Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

BrainAurora Medical Technology Limited
脑动极光医疗科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6681)

MAJOR TRANSACTION
SUBSCRIPTIONS AND REDEMPTIONS OF WEALTH MANAGEMENT PRODUCT

The Board announces that on March 31, 2025, April 2, 2025, and April 3, 2025, respectively, the Company, together with the HK Subsidiary, subscribed for the Wealth Management Product (the investment scope of which does not include equity securities) for an aggregate principal amount of US$30 million. As at the date of this announcement, Subscriptions of the Wealth Management Product by the Company and the HK Subsidiary were redeemed and the aggregated outstanding principal amount of the Group's Wealth Management Product was nil.

Listing Rules Implications

As the Wealth Management Product was subscribed with SPDBIIM, the corresponding principal amounts of each of the Subscriptions, all completed within a 12-month period, have been aggregated as if there were one transaction with SPDBIIM for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Given the largest applicable percentage ratio in respect of the Subscriptions as at the date of the last Subscription exceeds 25% but is less than 100%, the Subscriptions technically constituted a major transaction of the Company for the purpose of the Listing Rules and should have been subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

The Company should have complied with the relevant reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules in respect of the Subscriptions as and when such obligations arose. Regrettably, the Company failed to comply with these Listing Rules requirements due to its unintentional and inadvertent oversight. In particular, such non-compliance incident was primarily due to (i) certain operational staff members' insufficient knowledge and misunderstandings on the classification of the holding of the Wealth Management Product; (ii) a lack of experience and awareness of relevant staff members at operational level in handling transactions under the post-listing regulatory framework; (iii) a lack of sufficient internal guidance and training for relevant personnel at an operational level, particularly in relation to subscription of wealth management products; and (iv) inadequate escalation and verification mechanisms within the Company's internal control framework in relation to subscription of wealth management products.

Considering that the Wealth Management Product was non-fixed term and was fully redeemed on September 3, 2025 as soon as this breach was discovered, even though the Subscriptions technically constituted a major transaction and should have been subject to the Shareholders' approval requirement as set out above, the Company considers that it might not be meaningful and therefore does not intend to despatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the Subscriptions. Instead, the Company has proceeded to publishing this announcement with the Board's approval with details about the transaction and the remedial actions that have been undertaken to prevent similar incidents from occurring in the future.

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announces that on March 31, 2025, April 2, 2025, and April 3, 2025, respectively, the Company, together with its indirectly wholly owned subsidiary, BrainAurora (HK) Medical Technology Limited (the "**HK Subsidiary**"), subscribed for the Wealth Management Product (the investment scope of which does not include equity securities) for an aggregate principal amount of US$30 million. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, SPDBIIM and its respective ultimate beneficial owner(s) are Independent Third Parties. The principal amount of the Subscriptions as listed below, calculated cumulatively, constituted a major transaction. The key terms of the Subscriptions are set out in the table below.

Subscription Date	Subscriber	Redemption date	Redeemed/ outstanding	Name of product	Principal amounts of subscription	Term of product and redemption	Type of product	Expected annualized rate of return	Investment scope of product
April 3, 2025	the Company	September 3, 2025	Redeemed	SPDBI US Dollar Money Market Fund	US$10,000,000	No fixed term	Non-principal guaranteed with floating return	4.76%	Short-term deposits and high quality money market instruments
March 31, 2025	HK Subsidiary	May 13, 2025	Redeemed	SPDBI US Dollar Money Market Fund	US$10,000,000	No fixed term	Non-principal guaranteed with floating return	4.76%	Short-term deposits and high quality money market instruments
April 2, 2025	HK Subsidiary	May 13, 2025 and September 3, 2025	Redeemed	SPDBI US Dollar Money Market Fund	US$10,000,000	No fixed term	Non-principal guaranteed with floating return	4.76%	Short-term deposits and high quality money market instruments

As at the date of this announcement, all of Subscriptions of the Wealth Management Product by the Company and the HK Subsidiary were redeemed and the aggregated outstanding principal amount of the Group's Wealth Management Product was nil.

SOURCE OF FUNDS AND BASIS OF DETERMINATION FOR THE CONSIDERATION

The Subscriptions were funded by and satisfied with the Group's operating cash inflows and bank borrowings, and would not affect the working capital or the operation of the Group.

The Directors confirmed that the consideration of the Subscriptions were determined between the Company and SPDBIIM on the basis of commercial terms negotiated at arm's length after taking into account (i) the then financial status of the Group; (ii) the expected investment return and terms of the Wealth Management Product; (iii) the expected annualised rate of return of the Wealth Management Product; and (iv) the Subscriptions and redemptions having no material impact on the operations and working capital of the Group.

