健世科技 Jenscare

寧波健世科技股份有限公司
Jenscare Scientific Co., Ltd.

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

Stock Code : 9877

2023
INTERIM REPORT

Contents

DEFINITIONS

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

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Board of Supervisors"	the board of Supervisors
"CE Certificate"	Conformité Européenne, an administrative marking 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 contained in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this interim report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
"Company" or "our Company"	Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on March 23, 2021, or, where the context requires (as the case may be), its predecessor Ningbo Jenscare Biotechnology Co., Ltd. (寧波健世生物科技有限公司), a limited liability company established in the PRC on November 8, 2011
"Concert Parties"	refer to Mr. Lv and Ms. Li and "Concert Party" means any one of them
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and in this context, refer to the Concert Parties, Mr. Lv and Ms. Li
"Core Product(s)"	LuX-Valve and Ken-Valve, the designated "core products" as defined under Chapter 18A of the Listing Rules
"Directors"	the directors of the Company or any one of them
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange
"Global Offering"	the global offering (Hong Kong Public Offering and the International Offering) of the H Shares, details of which are set forth in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Shares"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and which are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

Definitions

"IFRS"	International Financial Reporting Standards, as issued and amended from time to time by the International Accounting Standards Board
"Listing Rules"	the Rules Governing the Listing of Securities on Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules
"Mr. Lv"	Mr. LV Shiwen (呂世文), the chairman of the Board, an executive Director, the chief executive officer and the chief technology officer of our Company, and one of our Controlling Shareholders
"Ms. Li"	Ms. LI Hui (李輝), one of our Controlling Shareholders
"NMPA"	the National Medical Product Administration of the PRC (中國國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Prospectus"	the prospectus of the Company dated September 23, 2022
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisors"	the member(s) of the Company's Board of Supervisors
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction, any State of the United States, and the District of Columbia
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and are not listed on any stock exchange
"Unlisted Share(s)"	Domestic Shares and Unlisted Foreign Shares
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LV Shiwen
Mr. PAN Fei

Non-executive Directors

Mr. TAN Ching
Mr. ZHENG Jiaqi
Ms. XIE Youpei
Mr. CHEN Xinxing

Independent non-executive Directors

Dr. LIN Shoukang
Ms. DU Jiliu
Dr. MEI Lehe

SUPERVISORS

Ms. XU Jing
Mr. TANG Hao
Mr. HU Bo

AUDIT COMMITTEE

Ms. DU Jiliu (Chairwoman)
Dr. LIN Shoukang
Dr. MEI Lehe

REMUNERATION AND APPRAISAL COMMITTEE

Dr. LIN Shoukang (Chairman)
Mr. LV Shiwen
Ms. DU Jiliu

NOMINATION COMMITTEE

Dr. LIN Shoukang (Chairman)
Mr. LV Shiwen
Dr. MEI Lehe

STRATEGY COMMITTEE

Mr. LV Shiwen (Chairman)
Dr. LIN Shoukang
Mr. PAN Fei

JOINT COMPANY SECRETARIES

Mr. LI Yuanyuan
Mr. WONG Wai Chiu

AUTHORIZED REPRESENTATIVES

(for the purpose of the Listing Rules)
Mr. LV Shiwen
Mr. PAN Fei

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
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LEGAL ADVISERS

As to Hong Kong law:
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As to PRC law:
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COMPLIANCE ADVISER

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REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRC

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COMPANY WEBSITE

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STOCK CODE

9877

LISTING DATE

October 10, 2022

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PRINCIPAL BANKS

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Hangzhou Bay District
Ningbo, Zhejiang Province
PRC

Bank of Ningbo, Shuangdongfang Branch
No. 177-185, Baoqing Road
Jiangbei District
Ningbo, Zhejiang Province
PRC

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-to-period change
	2023	2022	
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(audited)	
Revenue	**–**	–	–
Gross profit	**–**	–	–
Loss before tax	**(178,161)**	(73,529)	142.30
Loss for the period	**(178,161)**	(73,529)	142.30
Loss attributable to owners of the parent	**(175,754)**	(72,853)	141.24
Loss per Share attributable to ordinary equity holders of the parent			
Basic and diluted	**RMB(0.42)**	RMB(0.20)	110.00

BUSINESS HIGHLIGHTS

During the Reporting Period and as of the date of this interim report, we have made the following progress with respect to our product pipeline and business operations:

DOMESTIC

- LuX-Valve has entered into the registration and review stage, and the registration and supplementary materials have been submitted to the NMPA. It is expected to obtain the NMPA approval in the fourth quarter of 2023.
- We have completed the confirmatory clinical trial of LuX-Valve Plus, and we expect to submit the registration to the NMPA for approval in September 2023.
- We expect to submit the registration to the NMPA for approval of Ken-Valve in September 2023.
- JensClip has completed the enrollment of nearly half of the trial subjects for the confirmatory clinical trial.
- JensFlag has successfully completed a number of human trials, confirming the feasibility of mitral valve leaflets augmentation technologies.

OVERSEAS

- The Company has completed dozens of clinical implantations in North America, including the U.S. and Canada, continuously promoting the clinical and commercialization progress of LuX-Valve Plus in North America.
- The Company continues to carry out clinical applications in Europe with the aim of obtaining the CE Certificate. So far, the Company has carried out dozens of clinical implantations of LuX-Valve Plus in major European countries and regions such as France, Germany, Spain, Italy and Denmark, winning unanimous acclaim from experts in various countries.
- In July 2023, the early feasibility study ("**EFS**") of LuX-Valve Plus in the U.S. was officially accepted by the U.S. Food and Drug Administration ("**FDA**"). The preparation of Investigational Device Exemption ("**IDE**") application of LuX-Valve Plus in the United States has also officially commenced. It is expected to officially enter the EFS and IDE clinical trial stage by the end of 2023.
- In August 2023, we successfully completed the first fee-for-service compassionate use treatment with LuX-Valve Plus in the Asia-Pacific region at the Hong Kong Asia Heart Centre (香港亞洲心臟中心). We plan to carry out fee-for-service compassionate use treatment operations in major countries and regions in the Asia-Pacific region in the future to further enhance the Company's academic position and commercial influence in the Asia-Pacific region.

COMMERCIALIZATION

Commercial Team

- We have built a commercial team with more than 60 members. The commercial team, comprising of sales and marketing team and clinical medicine team, is responsible for the pre-market introduction and education of the Core Products. The Company's clinical medicine team has set up a professional follow-up team with medical literacy and surgical understanding, which has established the global operating standards through high-standard clinical follow-up feedbacks. At the same time, the sales and marketing team has started product admission as well as the construction of regional suppliers' network to enhance the Company's market expansion and marketing capabilities to further enhance commercialization capabilities.

Targeted Hospitals Coverage

- We have expanded to more than 200 hospitals in China with influence in both academia and industry, with presence in more than 30 provinces, municipalities and autonomous regions. It is expected to complete the training of more than 50 independent surgeons and more than 15 teaching expert within 2023.

Expanding Product Influence through Academic Conferences and Events

- We have participated in both domestic and overseas high-quality academic conferences in the field of structural heart diseases, including industry conferences, associations, and annual meetings, which helps to promote brand awareness and to increase the market visibility of the Company's products.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We are an international medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. Our Company was established in the PRC in November 2011. Since then we have developed a series of treatment solutions targeting different types of structural heart diseases, including tricuspid valve diseases, aortic valve diseases, mitral valve diseases, heart failure and cardiogenic stroke.

