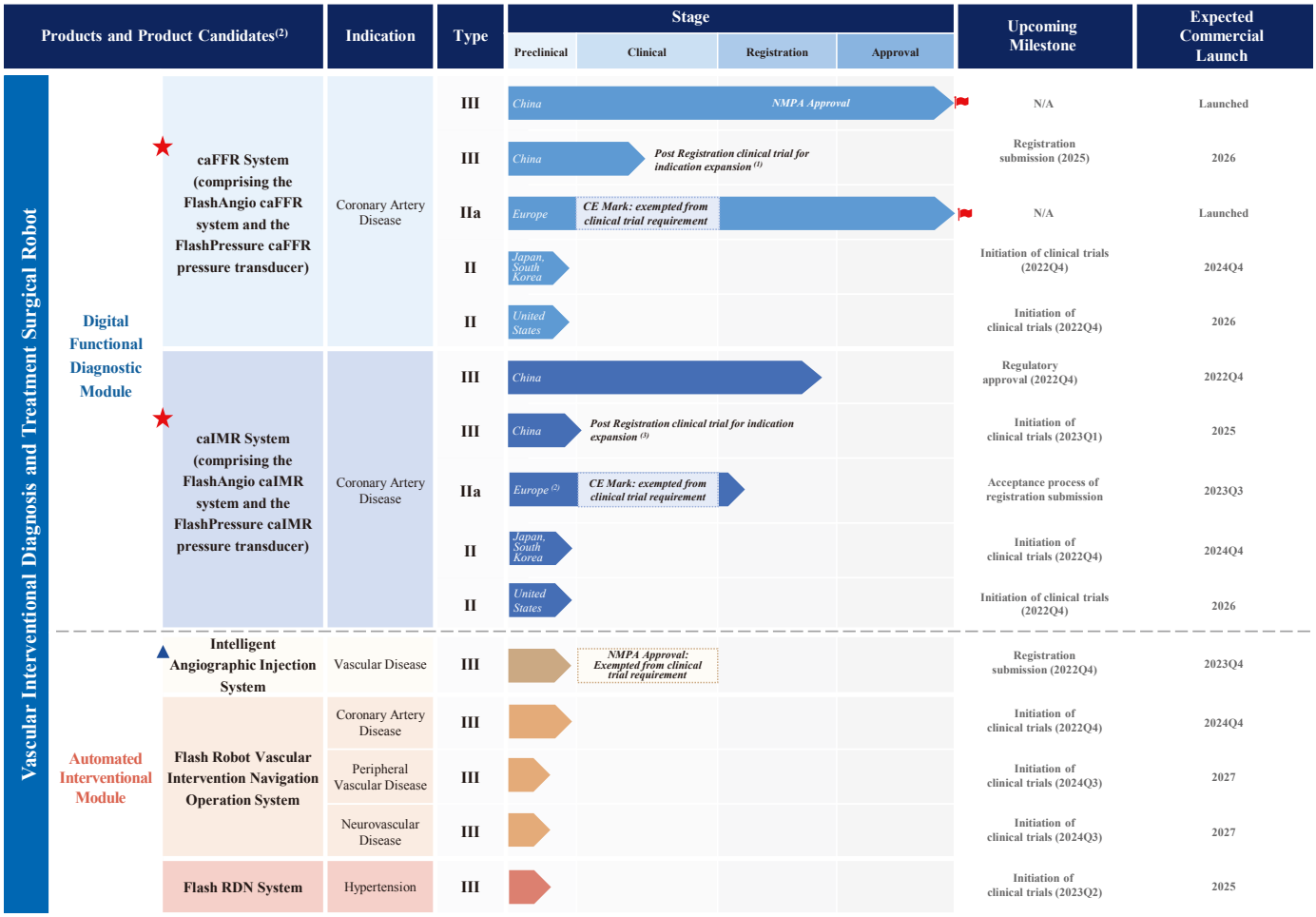
Our four R&D platforms include the medical imaging algorithm and application R&D platform, the fluid dynamics simulating calculation platform, the high-performance device R&D platform and the interventional consumables R&D platform. These platforms adhere to in-house development and innovation, capture market demand and actively explore various clinical applications for our products so as to timely upgrade our products and product candidates catering to the market demands. Our platform technologies complement each other and create a synergistic effect for our R&D efforts.