REASONS FOR AND BENEFITS OF SUBSCRIBING TO THE WEALTH MANAGEMENT PRODUCT

In order to reasonably utilize the operating cash inflows and bank borrowings of our Company, enhance the efficiency in the utilization of such internal funds, better achieve capital preservation and appreciation and to bring returns to the Shareholders, after taking into account the normal operation funding needs and the liquidity requirements of the Group, the Directors decided to use such funds to purchase the Wealth Management Product.

The Directors (including independent non-executive Directors) are of the view that (i) from a cash management perspective, the Subscriptions provided the Group with better returns than fixed deposits generally offered by commercial banks in the PRC; (ii) the Subscriptions were funded by the Group's operating cash inflows and bank borrowings, and has implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the Group's working capital position nor its principal business development and would not adversely affect the interests of independent Shareholders; and (iii) appropriate wealth management with moderately low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds of the Group at base interest rates similar to fixed income securities investments available in the market. Accordingly, the Directors (including independent non-executive Directors) consider that the terms of each of the Wealth Management Product are fair and reasonable and are on normal commercial terms, and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

STATUS OF THE SUBSCRIPTIONS AND PLAN OF THE COMPANY INTENDED USE OF PROCEEDS FROM THE REDEMPTIONS OF WEALTH MANAGEMENT PRODUCTS

On May 13, 2025, the HK Subsidiary redeemed US$15 million of the principal amount of the Wealth Management Product. As such, US$15 million of the principal amount of the Wealth Management Product remained outstanding as at June 30, 2025 and, together with the fair value gains on financial assets at FVTPL of approximately RMB1,012,000 in connection with the Wealth Management Product, translated to the financial assets at FVTPL in the amount of approximately RMB109 million.

The Group intends to use the sale proceeds from the redemption for working capital purposes, which would not affect the working capital or the operations of the Group. The Group may also apply the proceeds for new investments should any suitable investment opportunities arise.

PARTIES INFORMATION

Information on the Company

The Company is a commercial stage company and a seasoned player in China's cognitive impairment digital therapeutics (the "**DTx**") market. The Company is the first company in China that has developed a medical-grade DTx product for cognitive impairment, combining brain science with advanced artificial intelligence technologies, with its product pipeline covering both the assessment and intervention of a broad range of cognitive impairments induced by vascular diseases, neurodegenerative diseases, psychiatric disorders, and child development deficiencies, among others.

Information on SPDBIIM

SPDBIIM, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of SPDB International Holdings Limited, holds Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the Hong Kong Securities and Futures Commission. It provides asset management services to investors through Hong Kong authorised funds, private funds, primary and secondary investment, and cross-border investment solutions for institutional and high net-worth clients.

SPDB International Holdings Limited is a wholly-owned subsidiary of Shanghai Pudong Development Bank Co., Ltd. SPDB International Holdings Limited specializes in offering new economy clients comprehensive and diversified range of financial services, including but not limited to IPO, M&A, securities underwriting, financial advisory, investment management, corporate finance advisory, public and private asset management, and securities trading services.

Shanghai Pudong Development Bank Co., Ltd. (SSE: 600000) is a commercial bank incorporated under the laws of the People's Republic of China and listed on the Shanghai Stock Exchange.

LISTING RULES IMPLICATIONS

As the Wealth Management Product was subscribed with SPDBIIM, the corresponding principal amounts of each of the Subscriptions, all completed within a 12-month period, have been aggregated as if there were one transaction with SPDBIIM for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Given the largest applicable percentage ratio in respect of the Subscriptions as at the date of the last Subscription exceeds 25% but is less than 100%, the Subscriptions technically constituted a major transaction of the Company for the purpose of the Listing Rules and should have been subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

The Company should have complied with the relevant reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules in respect of the Subscriptions as and when such obligations arose. Regrettably, the Company failed to comply with these Listing Rules requirements due to its unintentional and inadvertent oversight. In particular, such non-compliance incident was primarily due to (i) certain operational staff members' insufficient knowledge and misunderstandings on the classification of the holding of the Wealth Management Product; (ii) a lack of experience and awareness of relevant staff members at operational level in handling transactions under the post-listing regulatory framework; (iii) a lack of sufficient internal guidance and training for relevant personnel at an operational level, particularly in relation to subscription of wealth management products; and (iv) inadequate escalation and verification mechanisms within the Company's internal control framework in relation to subscription of wealth management products.