Products and Pipeline

As of the date of this interim report, we have a portfolio of 12 product candidates in various stages of development. The following diagram summarizes the status of our product candidates under development as of the date of this interim report:

Product Candidates	Product Categories	Pre-Clinical	Clinical Stage[Note1]	Registration	Upcoming Milestones	Expected Commercialization[Note2]
Valvular Heart Diseases Product Candidates						
LuX-Valve[Note6] ★	Transcatheter tricuspid valve replacement (TTVR) system	NMPA approval: Submission for registration and obtain acceptance			Obtaining the NMPA approval (2023Q4)	2023Q4
LuX-Valve Plus ★	Transcatheter tricuspid valve replacement (TTVR) system	NMPA approval: Completed the confirmatory clinical trial			Submission for NMPA approval (2023Q3)	2024H1
	Transcatheter tricuspid valve replacement (TTVR) system	CE Marking: In the process of registration clinical trial			Completion of the subject enrollments for the registration clinical trial (2024H1)	2025H1
	Transcatheter tricuspid valve replacement (TTVR) system	FDA Marking: In the process of early feasibility clinical trial[Note7]			Initiation of the registration clinical trial (2023H2)	2026H2
Ken-Valve[Note6] ★	Transcatheter aortic valve replacement (TAVR) system	NMPA approval: Completed the confirmatory clinical trial			Submission for NMPA approval (2023Q3)	2024H2
KenFlex	Transcatheter aortic valve replacement (TAVR) system	NMPA approval: Preparing to initiate the feasibility clinical trial			Initiation of the confirmatory clinical trial (2023Q4)	2025H2
JensClip ★	Transcatheter mitral valve repair (TMVr) system	NMPA approval: In the process of conducting the confirmatory clinical trial			Completion of the subject enrollments for the confirmatory clinical trial (2023Q4)	2025H2
JensFlag[Note3]	Transcatheter mitral valve leaflet augmentation (TMVLA) system	NMPA approval: Preparing to initiate the feasibility clinical trial			Initiation of the feasibility clinical trial (2023Q4)	2026H2
JensCloop	Transcatheter mitral valve repair (TMVr) system	NMPA approval: In the process of conducting animal trials			Initiation of the feasibility clinical trial (2024H1)	2027H1
JensRelive[Note4]	Transcatheter mitral valve replacement (TMVR) system	NMPA approval: In the process of conducting animal trials			Initiation of the feasibility clinical trial (2024H1)	2026H2
Heart Failure Diseases Product Candidates						
MicroFlux	Atrial septostomy stent & delivery system	NMPA approval: In the process of conducting the feasibility clinical trial			Initiation of the confirmatory clinical trial (2023Q4)	2025H1
AlginSys[Note5]	Myocardial filling hydrogel & injection system	NMPA approval: Preparing to initiate the feasibility clinical trial			Initiation of the feasibility clinical trial (2023Q4)	2026H1
Cardiogenic Stroke Prevention Product Candidates						
SimuLock	Biomimetic left atrial appendage occluder system	NMPA approval: Preparing to initiate the feasibility clinical trial			Initiation of the feasibility clinical trial (2023Q3)	2025H2
OmniSeal	Degradable PFO occluder system	NMPA approval: Preparing to initiate the feasibility clinical trial			Initiation of the feasibility clinical trial (2024H1)	2026H2

Note 1: Entering clinical stage is marked by the completion of first human trial.

Note 2: The point in time of expected commercialization is based on the obtaining of product registration certificate.

Note 3: The original name of JensFlag is "MitraPatch".

Note 4: The original name of JensRelive is "AnchorValve".

Note 5: The original name of AlginSys is "AlginSys & EndoInjex".

Note 6: The Company's Core Products.

Note 7: Treatment clinical application refers to compassionate use, which is a clinical application for a patient with a serious or immediately life-threatening disease or condition to gain access to an investigational medical product (drug, biological product, or medical device) to obtain treatment when no comparable alternative treatment options are available.

★ : Products with ★ are core technology products of the Company, which refer to the products entering confirmatory clinical trial stage based on the application of the Company's core technology and the R&D progress achieving certain stages.

Our Products and Product Candidates

Tricuspid Valve Product Candidates

LuX-Valve, our Core Product and our proprietary first-generation transcatheter tricuspid valve replacement ("**TTVR**") system, is designed to treat symptomatic patients with both severe tricuspid regurgitation and high surgical risk. LuX-Valve works by replacing the function of a patient's dysfunctional native tricuspid valve with a prosthetic valve without the need for conventional open-heart surgery. LuX-Valve is a Class III medical device under the classification criteria of the NMPA. As of the date of this interim report, we held 13 patents and 20 patent applications in relation to LuX-Valve. LuX-Valve was admitted into the Special Examination for Innovative Medical Devices (the "**Green Path**") by the NMPA in January 2019, and therefore is eligible for an expedited approval process in China in accordance with the Special Procedures for Examination and Approval of Innovative Medical Devices (創新醫療器械特別審查程序). In September 2020, we successfully completed the multi-center feasibility clinical trial. In August 2021, we completed the enrollment for the confirmatory clinical trial of LuX-Valve. In November 2021, we received the breakthrough device designation from the U.S. Food and Drug Administration for LuX-Valve. In February 2022, we completed the six-month follow-up for the confirmatory clinical trial of LuX-Valve, and thereafter proceeded with the one-year follow-up for the confirmatory clinical trial of LuX-Valve, which had been completed as of the date of this interim report. After the completion of the confirmatory clinical trial, we submitted the trial results to the NMPA for approval in December 2022. As of the date of this interim report, LuX-Valve has entered into the registration and review stage. The registration and supplementary materials have been submitted to the NMPA and we expect to obtain the NMPA approval for the commercialization of LuX-Valve in the fourth quarter of 2023.

LuX-Valve Plus, our proprietary second-generation TTVR system, is designed for patients with severe tricuspid regurgitation. LuX-Valve Plus works by functionally replacing the patient's dysfunctional native tricuspid valve with a prosthetic valve without the need for conventional open-heart surgery. LuX-Valve Plus is a Class III medical device under the classification criteria of the NMPA. In comparison to LuX-Valve, LuX-Valve Plus uses a transvascular delivery system through transjugular approach. We expect the transvascular access path to effectively simplify the operation procedure with shorter device procedure time, smaller incision and less damage to the heart tissue. In addition, the delivery system of LuX-Valve Plus is multi-angle adjustable and steerable, allowing physicians to more conveniently adjust the release position and release angle, and thereby further increasing the product's safety profile. In August 2022, we completed the enrollment of 15 subjects for the feasibility clinical trial of LuX-Valve Plus in China, and then completed the one-month follow-up in September 2022. We have completed the confirmatory clinical trial, and expect to submit the registration to the NMPA in September 2023. The Company has completed dozens of clinical implantations in North America, including the U.S. and Canada, continuously promoting the clinical and commercialization process of LuX-Valve Plus in North America. The Company continues to carry out clinical applications in Europe with the aim of obtaining the CE Certificate. So far, the Company has carried out dozens of clinical implantations of LuX-Valve Plus in major European countries and regions such as France, Germany, Spain, Italy and Denmark, winning unanimous acclaim from experts in various countries. In July 2023, we have submitted a pre-submission for the EFS of LuX-Valve Plus, which has been officially accepted by the FDA. The preparation of IDE application of LuX-Valve Plus in the United States has also officially commenced. It is expected to officially enter the EFS and IDE clinical trial stage by the end of 2023. It marks the significant progress made by LuX-Valve Plus in the United States clinical trial registration process and in overseas business expansion. For details, please refer to the announcement of the Company dated July 7, 2023. The Company and LifeTech Scientific Corporation (a company whose shares are listed on the Stock Exchange (stock code: 1302)) have collaborated to achieve the first fee-for-service compassionate use treatment with LuX-Valve Plus in the Asia-Pacific region at the Hong Kong Asia Heart Centre (香港亞洲心臟中心) in August 2023. We plan to carry out fee-for-service compassionate use treatment operations in major countries and regions in the Asia-Pacific region in the future to further enhance the Company's academic position and commercial influence in the Asia-Pacific region. For details, please refer to the announcement of the Company dated August 7, 2023.

Aortic Valve Product Candidates

Ken-Valve, our Core Product and our proprietary first-generation transcatheter aortic valve replacement ("**TAVR**") system, is designed for the treatment of severe aortic regurgitation (or combined with aortic stenosis). Ken-Valve is a Class III medical device under the classification criteria of the NMPA. As of the date of this interim report, we held seven patents in relation to Ken-Valve. In June 2019, we successfully enrolled the first trial subject for the feasibility clinical trial of Ken-Valve. In March 2021, we successfully completed the multi-center feasibility clinical trial of Ken-Valve and subsequently initiated the confirmatory clinical trial, for which all subject enrollments were completed in March 2022. After the completion of the one-year follow up work of the confirmatory clinical trial in May 2023, we expect to submit the registration to the NMPA for approval in September 2023 and obtain the NMPA approval for the commercialization of Ken-Valve in the second half of 2024.

