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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)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Sole Overall Coordinator, Placing Agent and Capital Market Intermediary



國泰海通
GUOTAI HAITONG

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

The Board is pleased to announce that on 23 January 2026 (before trading hours), the Company has entered into the Placing and Subscription Agreement with aggregate gross proceeds from the transaction contemplated under the Placing and Subscription Agreement expected to be approximately HK\$515.20 million.

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 23 January 2026 (before trading hours), the Company, the Seller and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller has agreed to sell, and the Placing Agent has agreed to act as the agent of the Seller to procure, on a best effort basis, not less than six (6) Placées to purchase the Placing Shares at the Placing Price of HK\$5.6 per Placing Share, and (ii) the Seller has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Seller, the Top-up Subscription Shares at the Top-up Subscription Price which is equivalent to the Placing Price of HK\$5.6 per Top-up Subscription Share under the General Mandate (and such number of Top-up Subscription Shares shall be the same as the number of Placing Shares actually placed by the Placing Agent pursuant to the Placing and Subscription Agreement).

The Placing Shares represent approximately 7.27% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares immediately following the closing of the Top-up Subscription (assuming that, save for the allotment and issue of the Top-up Subscription Shares, there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription).

Pursuant to the Placing and Subscription Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six (6) Placees, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis.

The Placing Agent shall undertake to ensure that the Placees (if applicable, together with their respective ultimate beneficial owners), inter alia, (a) are and will, continue to immediately after completion of the Placing, be independent of and not directly or indirectly connected with the Company and its connected persons; and (b) are not and will not be, immediately after completion of the Placing, (i) a substantial shareholder of, (ii) otherwise a connected person of or (iii) acting in concert with, the Company, the Seller, any of the parties acting in concert with the Company or the Seller, or any of the Company's or the Seller's respective connected persons, or (iv) an associate of the Seller, and the Placees are independent of any of the above persons.

Assuming the Placing Shares are placed in full, the Top-up Subscription Shares, in aggregate, represent: (i) approximately 7.27% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 6.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares immediately following the closing of the Top-up Subscription (assuming that, save for the allotment and issue of the Top-up Subscription Shares, there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription).

The Top-up Subscription Shares will be allotted and issued pursuant to the General Mandate and therefore no Shareholders' approval is required for the allotment and issue of the Top-up Subscription Shares.

Completion of the Placing and the Top-up Subscription is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing and Subscription Agreement. Please refer to the sections headed "Conditions of the Placing" and "Conditions of the Top-up Subscription" in this announcement for further information. In the event that the conditions in respect of the Top-up Subscription are not fulfilled within fourteen (14) days after the date of the Placing and Subscription Agreement (or such later date as may be agreed among the Company, the Seller and the Placing Agent in writing subject to compliance with the applicable laws, rules and regulations), the rights, obligations and liabilities of the Company and the Seller under the Top-up Subscription shall cease and terminate and neither the Company nor the Seller shall have any claim against the other, save for antecedent breaches.

The Placing Price is HK\$5.6 per Placing Share and represents: (i) a discount of approximately 12.09% to the closing price of HK\$6.37 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 13.18% to the average closing price of approximately HK\$6.45 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and excluding the Last Trading Day.

The estimated net proceeds from the Top-up Subscription, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the Placing and the Top-up Subscription, are expected to be approximately HK\$500.68 million. The estimated net Top-up Subscription Price, after deducting such fees, costs and expenses, is approximately HK\$5.44 per Top-up Subscription Share.

APPLICATION FOR LISTING OF THE TOP-UP SUBSCRIPTION SHARES

Application(s) will be made by the Company to the Listing Committee for the listing of and permission to deal in the Top-up Subscription Shares.

Completion of the Placing and the Top-up Subscription is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing and Subscription Agreement. As the completion of the Placing and the Top-up Subscription may or may not take place, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 23 January 2026 (before trading hours), the Company, the Seller and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller has agreed to sell, and the Placing Agent has agreed to act as the agent of the Seller to procure, on a best effort basis, not less than six (6) Placees to purchase the Placing Shares at the Placing Price of HK\$5.6 per Placing Share, and (ii) the Seller has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Seller, the Top-up Subscription Shares at the Top-up Subscription Price which is equivalent to the Placing Price of HK\$5.6 per Top-up Subscription Share under the General Mandate (and such number of Top-up Subscription Shares shall be the same as the number of Placing Shares actually placed by the Placing Agent pursuant to the Placing and Subscription Agreement).