As of June 30, 2022, we had (i) 92 approved patents, including 89 approved in China, one approved in the U.S. and two approved in Japan; (ii) 135 pending patent applications, including 97 in China and 38 overseas; (iii) 36 active PCT patent applications; (iv) 269 registered trademarks; and (v) 11 registered software copyrights.

Manufacturing

Our commercialization efforts are well supported by our growing manufacturing capability. As of June 30, 2022, we had two manufacturing sites located in Suzhou, Jiangsu province, China, including one principal manufacturing site with an aggregate floor area of 1,019 sq.m. in operation and another construction in progress with an aggregate floor area of 5,143 sq.m. Our principal manufacturing facility is and the other one under construction will be in compliance with the GMP for medical devices in China. Once our two facilities are put under full operation, it is expected to be able to produce 11,375 units of consoles as well as 1,130,765 units of pressure transducers (disposable consumables) each year. The console and the single-use pressure transducer can be used for assembling our caFFR System and caIMR System.

Product and Pipeline



★ Core Product
▲ This device is exempted from clinical trial requirements in accordance with the Catalogue of Medical Devices Exempted from Clinical Evaluation (《免於臨床評價醫療器械目錄》) promulgated by the NMPA.

Notes:

(1) Indication expansion of caFFR System includes acute STEMI, acute NSTEMI and HFpEF.

(2) We have global commercial rights for all of our products and product candidates.

(3) Indication expansion caIMR System includes STEMI immediately after successful revascularization of targeted vessels.

caFFR System

Our caFFR System is a less-invasive physiological assessment of coronary artery ischemia severity based on CAG images, and it is indicated for monitoring real-time aortic pressure in all stages of the cardiac cycle and assessing various physiological parameters for patients with stable angina pectoris, unstable angina pectoris and acute myocardial infarction (at least seven days after myocardial infarction). Our caFFR System is a Class III medical device under the classification criteria of the NMPA.

We commenced the confirmatory clinical trial for our caFFR System in March 2018 and completed such trial in May 2019. We obtained the CE Mark in the European Union in September 2019 and started to commercialize our caFFR System in overseas markets (such as the Czech Republic, France and Austria) in October 2019. In addition, we received the registration certificate of Class III medical device from the NMPA in December 2019 and began to commercialize our caFFR System in China in January 2020. Our R&D in relation to our caFFR System has been a continuing effort. We initiated a post-registration clinical trial in China in August 2020 to expand the indication of our caFFR System from its current scope to further cover patients experiencing acute STEMI, acute NSTEMI and HFpEF.

caIMR System

We are currently developing our caIMR System, which is the only less-invasive IMR measurement product having completed a confirmatory clinical trial globally and is expected to become the first less-invasive IMR system approved for commercialization globally. Our caIMR System is a Class III medical device under the classification criteria of the NMPA. As of June 30, 2022, we held four material patents and three material patent applications in relation to our caIMR System. In March 2022, we completed the confirmatory clinical trial of our caIMR System in China with 116 human subjects enrolled. Subsequently, we submitted the confirmatory clinical trial results of caIMR System to the NMPA for regulatory approval in April 2022. Currently, we expect to obtain NMPA approval for commercialization of our caIMR System in the fourth quarter of 2022.

Flash Robot Vascular Intervention Navigation Operation System

Flash Robot Vascular Intervention Navigation Operation System is our proprietary robot-assisted platform designed for navigation and operation. We plan to provide a "one-stop hybrid procedure" that can be carried out for diagnostic and therapeutic purposes at the same time in the future. Robotic-assisted operation enables precise measurement of anatomy and device positioning with the added benefit of radiation protection for the physicians. Consisting of a robotic arm and a control unit (including a console and a surgical image navigation system), our Flash Robot Vascular Intervention Navigation Operation System allows physicians to precisely guide a catheter through the patient's blood vessels and further perform the operation. As of June 30, 2022, the Flash Robot Vascular Intervention Navigation Operation System was at its design stage. In February 2022, our Flash Robot Vascular Intervention Navigation Operation System entered into the animal study stage and successfully passed the first animal trial sample.