KenFlex, our proprietary new-generation TAVR system, is used for the treatment of severe aortic regurgitation (or combined with aortic stenosis). KenFlex has a key upgrade on its delivery system, namely a multi-angle retrievable and steerable function through the vascular access, which is expected to improve the valve positioning accuracy and stability during deployment. In particular, KenFlex allows the physician to recapture the valve into the capsule and readjust the position and orientation after the prosthetic valve is released, to improve prosthetic valve fixation and leak prevention. KenFlex is a Class III medical device under the classification criteria of the NMPA. As of the date of this interim report, we were in the process of initiating feasibility clinical trial of KenFlex.

Mitral Valve Product Candidates

JensClip, our proprietary clip-based transcatheter mitral valve repair ("**TMVr**") system, is designed to treat patients with severe mitral regurgitation. It works by clipping together a small area of the mitral valve leaflets, which continue to open and close on either side of the clip. This allows blood to flow on both sides while reducing the flow of blood in the wrong direction. In addition, JensClip utilizes a claw wall and a locking mechanism, with a simple structure design that can grasp the valve leaflets bilaterally and is easy to use with good flexibility. In addition, during the procedure, the delivery system of JensClip is designed to enable physicians to maneuver the device in a 360-degree fashion. JensClip is a Class III medical device under the classification criteria of the NMPA. The subject enrollment of the feasibility clinical trial of JensClip in China was completed in December 2022, and as of the date of this interim report, the confirmatory clinical trial was being conducted and nearly half of the subject enrollments were completed. It is expected that subject enrollment will be completed in the fourth quarter of 2023.

JensFlag, our proprietary transcatheter mitral valve leaflet augmentation ("**TMVLA**") system, is designed to treat patients with severe mitral regurgitation especially those caused by leaflet prolapse. JensFlag is made of bovine pericardium that is trimmed to size. JensFlag is a Class III medical device under the classification criteria of the NMPA. JensFlag is an innovative TMVLA product candidate that can augment mitral valve leaflets using leaflet patching technologies. As of the date of this interim report, we were in the process of initiating the early feasibility clinical trial.

JensCloop, our proprietary TMVr system, is designed to treat high-risk patients with functional mitral regurgitation caused by valve annulus dilation. It mainly comprises of prosthetic valve annulus and delivery system as well as catheter kit. The transcatheter product is directly used on mitral valve annulus. It reduces the regurgitation by shrinking the mitral valve annulus orifice area through contraction of the mitral valve annulus. As of the date of this interim report, we were conducting animal trials for JensCloop in China.

JensRelive, our proprietary transcatheter mitral valve replacement ("**TMVR**") (transfemoral) system, is designed to treat patients with severe mitral regurgitation. It works by replacing the function of a patient's dysfunctional native mitral valve without the need for conventional open-heart surgery. JensRelive consists of a prosthetic mitral valve, a delivery catheter system, and a loading system. Our JensRelive uses a special anchoring design, and such design helps the fixation while preventing displacement. In addition, JensRelive is also equipped with retrievable and steerable functions, which are expected to improve the valve positioning accuracy and stability during deployment. As of the date of this interim report, we were conducting animal trials for JensRelive.

Heart Failure Product Candidates

MicroFlux, is our proprietary first-generation transcatheter device for the treatment of heart failure with pressured ejection fraction ("**HFpEF**"). It works by creating a small opening in the atrial septum, and once MicroFlux is deployed, it forms a passage between the left and right atrium that enables the left atrium to decompress at rest and physical activity, with the aim of lowering left atrial pressure. MicroFlux's DCS is retrievable at all times during the procedure or right after the procedure, thereby increasing the safety of the procedure. As of the date of this interim report, we were conducting the feasibility clinical trial of MicroFlux in China.

AlginSys, our proprietary myocardial injectable biopolymer product, is designed to prevent the progression of advanced heart failure. It features high biocompatibility. One ingredient in AlginSys promotes myocardial growth. The gel-like material is injected directly into the myocardium where it hardens and widens the wall of the left ventricle, and is designed to reduce the size of the left ventricular cavity. AlginSys provides firm physical support to the myocardial muscle, and shows superior overall performance. It is also composed of an endoscopic injector, which utilizes a controlled injection function and a steerable curved microneedle. It facilitates precise operation, and is designed to prevent accidental triggers of injection, which improves the safety of targeted injection. As of the date of this interim report, we were in the process of initiating feasibility clinical trials for AlginSys.

Cardiogenic Stroke Prevention Product Candidates

SimuLock, our product candidate for cardiogenic stroke prevention, is our proprietary bionics left atrial appendage occluder system. This product is used for the prevention of thromboembolism of left auricle and lowers the risk of fatal bleeding for non-valvular atrial fibrillation patients who are suitable for anticoagulation treatment or have contraindications to anticoagulation treatment. Currently, SimuLock is in the process of obtaining clinical ethical approval, and is expected to commence the feasibility clinical trial in the third quarter of 2023.

OmniSeal is our proprietary degradable potent foramen ovale ("**PFO**") occluder system. PFO occluder is a percutaneous transcatheter PFO device designed for patients between the ages of 18 to 65 years old. It has significant benefits in lowering the morbidity of cardiogenic stroke or migraine. As of the date of this interim report, we were in the process of initiating feasibility clinical trials for OmniSeal.

For details of our products and product candidates, please refer to our Prospectus.

Cautionary Statement as required by Rule 18A.08(3) of the Listing Rules: There is no assurance that we will ultimately develop, market and/or commercialize our Core Products or any other product candidates successfully.

Research and Development

Our R&D team self-develops interventional medical device products focusing on the treatment of structural heart diseases. We intend to expand and improve our product portfolio by strengthening our R&D of new products, expanding our product pipeline and improving our existing product candidates.

As of the date of this interim report, we had:

- two Core Products, as well as 10 other product candidates in various stages of development; and
- 164 issued patents and 196 patent applications in more than 10 countries or regions.

Manufacturing

We have full manufacturing capabilities, including production lines for stents, valves, and delivery systems, respectively. In anticipation of forthcoming product launches, we have completed the expansion of our annual manufacturing capacity from 3,500 sets to approximately 4,000 to 5,000 sets in 2021, and expect to continue to expand our manufacturing capacity by reaching approximately 10,000 sets by the end of 2024. Additionally, we procured equipment and machinery from reputable suppliers and completed comprehensive commissioning and qualification steps to verify that the equipment and programs are installed according to the requisite specifications. We believe our manufacturing capability will give us an edge in clinical trials and future commercialization.

Our established manufacturing facility (including two adjacent properties), which occupies approximately 7,000 sq.m. in Ningbo, Zhejiang, is designed and built for manufacturing medical devices in compliance with GMP requirements with full manufacturing capability and ready for commercial-scale production. Our manufacturing facility has several production lines, including production lines for stents, valves, and delivery systems, respectively.

Commercialization

Commercialization of our product candidates is critical to our future growth and success. To drive our product launch and bring our product candidates to market, we are assembling our core commercial leadership team in anticipation of product launch.

As of the date of this interim report, we have built a commercial team with more than 60 members. The commercial team, comprising of sales and marketing team and clinical medicine team, is responsible for the pre-market introduction and education of the Core Products. The Company's clinical medicine team has set up a professional follow-up team with medical literacy and surgical understanding, which has established the global operating standards through high-standard clinical follow-up feedbacks.

The sales and marketing team has started product admission as well as the construction of regional suppliers' network to enhance the Company's market expansion and marketing capabilities to further enhance commercialization capabilities. As of the date of this interim report, we have expanded to more than 200 hospitals in China with influence in both academia and industry, with presence in more than 30 provinces, municipalities and autonomous regions. It is expected to complete the training of more than 50 independent surgeons and more than 15 teaching experts within 2023. We plan to scale up our commercial team to cover the increasing number of hospitals for the upcoming product launch.