Considering that the Wealth Management Product was non-fixed term and was fully redeemed on September 3, 2025 as soon as this breach was discovered, even though the Subscriptions technically constituted a major transaction and should have been subject to the Shareholders' approval requirement as set out above, the Company considers that it might not be meaningful and therefore does not intend to despatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the Subscriptions. Instead, the Company has proceeded to publishing this announcement with the Board's approval with details about the transaction and the remedial actions that have been undertaken to prevent similar incidents from occurring in the future.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules, but would like to stress that the delay in compliance with the Listing Rules was inadvertent and unintentional. To prevent similar cases from occurring in the future, the Company has implemented the following remedial actions with immediate effect:

1. The Company has conducted a comprehensive review and self-examination of the purchase of Wealth Management Product in the six months ended June 30, 2025, and hereby makes this supplementary announcement on all financial products that should have been disclosed but were not previously disclosed;

2. With the assistance of the legal advisers, the first enhanced training session was provided to key personnels in the financial department of the Company on September 30, 2025, in relation to the subscription of wealth management product and the corresponding compliance procedures and potential information disclosure obligations thereunder. And the legal advisers also circulated the relevant memos to the Company in relation to (i) the subscription of wealth management product and the corresponding compliance procedures and potential information disclosure obligations thereunder; (ii) training memos in relation to connected transactions under the Listing Rules; and (iii) training materials in relation to the notifiable transactions and connected transactions under Chapter 14 and Chapter 14A of the Listing Rules, to remind the responsible staff members, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential issues at an early stage to avoid the recurrence of delay in disclosure for future subscriptions of Wealth Management Product should such obligations arise;

3. The Company has circulated a detailed guideline relating to notifiable and connected transactions under the Listing Rules and will offer more regular training from its legal advisers on a semiannual basis and/or on an ad hoc basis, with the first training already provided in September 2025, in relation to the subscription of wealth management product and the corresponding compliance procedures and potential information disclosure obligations thereunder, to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage;

4. As soon as the relevant breach has been discovered, the Company has been improving its financial control system, and improve the communication, coordination and reporting arrangements for notifiable transactions among the relevant departments (the "**Relevant Departments**") of the Group, including among its finance team, legal team, and the office of board secretary team. Specifically, with immediate effect, prior to entering into any relevant potential transaction in the future, the finance team will perform size test analysis accordingly. Where disclosure threshold is met, the finance team will notify the Relevant Departments of the details of the proposed transaction and circulate the relevant drafts of transaction agreements for review by the legal team and the office of board secretary team of the Company to ensure compliance with the Listing Rules. As of the date of this announcement, the Company has achieved the following rectification milestones: (i) the Company has circulated training materials in relation to connected transactions and notifiable transactions under the Listing Rules to staff members at operational level of the financial department; (ii) staff members at operational level of the financial department have separately sought and consulted the views and opinions of its legal adviser and compliance adviser prior to contemplating several proposed transactions, and have duly conducted the respective size tests; and (iii) following the discovery of the breach, and as of the date of this announcement, the Company has maintained weekly consultations with its legal adviser and compliance adviser; and

5. On an ongoing basis, the Company will work more closely and frequently with its internal legal advisers on compliance issues and shall consult other professional advisers more frequently, particularly before entering into any potential notifiable transaction. Going forward, the Company will also maintain weekly consultations with its legal adviser and compliance adviser. The Company has also established a communication channel to facilitate prompt and frequent discussions, information sharing, and issue escalation among the Company, the compliance adviser and the legal adviser. If necessary, the Company might also consult the Stock Exchange on the proper treatment of the proposed transaction.

Going forward, the Company will continue to comply with the management procedures in respect of future potential investments and make such disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

"Board"	the board of Directors of the Company;
"Chairman"	Mr. Tan Zheng, chairman of the Board;
"Company"	BrainAurora Medical Technology Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6681);
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Party(ies)"	third party(ies) independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules);
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"PRC"	the People's Republic of China which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	the ordinary share(s) of the Company;
"Shareholders"	the shareholders of the Company;
"SPDBIIM"	SPDB International Investment Management Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of SPDB International Holdings Limited;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscription(s)"	subscriptions of the Wealth Management Product by the Company and the HK Subsidiary;
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States;
"Wealth Management Product"	The wealth management product issued by SPDBIIM and subscribed by the Company and the HK Subsidiary as set out in the table of this announcement;
"*%*"	percentage.

By order of the Board
BrainAurora Medical Technology Limited
脑动极光医疗科技有限公司
Tan Zheng
Chairman

Hong Kong, December 15, 2025

As of the date of this announcement, the Board comprises: (i) Mr. Tan Zheng as executive Director; (ii) Mr. Li Sirui, Ms. Li Mingqiu and Mr. Deng Feng as non-executive Directors; and (iii) Mr. Lam Yiu Por, Dr. Duan Tao and Mr. Tu Lei as independent non-executive Directors.