FINANCIAL REVIEW

Revenue

Substantially all of our revenue was generated from the sales of our caFFR System, comprising a console (the FlashAngio caFFR system) and its proprietary consumable (the FlashPressure caFFR pressure transducer), since its commercialization in October 2019. We sold substantially all of our products through our distributors for the six months ended June 30, 2022 and 2021. Our contracts with distributors include a component of installing our devices and training services in addition to delivering products. We recognize revenue for sales of products upon delivery and recognize revenue for installation and training services after we have completed the relevant services. The following table sets forth a breakdown of our revenue by nature for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of products		
— Sales of FlashAngio caFFR system	**7,433**	11,782
— Sales of FlashPressure caFFR pressure transducer	**44,172**	31,878
Installation and training services	**294**	424
Total	**51,899**	44,084

Our revenue increased by approximately 17.7% from RMB44.1 million for the six months ended June 30, 2021 to RMB51.9 million for the six months ended June 30, 2022, primarily due to the increased sales of our FlashPressure caFFR pressure transducer.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately 16.9% from RMB38.3 million for the six months ended June 30, 2021 to RMB44.8 million for the six months ended June 30, 2022, primarily due to the increased sales of our caFFR System. Our gross profit margin remained relatively stable at 87.0% for the six months ended June 30, 2021 and 86.4% for the same period in 2022.

Research and Development Expenses

During the Reporting Period, our R&D expenses primarily consisted of (i) employee benefit expenses, including salaries, bonus and fringe benefits for R&D team; (ii) raw material costs for our R&D activities; (iii) professional service expenses, mainly representing expenses incurred in relation to (a) our intellectual property rights, such as patent application fees and patent maintenance fees, (b) our product registration applications; (iv) clinical trial and testing expenses, including (a) payments to CROs, hospitals, SMOs and other service providers in connection with our R&D activities, and (b) our testing expenses for our products; (v) share-based payment expenses in relation to the Pre-IPO Share Option Scheme granted to certain members of our

R&D team; and (vi) depreciation and amortization charges. The following table sets forth a breakdown of our R&D expenses for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**15,984**	4,381
Raw material costs	**4,809**	1,415
Professional service expenses	**2,428**	1,099
Clinical trial and testing expenses	**1,713**	613
Share-based payment expenses	**1,300**	—
Depreciation and amortization charges	**1,087**	277
Other expenses	**630**	108
Total	**27,951**	7,893

Our R&D expenses increased significantly from RMB7.9 million for the six months ended June 30, 2021 to RMB28.0 million for the six months ended June 30, 2022, representing approximately 254.1% year-on-year increase over the same period in 2021. Such increase was primarily due to (i) an increase of RMB11.6 million in employee benefit expenses mainly as a result of salary increase and an increase in our R&D employee headcount; (ii) an increase of RMB3.4 million in investment in raw material costs; and (iii) an increase of RMB1.3 million in share-based payment expenses as a result of the Pre-IPO Share Option Scheme granted to certain members of our R&D team in 2022.

Selling Expenses

During the Reporting Period, our selling expenses primarily consisted of (i) employee benefit expenses, including salaries, bonus and fringe benefits for sales and marketing team; (ii) marketing development expenses, primarily including expenses in connection with our sales and marketing activities, such as conference costs, travel expenses, expenses incurred for exhibitions and expenses paid to third-party research institutes for conducting market researches; (iii) share-based payment expenses in relation to share awards and the Pre-IPO Share Option Scheme granted to certain members of our sales team; and (iv) depreciation and amortization charges. The following table sets forth a breakdown of our selling expenses for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**17,622**	11,254
Marketing development expenses	**10,606**	8,411
Share-based payment expenses	**1,957**	25,249
Depreciation and amortization charges	**1,626**	253
Other expenses	**643**	692
Total	**32,454**	45,859

Our selling expenses significantly decreased from RMB45.9 million for the six months ended June 30, 2021 to RMB32.5 million for the six months ended June 30, 2022, representing approximately 29.2% year-on-year decrease over the same period in 2021. Such decrease was primarily due to a decrease of RMB23.3 million in share-based payment expenses as a result of the share awards and the Pre-IPO Share Option Scheme granted to certain members of our sales team. The decrease was partially offset by an increase of RMB6.4 million in employee benefit expenses mainly as a result of an increase in our sales and marketing employee headcount to support our increasing sales and marketing activities.