We have participated in both domestic and overseas high-quality academic conferences in the field of structural heart diseases, including industry conferences, associations, and annual meetings, such as the Hangzhou Valve Seminar* (杭州瓣膜會), the Western Valve Forum* (西部瓣膜論壇), the 17th Vascular Disease Seminar in Central and Western China 2023* (2023第十七屆中國中西部心血管病會議) and the OCC 17th Oriental Congress of Cardiology* (OCC第十七屆東方心臟病學會議). These events allow us to increase the market visibility of our product candidates, share our clinical results and enhance experts' awareness of clinical benefits of our product candidates. Going forward, we plan to organize and participate more academic conferences of the aforementioned kinds on a yearly basis.

Future Development

Our vision is to become a global leading medical device platform with a comprehensive offering of innovative products for the treatment of structural heart diseases. We plan to implement the following strategies to achieve our goal:

- expedite the commercialization of our product candidates, especially LuX-Valve and LuX-Valve Plus, in order to enjoy the first-mover advantage in the underpenetrated and fast-growing TTVR market;
- specialize in structural heart diseases and further enrich our comprehensive product offering;
- build upon our R&D capabilities and seek strategic collaborations to expand our product portfolio; and
- expand our international footprint to become an industry leader.

II. FINANCIAL REVIEW

Other Income and Gains

Our other income and gains primarily consist of (i) gains on financial assets at fair value through profit or loss, representing the realized and unrealized gains from wealth management products we purchased; (ii) net foreign exchange gains mainly in connection with bank balance and cash denominated in U.S. dollars; (iii) government grants, primarily including subsidies received from the local governments to support our R&D activities and business operations; and (iv) interest income from bank deposits. Our other income and gains decreased from RMB38.3 million for the six months ended June 30, 2022 to RMB34.1 million for the six months ended June 30, 2023. The decrease was primarily attributable to the decrease in foreign exchange gains.

Research and Development Expenses

Our R&D expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for R&D personnel; (iii) costs of raw materials and consumables used for R&D of our product candidates; and (iv) third-party contracting costs, primarily including payments to contract research organizations ("**CROs**"), clinical trial sites, and other medical institutions and testing fees incurred for preclinical studies and clinical trials.

Our R&D expenses increased from RMB84.5 million for the six months ended June 30, 2022 to RMB137.6 million for the six months ended June 30, 2023. The increase was primarily attributable to the increase in share-based compensation expenses incurred for R&D personnel, staff costs and third-party contracting costs during our continuous R&D efforts.

The following table sets forth a breakdown of our R&D expenses for the periods indicated:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Share-based compensation expenses	**66,597**	27,925
Staff costs	**30,881**	26,178
Costs of raw materials and consumables used	**12,314**	11,572
Third-party contracting costs	**17,833**	12,879
Depreciation and amortization	**3,130**	1,645
Others	**6,848**	4,342
Total	**137,603**	84,541

Administrative Expenses

Our administrative expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for administrative personnel; (iii) professional service fees incurred primarily in relation to recruitment, legal and accounting services; and (iv) depreciation and amortization.

Our administrative expenses increased from RMB40.5 million for the six months ended June 30, 2022 to RMB82.1 million for the six months ended June 30, 2023. The increase was primarily attributable to the increase in share-based compensation expenses incurred for administrative personnel and staff costs.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Share-based compensation expenses	**55,531**	16,922
Staff costs	**11,907**	7,953
Professional service fees	**5,283**	10,379
Depreciation and amortization	**2,657**	2,428
Traveling and transportation expenses	**1,912**	446
Utilities and office expenses	**393**	582
Others	**4,454**	1,824
Total	**82,137**	40,534

Other Expenses

Our other expenses mainly consist of disposals of property, plant and equipment, impairment of other receivables and others.

Our other expenses decreased from RMB0.3 million for the six months ended June 30, 2022 to RMB0.2 million for the six months ended June 30, 2023. The decrease was primarily attributable to the recovery of other receivables.

Finance Costs

Our finance costs mainly consist of lease liabilities.

Our finance costs increased from RMB50,000 for the six months ended June 30, 2022 to RMB68,000 for the six months ended June 30, 2023. The increase was primarily attributable to the increase in finance costs on lease liabilities.

Income Tax Expenses

We did not incur any income tax expenses during the Reporting Period.

Loss for the Period

Based on the factors described above, our net losses amounted to RMB73.5 million and RMB178.2 million for the six months ended June 30, 2022 and the six months ended June 30, 2023, respectively.

Working Capital

Our primary uses of cash relate to the R&D of our product candidates and capital expenditures. Our net cash used in operating activities was RMB90.9 million for the six months ended June 30, 2023, primarily due to R&D expenses and administrative expenses incurred during the Reporting Period. Our operating cash flow will continue to be affected by our R&D expenses. During the Reporting Period, we primarily funded our working capital requirements through capital contributions from our Shareholders and other borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Going forward, we believe our liquidity requirements for conducting our R&D activities and realizing the commercialization of our product candidates, as well as supporting our future expansion plans will be satisfied by using funds from a combination of our cash and bank balances, net proceeds from the Global Offering and other funding sources as we believe appropriate.

Our net cash generated from investing activities was RMB12.4 million for the six months ended June 30, 2023, primarily due to the proceeds from disposal of financial assets at fair value through profit or loss, partially offset by the purchase of items of property, plant and equipment.

Our net cash generated from financing activities was RMB33.3 million for the six months ended June 30, 2023, primarily due to the contribution by our Shareholders and drawdown of bank loans.

As of June 30, 2023, we had cash and cash equivalents of RMB701.1 million, representing an increase of 77.2% compared to RMB395.7 million as of June 30, 2022.

Capital Expenditure

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on machinery and office equipment, as well as leasehold improvements.

Our capital expenditures increased from RMB38.9 million for the six months ended June 30, 2022 to RMB43.6 million for the six months ended June 30, 2023. The increase was primarily attributable to the purchase of property, plant and equipment.

Key Financial Ratios

The following table sets forth the key financial ratios as of the dates indicated:

	As of June 30,	
	2023	2022
	RMB'000	*RMB'000*
Current ratio[(1)]	**15.2**	16.5
Quick ratio[(2)]	**14.9**	16.3
Gearing ratio[(3)]	**4.5%**	3.6%

Notes:

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(3) Gearing ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.

Indebtedness

As of June 30, 2023, the Group had interest-bearing bank loans of approximately RMB10.7 million, which were fixed interest rate bank loans and denominated in RMB.

Our lease liabilities increased from RMB1.6 million as of June 30, 2022 to RMB3.1 million as of June 30, 2023, primarily due to several new lease agreements entered into by the Group during the Reporting Period.

Pledge of Assets

As of June 30, 2023, the Group's interest-bearing bank loans were secured by our leasehold land with a carrying value of RMB25.1 million.

Contingent Liabilities

As of June 30, 2023, the Group did not have any material contingent liabilities.

Significant Investments, Material Acquisitions and Disposals

On May 10, 2021, the Group entered into an equity transfer agreement to acquire 24.98% equity interests of Starway Medical Technology, Inc. (北京華醫聖傑科技有限公司) ("**Starway**") for a consideration of US$72,500,000. As of June 30, 2023, the Company's ownership of Starway was 22.48%. The carrying value of the investment in Starway was of approximately RMB494.6 million, representing approximately 34.9% of the Group's total asset as of June 30, 2023. The Group recorded a gain on carrying value change of approximately RMB10.9 million for the Reporting Period. The share of profits of Starway was approximately RMB7.8 million for the Reporting Period.

Starway is engaged in the manufacturing and sale of interventional medical devices for congenital heart diseases in Beijing. The Group believes that the acquisition of the equity interest in Starway puts the Group in a strong position and is beneficial for the Group's efforts to become a global leading medical device platform with a comprehensive offering of interventional cardiovascular devices.

Save as disclosed in the Prospectus and in this interim report, the Group did not make any material acquisitions or disposals of subsidiaries, associated companies or joint ventures and significant investment during the Reporting Period, and does not have any specific plan on material investments or capital assets as of the date of this interim report.

Foreign Exchange Exposure

During the Reporting Period, we mainly operated in China and a majority of our transactions were settled in RMB, the functional currency of our Company. We are exposed to foreign currency risk mainly arising from exchange rate fluctuations of U.S. dollars against RMB. 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.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as of June 30, 2023.