THE PLACING AND SUBSCRIPTION AGREEMENT

The principal terms and conditions of the Placing and Subscription Agreement are as follows:

Date

23 January 2026 (before trading hours)

Parties

Issuer: The Company

Placing Agent: Guotai Junan

Seller: ZTan Limited

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guotai Junan and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Number of Placing Shares

92,000,000 existing Shares beneficially owned by the Seller, representing approximately 7.27% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares immediately following the closing of the Top-up Subscription (assuming that, save for the allotment and issue of the Top-up Subscription Shares, there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription).

Placees

Pursuant to the Placing and Subscription Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six (6) Placees, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis.

The Placing Agent shall undertake ensure that the Placees (if applicable, together with their respective ultimate beneficial owners), inter alia, (a) are and will, continue to immediately after completion of the Placing, be independent of and not directly or indirectly connected with the Company and its connected persons; and (b) are not and will not be, immediately after completion of the Placing, (i) a substantial shareholder of, (ii) otherwise a connected person of or (iii) acting in concert with, the Company, the Seller, any of the parties acting in concert with the Company or the Seller, or any of the Company's or the Seller's respective connected persons, or (iv) an associate of the Seller, and the Placees are independent of any of the above persons.

Placing Price

The Placing Price of HK\$5.6 per Placing Share represents:

- (i) a discount of approximately 12.09% to the closing price of HK\$6.37 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 13.18% to the average closing price of HK\$6.45 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior and excluding the Last Trading Day.

The Placing Price is exclusive of brokerage, trading fees, stamp duty, transaction fees and levies.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent.

The net issue price per Placing Share (after deduction of the placing commission and other related expenses as described above) is approximately HK\$5.44, assuming that the Placing is completed in full. The Directors consider that the Placing is on normal commercial terms and the terms of the Placing are fair and reasonable, having considered the current market conditions, and, so far as the Company and the Shareholders are concerned, in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects with the other existing Shares in issue as at the Placing Transaction Date including the right to receive all dividends and other distributions declared, made or payable at any time by reference to a record date falling on or after the Placing Transaction Date.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment or waiver of the following conditions:

- (i) there shall not have occurred any material breach of any of the representations, warranties or undertakings given by the Company and the Seller under the Placing and Subscription Agreement or any event would have rendered any such representations, warranties or undertakings being untrue, inaccurate or misleading in any aspects in each case on or prior to the closing date of the Placing; and
- (ii) save for any temporary suspension in connection with the Placing or Top-up Subscription or such other period as the parties may agree in writing, there shall not be any suspension of dealings in the Shares on the Stock Exchange for any period of seven (7) consecutive trading days or more during the period commencing upon the execution of the Placing and Subscription Agreement and terminating at 4:00 p.m. (Hong Kong time) on the Placing Transaction Date (or such later time and date as the Seller and the Placing Agent may agree in writing).

The Seller shall use its best endeavours to procure the fulfilment of the conditions to completion of the Placing. The Seller shall confirm to the Placing Agent that the conditions to completion of the Placing are fulfilled on the Placing Transaction Date.

Completion of the Placing

Completion of the Placing is expected to take place on the date falling two (2) Business Days after the Placing Transaction Date (or such other date as the Seller and the Placing Agent may agree).

THE TOP-UP SUBSCRIPTION

Top-up Subscription Shares

92,000,000 new Shares (which shall be equal to the number of Placing Shares actually placed by the Placing Agent pursuant to the Placing and Subscription Agreement) to be allotted and issued to the Seller represent: (i) approximately 7.27% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 6.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares immediately following the closing of the Top-up Subscription (assuming that, save for the allotment and issue of the Top-up Subscription Shares, there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription).

Top-up Subscription Price

The Top-up Subscription Price per new Share is equivalent to the Placing Price of HK\$5.6 per Share. The aggregate value of the Top-up Subscription Shares is approximately HK\$515,200,000 and the aggregate nominal value of the Top-up Subscription Shares is US\$9.2.

The Directors consider that the terms of the Top-up Subscription are fair and reasonable under the current market conditions and are in the best interests of the Company and the Shareholders as a whole.

Ranking of the Top-up Subscription Shares

The Top-up Subscription Shares, when fully paid, will rank pari passu in all respects with the other Shares in issue or to be allotted and issued by the Company on or prior to the date of completion of the Top-up Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment of the Top-up Subscription Shares.

Conditions of the Top-up Subscription

The Top-up Subscription is conditional upon the fulfilment of the following conditions:

- (a) the Listing Committee granting listing of and permission to deal in the Top-up Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificates representing the Top-up Subscription Shares);
- (b) the Executive Director of the Corporate Finance Division of the SFC waiving any obligation of the Seller and parties acting in concert with it to make a general offer for all the issued shares in the Company as a result of the Subscription under Note 6 on dispensations from Rule 26 of the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission; and
- (c) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

None of the conditions for the Top-up Subscription can be waived by the parties to the Placing and Subscription Agreement.