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses primarily consisted of (i) employee benefit expenses, including salaries, bonus and fringe benefits for administrative team; (ii) listing expenses; (iii) depreciation and amortization charges; (iv) share-based payment expenses in relation to share awards and the Pre-IPO Share Option Scheme granted to certain members of our general management team; and (v) professional service expenses, which were primarily associated with corporate legal services. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**18,183**	7,054
Listing expenses	**14,354**	3,899
Depreciation and amortization charges	**5,111**	2,603
Share-based payment expenses	**3,853**	41,196
Professional service expenses	**1,464**	2,652
Other expenses[note]	**4,189**	2,708
Total	**47,154**	60,112

Note: Mainly included office expenses, entertainment expenses, travel expenses and property management fees.

Our general and administrative expenses decreased significantly from RMB60.1 million for the six months ended June 30, 2021 to RMB47.2 million for the six months ended June 30, 2022, representing approximately 21.5% year-on-year decrease over the same period in 2021. Such decrease was primarily due to (i) a decrease of RMB37.3 million in share-based payment expenses as a result of the share awards and the Pre-IPO Share Option Scheme granted to certain members of our general management team. The decrease was partially offset by (ii) an increase of RMB11.1 million in employee benefit expenses mainly in relation to an increase in salaries and our administrative employee headcount; and (iii) an increase of RMB10.5 million in listing expenses.

Other Income

Our other income increased from RMB0.3 million for the six months ended June 30, 2021 to RMB3.4 million for the six months ended June 30, 2022, primarily due to an increase in government grants related to costs, as a result of our receipt of one-off government grants in 2022.

Income Tax Credit

Our income tax credit increased from RMB1.0 million for the six months ended June 30, 2021 to RMB11.1 million for the six months ended June 30, 2022, primarily due to the recognition of deferred income tax assets mainly resulted from the increased loss before income tax recognized in 2022.

Fair Value Loss of Financial Liabilities

Our fair value loss of financial liabilities represented the changes in fair value of the preferred shares in relation to our Series Angel-1, Series Angel-2, Series A+, Series B, Series C-1, Series C-2 and Series D Preferred Shares (collectively, "**Refundable Preferred Shares**"). Subsequent to initial recognition, changes in the fair value of our Refundable Preferred Shares are recognized in the consolidated income statement. Our fair value loss of financial liabilities increased significantly from RMB179.8 million for the six months ended June 30, 2021 to RMB1,166.3 million for the six months ended June 30, 2022, primarily attributable to the increase in the fair value of our Refundable Preferred Shares in line with the increase of the Group's valuation in 2022. Upon the listing on July 8, 2022, the Refundable Preferred Shares have been irrevocably converted into ordinary shares, after which no further loss or gain on fair value changes of the Refundable Preferred Shares should be recognized.

Loss for the Period

For the reasons described above, we recorded a loss of RMB1,210.2 million for the six months ended June 30, 2022, compared with a loss of RMB253.7 million for the six months ended June 30, 2021.

Liquidity and Financial Resources

Our primary uses of cash were to fund the development of our product candidates, our clinical trials, our payment for the purchase of plant and equipment, administrative expenses, selling expenses and other recurring expenses.

For the six months ended June 30, 2022, our net cash used in operating activities was RMB48.5 million, primarily because we incurred significant R&D expenses, administrative expenses and selling expenses during the Reporting Period. Our operating cash flow will continue to be affected by our operating expenses such as R&D expenses. During the Reporting Period, we mainly relied on capital contribution from Shareholders and equity financing as the main source of liquidity. Our management closely monitors the utilisation of cash and cash balances and strives to maintain healthy liquidity for our business. Going forward, we believe that our liquidity requirements will be satisfied with the net proceeds from the Global Offering, our cash and cash equivalents on hand and cash generated from our operations.