HUMAN RESOURCES

As of June 30, 2023, the Group had 337 employees in total. In compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, 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 a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government.

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant position. We invest in continuing education programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salaries, promotion and career development.

OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On October 10, 2022, the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering (after deducting underwriting fees and relevant expenses) amounted to approximately HK$206.4 million. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets forth the utilization of the net proceeds from the Global Offering and the expected timeline of the utilization of unutilized amount as of June 30, 2023:

Business objective as stated in the Prospectus	Percentage of total net proceeds	Allocation of net proceeds *(HK$ million)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Unutilized net proceeds as of June 30, 2023 *(HK$ million)*	Expected timeline for utilization of unutilized net proceeds
To fund the research and development, manufacturing and commercialization of our Core Products, namely, LuX-Valve and Ken-Valve	65.0%	134.1	134.1	3.0	131.1	December 31, 2024
To fund the research and development, clinical trials and product registration of other product candidates in our pipeline, including LuX-Valve Plus, KenFlex and mitral valve products	25.0%	51.6	51.6	14.2	37.4	December 31, 2024
Working capital and general corporate purposes	10.0%	20.7	20.7	10.0	10.7	December 31, 2023
Total	100%	206.4	206.4	27.2	179.2	–

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2023 (for the six months ended June 30, 2022: Nil).

PROPOSED ISSUE OF A SHARES

The Company has proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 73,617,757 A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option) and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on The Science and Technology Innovation Board of the Shanghai Stock Exchange ("**STAR Market**").

At the 2023 first extraordinary general meeting and the class meetings of the Company held on May 15, 2023, special resolutions were passed by the Shareholders to approve the proposed issue of A Shares on the STAR Market (including but not limited to the class of new Shares to be issued, place of listing, issue size, method of issuance, pricing methodology, etc.).

The issue of A Shares of the Company will be subject to, among other things, the approval by the China Securities Regulatory Commission ("**CSRC**") and the Shanghai Stock Exchange. As of the date of this interim report, the issue of A Shares of the Company has not been approved by the CSRC and the Shanghai Stock Exchange.

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 contained in Appendix 14 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation:

Under paragraph C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although such appointment is not consistent with such paragraph C.2.1, Mr. Lv is our chairman of the Board and the chief executive officer of our Company. With extensive experience in the medical devices industry and having served in our Company since January 2013, Mr. Lv is in charge of the overall management of business operation, strategy and corporate development of our Group. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group.

The balance of power and authority is ensured by the operation of our Board, our Supervisors and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises two executive Directors (including Mr. Lv), four non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and the chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, each of them has confirmed that he/she has complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Ms. DU Jiliu, Dr. LIN Shoukang and Dr. MEI Lehe. Ms. DU Jiliu serves as the chairperson of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to provide an independent view of the Company's financial reporting process, internal control and risk management system, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management of the Company, has considered and reviewed the Group's interim results for the Reporting Period, this interim report and the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters, and is of the view that the interim results and the interim report of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditor of the Company, Ernst & Young, has also reviewed the Group's interim financial information for the six months ended June 30, 2023 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.

CHANGES IN THE BOARD AND THE DIRECTORS' AND SUPERVISORS' INFORMATION

There was no change in the Board and the information of Directors and Supervisors since the date of the 2022 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

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

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

As of June 30, 2023, the interests and short positions of each Director, Supervisor and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the Shares or underlying Shares of the Company

Name of Director/ Chief Executive	Capacity/Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Mr. LV[2][3][4][5]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Domestic Shares	151,447,626 (L)	36.30
		H Shares	59,344,614 (L)	14.23
Mr. PAN Fei[6]	Interest in a controlled corporation	Domestic Shares	32,727,240 (L)	7.85

Notes:

(1) The letter "L" denotes the person's long position in the Shares. The calculation is based on the total number of 417,167,290 Shares in issue as of June 30, 2023.

(2) On March 16, 2021, Mr. Lv and Ms. Li entered into a concert party agreement to confirm that they have acted in concert in the management, decision-making and all major decisions of our Group. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.

Ningbo Linfeng Biotechnology Co., Ltd ("**Ningbo Linfeng**") beneficially owns 13,720,590 Domestic Shares and 7,388,010 H Shares of our Company and is owned as to 65.00% by Shanghai Shidi Industrial Development Co., Ltd ("**Shanghai Shidi**"), which in turn is wholly-owned by Ms. Li. As such, under the SFO, each of Ms. Li and Shanghai Shidi is deemed to be interested in the equity interests held by Ningbo Linfeng.

Shanghai Shidi beneficially owns 25,589,304 Domestic Shares and 13,778,856 H Shares of our Company and is wholly-owned by Ms. Li. As such, under the SFO, Ms. Li is deemed to be interested in the equity interests held by Shanghai Shidi.

(3) Mr. Lv beneficially owns 25,516,296 Domestic Shares and 13,739,544 H Shares of our Company.

(4) Each of Hainan Maidi Enterprise Management L.P. (Limited Partnership) ("**Hainan Maidi**") and Ningbo Sangdi Investment Management L.P. (Limited Partnership) ("**Ningbo Sangdi**") is a limited partnership established in the PRC and one of our ESOP Platforms. Hainan Maidi beneficially owns 41,236,200 Domestic Shares of our Company. Ningbo Sangdi beneficially owns 20,107,386 Domestic Shares and 10,827,054 H Shares of our Company. Ningbo Dixiang is the executive partner of each of Hainan Maidi and Ningbo Sangdi and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang Venture Capital Co., Ltd ("**Ningbo Dixiang**") and Mr. Lv is deemed to be interested in the equity interests held by Hainan Maidi and Ningbo Sangdi.

(5) Each of Ningbo Mukang Venture Capital Partnership (Limited Partnership) ("**Ningbo Mukang**") and Ningbo Kefeng Investment Management L.P. (Limited Partnership) ("**Ningbo Kefeng**") is a limited partnership established in the PRC. Ningbo Mukang beneficially owns 16,829,046 Domestic Shares and 9,061,794 H Shares of our Company. Ningbo Kefeng beneficially owns 8,448,804 Domestic Shares and 4,549,356 H Shares of our Company. Ningbo Dixiang is the executive partner of each of Ningbo Mukang and Ningbo Kefeng and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Ningbo Mukang and Ningbo Kefeng.

(6) Hainan Hualing Investment L.P. (Limited Partnership) ("**Hainan Hualing**") is one of our ESOP Platforms, a limited partnership established in the PRC, and beneficially owned 32,727,240 Domestic Shares of our Company. Hainan Yize Medical Technology Co., Limited (海南一則醫療科技有限公司) ("**Hainan Yize**") is the executive partner of Hainan Hualing and is owned as to 99% by Mr. PAN Fei.

As such, under the SFO, each of Hainan Yize and Mr. PAN Fei is deemed to be interested in the equity interests held by Hainan Hualing.

Save as disclosed above and to the best knowledge of the Directors, Supervisors and chief executive of the Company, as of June 30, 2023, none of the Directors, Supervisors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations, (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (iii) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2023, so far as the Directors are aware, the following persons (other than the Directors, Supervisors and chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholder	Capacity/ Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Mr. Lv[2][3][4][5]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Domestic Shares H Shares	151,447,626 (L) 59,344,614 (L)	36.30 14.23
Ms. Li[2][6][7]	Interest in a controlled corporation; interest held jointly with another person	Domestic Shares H Shares	151,447,626 (L) 59,344,614 (L)	36.30 14.23
Ningbo Dixiang[4][5]	Interest in a controlled corporation	Domestic Shares H Shares	86,621,436 (L) 24,438,204 (L)	20.76 5.86