In the event that the conditions in respect of the Top-up Subscription are not fulfilled within fourteen (14) days after the date of the Placing and Subscription Agreement (or such later date as may be agreed among the Company, the Seller and the Placing Agent in writing subject to compliance with the applicable laws, rules and regulations), the rights, obligations and liabilities of the Company and the Seller under the Top-up Subscription shall cease and terminate and neither the Company nor the Seller shall have any claim against the other, save for antecedent breaches.

Closing of the Top-up Subscription

Closing of the Top-up Subscription will take place on the second (2nd) business day (each being a day on which trading on the Stock Exchange takes place) following the date upon which the last of the above conditions is fulfilled, provided it shall take place on a date no later than fourteen (14) days after the date of the Placing and Subscription Agreement, or such other day as agreed by the Company, the Seller and the Placing Agent in writing and in compliance with the Listing Rules.

General Mandate to issue the Top-up Subscription Shares

The Top-up Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM pursuant to which up to 253,255,600 Shares were allowed to be issued and allotted.

As at the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Top-up Subscription Shares is not subject to further approval of the Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Top-up Subscription Shares.

Lock-up undertakings under the Placing and Subscription Agreement

The Seller has undertaken to the Placing Agent that it shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agent:

- (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any affiliate of the Seller or any person in privity with the Seller or any affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) publicly announce an intention to effect any such transaction,

for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Placing Completion Date. The above undertaking shall not apply to the sale of the Placing Shares under the Placing and Subscription Agreement.

The Company has undertaken to the Placing Agent, and the Seller undertakes to the Placing Agent to procure the Company, that other than pursuant to the following, the Company will not allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares during the period commencing on the date of this Agreement up to 90 days after the Placing Completion Date, unless the prior written consent of the Placing Agent having been obtained:–

- (i) any exercise of any convertible notes or warrants or options in issue at the date of this Agreement or any other conversion or subscription rights existing as at the date of the Placing and Subscription Agreement;
- (ii) any exercise of any share options granted pursuant to the share option scheme of the Company adopted pursuant to the Listing Rules as at the date of the Placing and Subscription Agreement;
- (iii) any scrip dividend scheme; or
- (iv) any allotment and issue of the Subscription Shares pursuant to the Placing and Subscription Agreement.

and the Company will not agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described above.

Termination of the Placing and Subscription Agreement

The Placing Agent may terminate the Placing and Subscription Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Placing Completion Date upon the occurrence of the following events which, in the sole opinion of the Placing Agent, has or may have an material adverse effect of the Group taken as a whole or adverse material effect on the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing and Subscription Agreement:

- (a) there develops, occurs or comes into force:
 - (i) any new law, rule or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws, rules or regulations which in the reasonable opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (ii) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing and Subscription Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory, currency or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory, currency or local, national or international stock or securities market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in Hong Kong, the PRC, the European Union or the U.S. which in the opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iii) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labor dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, the European Union or the U.S., or the declaration by Hong Kong, the PRC, the European Union or the U.S. of war or a state of emergency or calamity or crisis which in the opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (v) any change in conditions of local, national or international securities markets which in the opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (vi) a change or development involving a change of taxation or exchange control (or the implementation of exchange control) in the PRC, Hong Kong, the European Union or the U.S. adversely affecting the proposed investments in the Placing Shares; or
 - (vii) any litigation or claim being instituted against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the opinion of the Placing Agent, would materially and adversely affect the success of the Placing; or
 - (viii) the commencement by any state, governmental, judicial, regulatory or political body or organisation in Hong Kong or the PRC of any action against any of the directors of the Company and/or the Seller or an announcement by any state, governmental, judicial, regulatory or political body or organization in Hong Kong or the PRC that it intends to take any such action; or
- (b) there has been a material breach by the Company or the Seller of any of their respective representations, warranties and undertakings under the Placing and Subscription Agreement or any obligations imposed on the Company under the Placing and Subscription Agreement;
 - (c) if the Placing Agent considers the Company, the Seller, their respective controlling shareholders, actual controller and/or direct person-in charge of this Placing does not satisfy or to be in breach(es) of the CSRC Rules, as well as any applicable laws, regulations, rules and regulatory requirements (whether having the force of law or otherwise) from time to time in force; or
 - (d) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing and Subscription Agreement) as a whole.

APPLICATION FOR LISTING OF THE TOP-UP SUBSCRIPTION SHARES

Application(s) will be made by the Company to the Listing Committee for the listing of and permission to deal in the Top-up Subscription Shares.