For the six months ended June 30, 2022, our net cash used in investing activities was RMB12.2 million, primarily attributable to purchases of property, plant and equipment items, purchases of intangible assets and purchases of wealth management products of RMB8.1 million, RMB0.7 million and RMB3.4 million, respectively.

For the six months ended June 30, 2022, our net cash used in financing activities was RMB3.9 million, primarily attributable to lease payments and listing expenses of RMB3.6 million and RMB0.3 million, respectively.

As at June 30, 2022, our cash and cash equivalents amounted to RMB518.5 million, representing a decrease of RMB40.6 million from RMB559.1 million as at December 31, 2021. Our net current assets decreased from RMB531.6 million as at December 31, 2021 to RMB501.4 million as at June 30, 2022, primarily attributable to the decrease in cash and cash equivalents.

Indebtedness

As at June 30, 2022, we did not have any outstanding balance of borrowings. We had unutilized bank facilities of RMB190.0 million.

Our lease liabilities decreased from RMB16.7 million as at December 31, 2021 to RMB12.3 million as at June 30, 2022, primarily attributable to lease payments.

Capital Commitments

As at June 30, 2022, we had capital commitments contracted but not provided for of RMB7.4 million in relation to the purchase of construction and furnishing services and equipment for the Group's production plants.

Charges on Assets

As at June 30, 2022, the Group had no pledge of assets (for the six months ended June 30, 2021: nil).

Contingent Liabilities

As at June 30, 2022, we did not have any material contingent liabilities (for the six months ended June 30, 2021: nil).

Significant Investments, Material Acquisitions and Disposals

We did not have any significant investments held, nor did we make any material acquisitions and disposals of subsidiaries during the Reporting Period.

Foreign Exchange Exposure

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

Future Plans for Material Investments or Capital Assets

The Group will continue to expand its markets in the PRC and globally in order to tap its internal potential and maximize Shareholders' interest. The Group will continue to push products development in our pipeline. The Group will continue to grow through self-development, mergers and acquisitions, and other means. We will employ a combination of financing channels to finance capital expenditures, including but not limit to internal funds and bank loans. Currently, the bank credit lines available to the Group are adequate.

Human Resources

As of June 30, 2022, the Group employed 391 full-time employees, all of whom were stationed in China. During the Reporting Period, the Group's total employee benefit expenses (including (i) wages, salaries and bonuses; (ii) social security costs; (iii) employee benefits; and (iv) equity-settled share awards) amounted to approximately RMB62.7 million. We recruit our employees based on a number of factors, including their work experience, educational background and the requirements of the relevant vacancies. We invest in continuing education and training programmes for our management staff and other employees to continuously improve their skills and knowledge. We provide regular feedback to our employees, as well as internal and external training in various areas such as product knowledge, project development and team building. We also assess the performance of our employees to determine their salaries, promotion opportunities and career development. In accordance with the relevant PRC labour laws, we enter into individual employment contracts with our employees covering matters such as tenure, wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In addition, we are required under PRC law to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at certain percentages of the salaries (including bonuses and allowances) of our employees, up to a maximum amount specified by the local government. The adoption of the Pre-IPO Share Option Scheme of 707,628 Shares (adjusted to 35,381,400 Shares after the capitalization issue) was approved at the Board meeting of the Company held on December 10, 2021. The purpose of the Scheme is to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group. The scheme also helps the Company to modernize its remuneration practices and improve the balance of interests among Shareholders, operation and execution management by aligning their interests.

Use of Proceeds from Listing

The net proceeds from the Global Offering (including the partial exercise of the Over-allotment Option), after deducting the underwriting fees and commissions and expenses in connection with the Global Offering of the Company, amounted to approximately HK$81.7 million. During the period from the Listing Date up to the date of this announcement, 17.4% of the proceeds have been utilized. Such proceeds will be allocated and utilized in accordance with the purposes set out in the Prospectus.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended June 30, 2022 (for the six months ended June 30, 2021: nil).