Name of Substantial Shareholder	Capacity/ Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Shanghai Shidi[6][7]	Beneficial owner; interest in a controlled corporation	Domestic Shares H Shares	39,309,894 (L) 21,166,866 (L)	9.42 5.07
Hainan Maidi[4]	Beneficial owner	Domestic Shares	41,236,200 (L)	9.88
Ningbo Sangdi[4]	Beneficial owner	Domestic Shares H Shares	20,107,386 (L) 10,827,054 (L)	4.82 2.60
Ningbo Mukang[5]	Beneficial owner	Domestic Shares H Shares	16,829,046 (L) 9,061,794 (L)	4.03 2.17
Ningbo Linfeng[7]	Beneficial owner	Domestic Shares H Shares	13,720,590 (L) 7,388,010 (L)	3.29 1.77
AUT-VII HK Holdings Limited[8]	Beneficial owner	Unlisted Foreign Shares	21,750,000 (L)	5.21
AUT-VII HOLDINGS LIMITED[8]	Interest in a controlled corporation	Unlisted Foreign Shares	21,750,000 (L)	5.21
Hillhouse Capital Management, Ltd.[8] ("**Hillhouse Capital**")	Interest in a controlled corporation	Unlisted Foreign Shares	21,750,000 (L)	5.21
Zhuhai Yuheng Equity Investment L.P. (Limited Partnership) (珠海嶼恒股權投資合夥企業（有限合夥))[9] ("**Zhuhai Yuheng**")	Beneficial owner	Domestic Shares	18,618,120 (L)	4.46
Shenzhen Gao Ling Tiancheng III Investment Co., Ltd. (深圳高瓴天成三期投資有限公司)[9] ("**Shenzhen Gao Ling**")	Interest in a controlled corporation	Domestic Shares	18,618,120 (L)	4.46
Zhuhai Gao Ling Equity Investment Management Co., Ltd. (珠海高瓴股權投資管理有限公司)[9] ("**Zhuhai Gao Ling**")	Interest in a controlled corporation	Domestic Shares	18,618,120 (L)	4.46
Ms. MA Cuifang[9]	Interest in a controlled corporation	Domestic Shares	18,618,120 (L)	4.46

Name of Substantial Shareholder	Capacity/ Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Mr. LI Liang[9]	Interest in a controlled corporation	Domestic Shares	18,618,120 (L)	4.46
Hainan Hualing[10]	Beneficial owner	Domestic Shares	32,727,240 (L)	7.85
Hainan Yize	Interest in a controlled corporation	Domestic Shares	32,727,240 (L)	7.85
Mr. PAN Fei[10]	Interest in a controlled corporation	Domestic Shares	32,727,240 (L)	7.85
Shanghai Jiachen Investment Co., Ltd.) (上海甲辰投資有限公司)[11] ("**Shanghai Jiachen**")	Interest in a controlled corporation	Domestic Shares H Shares	9,926,280 (L) 15,189,840 (L)	2.38 3.64
Hangzhou Chende Investment L.P. (Limited Partnership) (杭州辰德投資合夥企業（有限合夥))[11] ("**Hangzhou Chende**")	Beneficial owner	H Shares	10,935,720 (L)	2.62
Janecox Investment IV HK Limited[12]	Beneficial owner	Unlisted Foreign Shares H Shares	6,825,000 (L) 3,675,000 (L)	1.64 0.88
Janecox Investment IV Limited[12]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	6,825,000 (L) 3,675,000 (L)	1.64 0.88
Duckling Fund L.P.[13] ("**Duckling**")	Beneficial owner	Unlisted Foreign Shares H Shares	3,536,578 (L) 1,904,312 (L)	0.85 0.46
Grandiflora Hook GP Limited[13]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	3,536,578 (L) 1,904,312 (L)	0.85 0.46
Lionet Fund, L.P.[13]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	3,536,578 (L) 1,904,312 (L)	0.85 0.46

Other information

Notes:

(1) The letter "L" denotes the person's long position in the Shares. The calculation is based on the total number of 417,167,290 Shares in issue as of June 30, 2023.

(2) On March 16, 2021, Mr. Lv and Ms. Li entered into a concert party agreement to confirm that they have been acting in concert in the management and operation of the Group since January 1, 2018, and they have agreed to continue to act in concert and reach consensus on any proposal related to the daily management and operation of the Group presented to the general meeting of the Shareholders of the Company for voting.

(3) Mr. Lv beneficially owns 25,516,296 Domestic Shares and 13,739,544 H Shares of the Company.

(4) Each of Hainan Maidi and Ningbo Sangdi is a limited partnership established in the PRC and one of the ESOP Platforms. Hainan Maidi beneficially owns 41,236,200 Domestic Shares of the Company. Ningbo Sangdi beneficially owns 20,107,386 Domestic Shares and 10,827,054 H Shares of the Company. Ningbo Dixiang is the executive partner of each of Hainan Maidi and Ningbo Sangdi and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Hainan Maidi and Ningbo Sangdi.

(5) Each of Ningbo Mukang and Ningbo Kefeng is a limited partnership established in the PRC. Ningbo Mukang beneficially owns 16,829,046 Domestic Shares and 9,061,794 H Shares of the Company. Ningbo Kefeng beneficially owns 8,448,804 Domestic Shares and 4,549,356 H Shares of the Company. Ningbo Dixiang is the executive partner of each of Ningbo Mukang and Ningbo Kefeng and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Ningbo Mukang and Ningbo Kefeng.

(6) Shanghai Shidi beneficially owns 25,589,304 Domestic Shares and 13,778,856 H Shares of the Company and is wholly-owned by Ms. Li. As such, under the SFO, Ms. Li is deemed to be interested in the equity interests held by Shanghai Shidi.

(7) Ningbo Linfeng beneficially owns 13,720,590 Domestic Shares and 7,388,010 H Shares of the Company and is owned as to 65.00% by Shanghai Shidi, which in turn is wholly-owned by Ms. Li. As such, under the SFO, each of Ms. Li and Shanghai Shidi is deemed to be interested in the equity interests held by Ningbo Linfeng.

(8) AUT-VII HK Holdings Limited beneficially owns 21,750,000 Unlisted Foreign Shares of the Company and is a limited company incorporated in Hong Kong and is owned as to 100% by AUT-VII HOLDINGS LIMITED. AUT-VII HK Holdings Limited is an investment vehicle ultimately managed by Hillhouse Capital. As such, under the SFO, each of AUT-VII HOLDINGS LIMITED and Hillhouse Capital is deemed to be interested in the equity interests held by AUT-VII HK Holdings Limited.

(9) Zhuhai Yuheng is a limited partnership established in the PRC and beneficially owns 18,618,120 Domestic Shares of the Company. Shenzhen Gao Ling is the general partner of Zhuhai Yuheng. The limited partners investors of Zhuhai Yuheng are private equity funds managed by Zhuhai Gao Ling, which is in turn owned as to more than 30% by each of Ms. MA Cuifang (馬翠芳) and Mr. LI Liang (李良), respectively. As such, under the SFO, Shenzhen Gao Ling, Zhuhai Gao Ling, Ms. MA Cuifang and Mr. LI Liang are deemed to be interested in the equity interests held by Zhuhai Yuheng.

(10) Hainan Hualing is one of our ESOP Platforms, a limited partnership established in the PRC, and beneficially owned 32,727,240 Domestic Shares of the Company. Hainan Yize is the executive partner of Hainan Hualing and is owned as to 99% by Mr. PAN Fei.

As such, under the SFO, each of Hainan Yize and Mr. PAN Fei is deemed to be interested in the equity interests held by Hainan Hualing.

(11) Suzhou Chenzhide Investment L.P. (Limited Partnership) (蘇州辰知德投資合夥企業(有限合夥)) ("**Suzhou Chenzhide**") is a limited partnership established in the PRC and beneficially owns 9,926,280 Domestic Shares and 4,254,120 H Shares of the Company. Shanghai Jiachen is the executive partner of Suzhou Chenzhide. As such, under the SFO, Shanghai Jiachen is deemed to be interested in the equity interests held by Suzhou Chenzhide.

Hangzhou Chende is a limited partnership established in the PRC and beneficially owns 10,935,720 H Shares of the Company. Shanghai Jiachen is the executive partner of Hangzhou Chende. As such, under the SFO, Shanghai Jiachen is deemed to be interested in the equity interests held by Hangzhou Chende.

(12) Janecox Investment IV HK Limited beneficially owns 6,825,000 Unlisted Foreign Shares and 3,675,000 H Shares of the Company and is a limited company incorporated in Hong Kong and is owned as to 100% by Janecox Investment IV Limited. As such, under the SFO, Janecox Investment IV Limited is deemed to be interested in the equity interests held by Janecox Investment IV HK Limited.

(13) Duckling beneficially owns 3,536,578 Unlisted Foreign Shares and 1,904,312 H Shares of the Company and is a limited liability company incorporated in the Cayman Islands. Grandiflora Hook GP Limited and Lionet Fund, L.P. is the general partner and sole limited partner of Duckling, respectively. As such, under the SFO, each of Grandiflora Hook GP Limited and Lionet Fund, L.P. is deemed to be interested in the equity interests held by Duckling.

Save as disclosed above, as of June 30, 2023, the Directors are not aware of any other person (other than the Directors, the Supervisors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTIONS

Neither the Company nor its subsidiaries had any share option scheme which was required to be disclosed pursuant to the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

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

By order of the Board
Jenscare Scientific Co., Ltd.
Mr. LV Shiwen
Chairman

Hong Kong, August 28, 2023

INDEPENDENT AUDITOR'S REPORT

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Independent review report
To the board of directors of Jenscare Scientific Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 38, which comprises the condensed consolidated statement of financial position of Jenscare Scientific Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	2023 *RMB'000* (unaudited)	2022 *RMB'000* (audited)
Other income and gains		**34,050**	38,346
Research and development expenses		**(137,603)**	(84,541)
Administrative expenses		**(82,137)**	(40,534)
Other expenses		**(226)**	(299)
Finance costs		**(68)**	(50)
Share of profit of an associate		**7,823**	13,549
LOSS BEFORE TAX	5	**(178,161)**	(73,529)
Income tax expenses	6	**–**	–
LOSS FOR THE PERIOD		**(178,161)**	(73,529)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**10,195**	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**10,195**	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(167,966)**	(73,529)
Loss attributable to:			
Owners of the parent		**(175,754)**	(72,853)
Non-controlling interests		**(2,407)**	(676)
		(178,161)	(73,529)
Total comprehensive loss attributable to:			
Owners of the parent		**(165,559)**	(72,853)
Non-controlling interests		**(2,407)**	(676)
		(167,966)	(73,529)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
– For loss for the period		**RMB(0.42)**	RMB(0.20)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 *RMB'000* (unaudited)	31 December 2022 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**80,328**	42,681
Other intangible assets		**4,044**	4,194
Right-of-use assets		**28,129**	29,204
Investment in an associate		**494,606**	483,730
Other non-current assets		**18,317**	16,161
Total non-current assets		**625,424**	575,970
CURRENT ASSETS			
Inventories		**17,629**	9,893
Prepayments, other receivables and other assets		**29,727**	20,356
Financial assets at fair value through profit or loss		**43,736**	97,746
Cash and cash equivalents		**701,142**	727,364
Total current assets		**792,234**	855,359
CURRENT LIABILITIES			
Trade payables	10	**13,455**	10,950
Other payables and accruals		**36,282**	43,481
Lease liabilities		**2,232**	2,305
Total current liabilities		**51,969**	56,736
NET CURRENT ASSETS		**740,265**	798,623
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,365,689**	1,374,593
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		**10,708**	–
Lease liabilities		**848**	1,566
Total non-current liabilities		**11,556**	1,566
Net assets		**1,354,133**	1,373,027
EQUITY			
Equity attributable to owners of the parent			
Share capital		**417,167**	417,167
Reserves		**938,264**	956,119
		1,355,431	1,373,286
Non-controlling interests		**(1,298)**	(259)
Total equity		**1,354,133**	1,373,027

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the parent								
	Share capital *RMB'000*	Share premium* *RMB'000*	Other reserve* *RMB'000*	Share-based payment* *RMB'000*	Exchange fluctuation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2023 (audited)	417,167	1,214,770	–	667,239	8,285	(934,175)	1,373,286	(259)	1,373,027
Loss for the period	–	–	–	–	–	(175,754)	(175,754)	(2,407)	(178,161)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	10,195	–	10,195	–	10,195
Total comprehensive loss for the period	–	–	–	–	10,195	(175,754)	(165,559)	(2,407)	(167,966)
Capital contribution from shareholders	–	22,892	–	–	–	–	22,892	–	22,892
Contribution by a non-controlling shareholder	–	–	–	–	–	–	–	1,000	1,000
Share of an associate's other reserve	–	–	3,052	–	–	–	3,052	–	3,052
Share-based compensation	–	–	–	121,760	–	–	121,760	368	122,128
At 30 June 2023 (unaudited)	417,167	1,237,662	3,052	788,999	18,480	(1,109,929)	1,355,431	(1,298)	1,354,133

	Attributable to owners of the parent							
	Share capital *RMB'000*	Share premium* *RMB'000*	Share-based payment* *RMB'000*	Accumulated losses* *RMB'000*	Shares held for share compensation plan *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2022 (audited)	409,091	1,033,501	349,364	(494,864)	(6,345)	1,290,747	(156)	1,290,591
Loss and total comprehensive loss for the period	–	–	–	(72,853)	–	(72,853)	(676)	(73,529)
Capital contribution from shareholders	–	424	–	–	–	424	–	424
Share-based compensation	–	–	44,847	–	–	44,847	–	44,847
Consolidation of special purpose vehicles	–	–	–	–	106	106	–	106
At 30 June 2022 (audited)	409,091	1,033,925	394,211	(567,717)	(6,239)	1,263,271	(832)	1,262,439

* These reserve accounts comprise the consolidated reserves of RMB938,264,000 (30 June 2022: RMB860,419,000 (audited)) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 *RMB'000* (unaudited)	2022 *RMB'000* (audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(178,161)**	(73,529)
Adjustments for:		
Finance costs	**68**	50
Share of profit of an associate	**(7,823)**	(13,549)
Fair value gains on financial assets at fair value through profit or loss	**(1,987)**	(2,509)
Depreciation of property, plant and equipment	**4,264**	2,754
Amortisation of other intangible assets	**238**	146
Depreciation of right-of-use assets	**1,286**	1,173
Impairment of other receivables	**180**	291
Loss on disposal of items of property, plant and equipment	**–**	9
Foreign exchange differences, net	**(8,769)**	(25,538)
Share-based compensation expenses	**122,128**	44,847
Increase in inventories	**(7,736)**	(3,467)
(Increase)/decrease in prepayments, other receivables and other assets	**(8,365)**	14,448
Increase/(decrease) in trade payables	**2,505**	(194)
Decrease in shares held for share compensation plan	**–**	106
Decrease in other payables and accruals	**(8,748)**	(3,056)
Net cash flows used in operating activities	**(90,920)**	(58,018)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(43,499)**	(12,699)
Additions to other intangible assets	**(88)**	(496)
Proceeds from disposal of financial assets at fair value through profit or loss	**55,997**	2,509
Acquisition of leasehold land	**–**	(25,750)
Purchase of time deposits with maturity over three months	**–**	(335,570)
Net cash flows from/(used in) investing activities	**12,410**	(372,006)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	**10,708**	–
Contribution by shareholders	**22,892**	424
Contribution by non-controlling shareholders	**1,000**	–
Principal portion of lease liabilities	**(1,276)**	(855)
Net cash flows from/(used in) financing activities	**33,324**	(431)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(45,186)**	(430,455)
Cash and cash equivalents at beginning of period	**727,364**	800,590
Effect of foreign exchange rate changes, net	**18,964**	25,538
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**701,142**	395,673
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**701,142**	731,243
Time deposits with maturity over three months	**–**	(335,570)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**701,142**	395,673

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

1 CORPORATE AND GROUP INFORMATION

Jenscare Scientific Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 8 November 2011 as a limited liability company. On 23 March 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at No. 777 Binhai Forth Road, Hangzhou Bay New District, Ningbo, Zhejiang, the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 October 2022.

During the period, the Company and its subsidiaries (the "Group") were mainly engaged in the research and development of interventional products for the treatment of structural heart diseases and other related medical products.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The adoption of the new and revised standards has no significant financial effect on the Group's interim condensed consolidated financial information.

4 OPERATING SEGMENT INFORMATION

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

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China during the Reporting Period, no further geographical segment information is presented.