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On July 8, 2022, the Company was listed on the Main Board of the Stock Exchange, involving 23,348,000 Shares issued and allotted under the Global Offering. On the same day, an aggregate of issued 9,989,660 Refundable Preferred Shares and 1,527,460 Series A Preferred Shares were irrevocably converted to 11,517,120 ordinary shares immediately prior to the completion of the capitalization issue and the Listing. The special rights of the holders of Preferred Shares were terminated upon the Listing. On July 30, 2022, the Over-allotment Option as stated in the Prospectus was partially exercised by the sole global coordinator (on behalf of the international underwriters), involving a total of 451,000 Shares. For details of the partial exercise of the Over-allotment Option, please refer to the announcement of the Company published on August 1, 2022. Save as disclosed above, there is no material subsequent event undertaken by the Company or the Group after the Reporting Period and up to the date of this announcement.

IMPACT OF THE COVID-19 PANDEMIC

The outbreak of COVID-19 since December 2019 did not have long-term material and adverse impact on our clinical trials or overall clinical development plans, operations, supply chains, and financial condition. With effective quarantine measures taken by the Chinese government to reduce confirmed COVID-19 cases in China, as well as the various precautionary measures implemented by us to adjust our employees' work arrangements in accordance with the relevant regulations and policies, we were able to maintain a sufficient number of personnel to work on-site and continue our research and development activities. While the sporadic outbreak of COVID-19 in China in March 2022 to May 2022 has affected and restricted the general level of economic activity in China, economic activities have resumed since June 2022.

Our Directors have carried out a holistic review of the impact of the COVID-19 on our operations and confirmed that as of the date of this announcement, COVID-19 has not had any long-term material adverse impact on our operations. We are closely monitoring the development of the COVID-19 pandemic and continuously evaluating any potential impact the pandemic may have on our business, results of operations and financial condition. We note that any travel restrictions or quarantine as a result of the outbreak of COVID-19 may result in potential delay with the progress of our clinical trials and our operations.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules.

As the Shares were not listed on the Stock Exchange as at June 30, 2022, the CG Code was not applicable to the Company during the Reporting Period.

Since the Listing Date and up to the date of this announcement, the Company has complied with all the code provisions of the CG Code except for the following:

Code provision C.2.1 of Part II of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huo Yunfei currently serves as the chairman of the Board and the chief executive officer of the Group ("**CEO**"). He is responsible for the overall strategic planning and decision-making, execution, operation and management of the Company. Although this deviates from code provision C.2.1 of Part II of the CG Code, the Board believes that vesting the roles of both chairman of the Board and CEO in Mr. Huo Yunfei has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises two non-executive Directors, three independent non-executive Directors and four executive Directors. Accordingly, there is an independent element in the composition of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS

As the Company was not listed on the Stock Exchange during the Reporting Period, the provisions under the Listing Rules in relation to compliance with the Model Code by the Directors were not applicable to the Company during the Reporting Period.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors upon the Listing. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the standards set out in the Model Code since the Listing Date and up to the date of this announcement.

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

As the Shares were not listed on the Stock Exchange as of June 30, 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

AUDIT COMMITTEE

The Board has established the Audit Committee, comprising three independent non-executive Directors, i.e., Mr. Liu Shuen Kong, Mr. Li Ho Man and Mr. Lau Tsz Ho Tony, with Mr. Liu Shuen Kong serving as the chairman. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management, has reviewed the unaudited condensed interim financial information of the Group for the six months ended June 30, 2022. The Audit Committee has reviewed the accounting standards adopted by the Group and has discussed matters on audit, internal control, risk management and financial reporting.