5 LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Depreciation of items of property, plant and equipment	**4,264**	2,754
Amortisation of intangible assets	**238**	146
Depreciation of right-of-use assets	**1,286**	1,173
Research and development expenses	**137,603**	84,541
Loss on disposal of items of property, plant and equipment	**–**	9
Impairment of other receivables	**180**	291
Auditor's remuneration	**600**	–
Government grants	**(12,527)**	(8,848)
Bank interest income	**(10,766)**	(1,451)
Lease payments not included in the measurement of lease liabilities	**788**	757
Fair value gains, net:		
Financial assets at fair value through profit or loss	**(1,987)**	(2,509)
Foreign exchange differences, net	**(8,769)**	(25,538)

6 INCOME TAX

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

(a) Pursuant to the Corporate Income Tax Law of the PRC (the "CIT Law") and the respective regulations, the applicable tax rate of the Company and its subsidiaries in Mainland China is 25%, except for Jenscare (Hainan) Venture Capital Co. Ltd. which was entitled to a preferential income tax rate of 5% for the taxable income from 1 January 2023. No provision for Mainland China income tax has been made as the Group's entities in the PRC had no estimated assessable profits during the period presented in the interim condensed consolidated financial information.

(b) No provision for Hong Kong profit tax has been made at a rate of 16.5% as the Group's entity in Hong Kong has no estimated assessable profits during the period presented in the interim condensed consolidated financial information.

(c) No provision for Netherlands income tax has been made at a rate of 25.8% as the Group's entity in the Netherlands has no estimated assessable profits during the period presented in the interim condensed consolidated financial information.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

7 DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 417,167,000 (2022: 362,818,000) in issue during the period.

The Group had potential dilutive shares throughout the period related to the shares held for the share compensation plan. Due to the Group's negative financial results during the period, shares held for the share compensation plan have an anti-dilutive effect on the Group's loss per share. Thus, the diluted loss per share is equivalent to the basic loss per share.

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**(175,754)**	(72,853)

	Number of shares For the six months ended 30 June	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculations	**417,167,000**	362,818,000

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment at a cost of RMB41,911,000 (six months ended 30 June 2022: RMB12,699,000).

10 TRADE PAYABLES

The trade payables are non-interest-bearing and are normally settled within two months. An ageing analysis of the trade payables as at the end of the period, based on the invoice dates, is as follows:

	30 June 2023 *RMB'000* (unaudited)	31 December 2022 *RMB'000* (audited)
Trade payables		
Within 1 year	**12,206**	10,928
Over 1 year	**1,249**	22
	13,455	10,950

11 COMMITMENTS

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

	30 June 2023 *RMB'000* (unaudited)	31 December 2022 *RMB'000* (audited)
Contracted, but not provided for:		
Property, plant and equipment	**83,452**	108,092

12 RELATED PARTY TRANSACTIONS

(a) Related parties for the periods ended 30 June 2023 and 2022 were as follows:

Name	**Relationship with the Company**
Ms. LI Hui	A shareholder of the Company
Ningbo Linfeng Biotechnology Co., Ltd.	Controlled by Ms. LI Hui
Ningbo Linstant Polymer Materials Co., Ltd	Controlled by Ms. LI Hui
Ningbo Shouquanzhai Chinese Traditional Medicine Service Ltd.	Controlled by Ms. LI Hui
Ningbo Trandomed 3D Medical Technology Co., Ltd	Controlled by Ms. LI Hui
Ningbo Lide Medical Technology Co., Ltd	Controlled by Mr. LV Shiwen
Ningbo Hangzhou Bay New District Muhe Property Co., Ltd	Controlled by Ms. LI Hui
Ningbo Chinese Herbal Pieces Co., Ltd.	Controlled by Ms. LI Hui
Ningbo Shidi Medical Technology Co., Ltd	Controlled by Ms. LI Hui
Ningbo Muhe Catering Management Co., Ltd.	Controlled by Ms. LI Hui

12 RELATED PARTY TRANSACTIONS *(cont'd)*

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

	For the six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (audited)
Rental expense to:		
Ningbo Linfeng Biotechnology Co., Ltd.	**1,346**	1,561
Purchase of materials from:		
Ningbo Linstant Polymer Materials Co., Ltd	**1,151**	1,407
Ningbo Trandomed 3D Medical Technology Co., Ltd	**31**	244
Ningbo Shouquanzhai Chinese Traditional Medicine Service Ltd.	**15**	36
	1,197	1,687
Purchase of services from:		
Ningbo Muhe Catering Management Co., Ltd.	**346**	–
Ningbo Chinese Herbal Pieces Co., Ltd.	**115**	117
Ningbo Hangzhou Bay New District Muhe Property Co., Ltd	**44**	354
Ningbo Shidi Medical Technology Co., Ltd	**17**	73
	522	544

(c) Outstanding balances with related parties:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Prepayments and other receivables:		
Ningbo Linstant Polymer Materials Co., Ltd	**124**	561
Ningbo Shidi Medical Technology Co., Ltd	**3**	6
Ningbo Lide Medical Technology Co., Ltd.	**–**	114
	127	681
Other payables and accruals:		
Ningbo Linfeng Biotechnology Co., Ltd.	**902**	651
Ningbo Muhe Catering Management Co., Ltd.	**62**	67
Ningbo Hangzhou Bay New District Muhe Property Co.,Ltd	**21**	20
Ningbo Chinese Herbal Pieces Co., Ltd.	**19**	24
Ningbo Shouquanzhai Chinese Traditional Medicine Service Ltd.	**–**	40
	1,004	802
Trade payables:		
Ningbo Linstant Polymer Materials Co., Ltd	**267**	–
Ningbo Shidi Medical Technology Co., Ltd	**–**	45
Ningbo Trandomed 3D Medical Technology Co., Ltd	**–**	7
	267	52

12 RELATED PARTY TRANSACTIONS *(cont'd)*

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Salaries, allowances, and benefits in kind	**5,536**	4,381
Pension scheme contributions	**701**	548
Equity-settled share-based compensation expense	**61,782**	19,684
Total compensation paid to key management personnel	**68,019**	24,613

13 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, financial asset included in prepayments, other receivables and other assets, trade receivable, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The Directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

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

The Group invests in wealth management products issued by portfolio companies. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

13 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(cont'd)*

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	**Significant observable inputs (Level 2) *RMB'000***	**Significant unobservable inputs (Level 3) *RMB'000***	**Total *RMB'000***
As at 30 June 2023				
Financial assets at fair value through profit or loss	**–**	**–**	**43,736**	**43,736**

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
As at 31 December 2022				
Financial assets at fair value through profit or loss	–	–	97,746	97,746

The Group did not have any financial liabilities measured at fair value as at 30 June 2023 and 31 December 2022.

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

The movements in fair value measurements within Level 3 during the period are as follows:

Financial assets at fair value through profit or loss	**2023 *RMB'000* (unaudited)**	2022 *RMB'000* (audited)
At 1 January	**97,746**	–
Disposals, net	**(55,997)**	(2,509)
Total gains recognised in other income and gains	**1,987**	2,509
At 30 June	**43,736**	–

For financial assets in Level 3, the Group adopts the valuation technique to determine the fair value. The valuation technique is the Income Method. The fair value measurement of the financial instrument may involve one unobservable input, which is the expected rate of return. The Group periodically reviews this significant unobservable input and valuation adjustments used to measure the fair value of the financial asset in Level 3.

13 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(cont'd)*

Fair value hierarchy *(cont'd)*

A summary of the significant unobservable input used in the fair value measurement categorised with Level 3 of the fair value hierarchy, together with a quantitative analysis as at 30 June 2023 and 31 December 2022 is shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to the fair value
Financial assets at fair value through profit and loss (FVTPL):	Present Earning Value Method	Expected rate of return	30 June 2023: 1.50%	1% increase/(decrease) in the expected rate of return would result in an increase/(decrease) in fair value by RMB282,697.05/ (RMB282,697.05)
Financial assets at fair value through profit and loss (FVTPL):	Present Earning Value Method	Expected rate of return	31 December 2022: 1.50%	1% increase/(decrease) in the expected rate of return would result in an increase/(decrease) in fair value by RMB158,765.41/ (RMB158,765.41)

14 EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2023.