INDEPENDENT REVIEW OF AUDITOR

The Company's external auditor, namely PricewaterhouseCoopers, has carried out an independent review of the interim financial information of the Group for the six months ended June 30, 2022 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rainmed.com), and the 2022 interim report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this interim results announcement, the following expressions shall have the meanings set out below, unless the context otherwise requires:

"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"BVI"	the British Virgin Islands
"CAD"	coronary artery diseases, a condition where the major blood vessels supplying the heart are narrowed to reduce blood flow that can cause chest pain and shortness of breath
"caFFR"	coronary angiography-derived fractional flow reserve, a novel less-invasive index to determine the FFR in patients with stable or unstable angina
"CAG"	coronary angiography, a percutaneous procedure that uses contrast dye and X-ray images to detect coronary artery diseases
"caIMR"	coronary angiography-derived index of microvascular resistance, which is proposed for physiological assessment of microvascular diseases in coronary circulation
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this announcement and for geographical reference only, Hong Kong, Macau and Taiwan
"Company" or "our Company"	Rainmed Medical Limited (潤邁德醫療有限公司), an exempted company with limited liability incorporated in the Cayman Islands on April 9, 2021
"confirmatory clinical trial"	a controlled clinical trial of a medical device product designed to demonstrate statistically significant clinical efficacy and safety of such product as used in human patients (in conjunction with the performance of a therapeutic procedure), for regulatory approval of such product

"Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which, for purposes of this announcement, refers to each of caFFR System and caIMR System
"CRO"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contractual basis
"Director(s)"	the director(s) of the Company
"FFR"	fractional flow reserve, a technique used in coronary catheterization to measure pressure differences across a coronary artery stenosis at maximal hyperemia to determine the likelihood that the stenosis impedes oxygen delivery to the heart muscle and diagnose myocardial ischemia
"Global Offering"	has the meaning as ascribed to it under the Prospectus
"GMP"	good manufacturing practice, the quality assurance that ensures that medical products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
"Group", "our Group", "we", "us" or "our"	our Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HFpEF"	heart failure with preserved ejection fraction, a condition which occurs when the lower left chamber (left ventricle) is not able to fill properly with blood during the diastolic (filling) phase and the amount of blood pumped out to the body is less than normal
"HKFRS"	Hong Kong Financial Reporting Standards, as issued from time to time by the Hong Kong Accounting Standards Board
"Hong Kong dollars", "HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IMR"	index of microcirculatory resistance, the quantitative assessment of the minimum microcirculatory resistance in a target coronary arteriolar territory

"KOL(s)"	key opinion leader(s), renowned physicians who are able to influence their peers' medical practice
"Listing Date"	the date, Friday, July 8, 2022, on which the Shares were listed and dealings in the Shares first commenced on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"NMPA"	National Medical Products Administration of the PRC (國家藥品監督管理局), the successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
"NSTEMI"	non-ST segment elevation myocardial infarction, a heart attack that occurs without ST segment elevation on the electrocardiogram
"Over-allotment Option"	has the meaning as ascribed to it under the Prospectus
"PCI"	percutaneous coronary intervention, a percutaneous procedure to open a narrowed or blocked coronary artery and restore arterial blood flow to heart tissue that does not involve open-chest surgery
"PCT"	the Patent Cooperation Treaty
"Preferred Shares"	has the meaning as ascribed to it under the Prospectus
"Pre-IPO Share Option Scheme"	the share option scheme adopted by our Company on December 10, 2021
"Prospectus"	the prospectus of the Company dated June 27, 2022 in relation to the Global Offering

"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with a par value of HK$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SMO"	site management organization, an organization that provides clinical trial related services to medical device companies
"sq.m."	square meter, a unit of area
"STEMI"	ST segment elevation myocardial infarction, which occurs due to occlusion of one or more coronary arteries, causing transmural myocardial ischemia
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Suzhou Rainmed"	Suzhou Rainmed Medical Technology Co., Ltd. (蘇州潤邁德醫療科技有限公司), a limited liability company incorporated under the laws of PRC on December 5, 2016, being a wholly-owned subsidiary of our Company
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"%"	per cent

By Order of the Board
Rainmed Medical Limited
Huo Yunfei
Chairman of the Board and Executive Director

Hong Kong, August 30, 2022

As at the date of this announcement, the executive directors of the Company are Mr. Huo Yunfei, Mr. Lyu Yonghui, Mr. Zhang Liang and Ms. Gu Yang, the non-executive directors of the Company are Mr. Wang Lin and Mr. Heng Lei, and the independent non-executive directors of the Company are Mr. Liu Shuen Kong, Mr. Li Ho Man and Mr. Lau Tsz Ho Tony.