GENERAL MANDATE

By an ordinary resolution of the Shareholders passed on 19 June 2025, the General Mandate was granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of the then issued share capital of the Company as at the date of the abovementioned AGM. Under the General Mandate, the Company is authorised to issue up to 253,255,600 Shares under the General Mandate. Since the grant of the General Mandate on 19 June 2025 and up to the date of this announcement, the Directors have not exercised their power to allot or issue any new Shares pursuant to such General Mandate.

The Top-up Subscription Shares will be allotted and issued under the General Mandate. Accordingly, no separate Shareholders' approval is required for the issue of the Top-up Subscription Shares.

INFORMATION ON THE PARTIES

The Seller

ZTan Limited, being the Seller, is a company incorporated in the British Virgin Islands wholly owned by Mr. Tan Zheng, an executive Director, chairman of the Board and chief strategy officer of the Company. Pursuant to the Offshore AIC Agreement (as defined in the Prospectus), Mr. Tan Zheng, Dr. Wang Xiaoyi, ZTan Limited and Wispirits Limited agreed to act in concert for so long as they remain interested in the shares of the Company, consult each other and reach a consensus before voting at the board meetings and shareholders' meetings of the Company, and in case the parties fail to reach a consensus, vote based on the opinion of Mr. Tan Zheng. Accordingly, Mr. Tan Zheng and Dr. Wang Xiaoyi, together with their respective close associates, namely ZTan Limited, Wispirits Limited, Wiseforward Limited and Neurobright Limited are the Controlling Shareholders of the Company.

As at the date of this announcement, ZTan Limited is holding as to approximately 21.75% of the entire issued share capital of the Company while Mr. Tan Zheng along with parties acting in concert with him are deemed to be interested in 40.95% of the entire issued share capital of the Company in aggregate. Please refer to the section headed "CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY" below for further details.

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guotai Junan and its respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

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.

REASONS FOR AND BENEFITS OF THE PLACING AND THE TOP-UP SUBSCRIPTION AND USE OF PROCEEDS

The Company's product pipeline covers 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. Its core product, the Brain Function Information Management Platform Software System (the "**System**"), has been commercialized for eight indications from four major types of cognitive impairment and is under development for several other cognitive impairment indications.

The Directors consider that the Placing and the Top-up Subscription will be conducive to the Company's utilisation of the financing function of the capital market, improvement of the capital structure of the Company, implementation of its strategies to drive future growth, including further improving its research and development capabilities, expanding its international footprint and building global influence, and to strategically seeking merger and acquisition opportunities.

Subject to the Completion, the gross proceeds from the Top-up Subscription are expected to be approximately HK\$515.20 million, while the net proceeds from the Top-up Subscription, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the Placing and the Top-up Subscription, are estimated to be approximately HK\$500.68 million. The estimated net Top-up Subscription Price, after deducting such fees, costs and expenses, is approximately HK\$5.44 per Top-up Subscription Share.

The Company intends to apply the total amount of net proceeds from the Top-up Subscription as follows:

- (i) approximately HK\$250.34 million or 50% will be used to fund research and development initiatives. These initiatives include, but are not limited to, the development of non-invasive brain-computer interface (BCI) intervention systems, multimodal deep reasoning large models, an extended digital health platform for consumers, medical large model integrated appliances, and the support of large-scale clinical trials across key therapeutic pipelines. These funds are expected to be fully utilized by 30 September 2027;
- (ii) approximately HK\$150.20 million or 30% will be used for domestic and international market development. This includes, but is not limited to, the costs associated with establishing national branch offices, supporting academic conferences and large-scale validation projects in domestic healthcare markets, and investing in the setup of regional subsidiaries to service local markets. These funds are expected to be fully utilized by 30 June 2027;
- (iii) approximately HK\$50.07 million or 10% will be used for strategic investments and acquisitions. This allocation is primarily intended for investments in or acquisitions of upstream and downstream companies within the digital health ecosystem, such as intelligent hardware manufacturers, to enhance the Company's integrated product and service offerings. These funds are expected to be fully utilized by 30 June 2027; and
- (iv) approximately HK\$50.07 million or 10% will be used to supplement the working capital of the Company and its subsidiaries for general corporate purposes. These funds are expected to be fully utilized by 31 December 2026.

As at the date of this announcement, in respect of paragraph (iii) above, there are no potential targets available or any concrete plans for such potential merger and acquisition opportunities. Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

In view of the above, the Directors consider that the terms of the Placing and Subscription Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable and with reference to the prevailing market conditions. The Placing and the entry into of the Placing Agreement are in the interest of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,266,278,000 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following the completion of the Placing but before the completion of the Top-up Subscription; and (iii) immediately following the completion of the Placing and the Top-up Subscription, for illustration purposes only:

	As at the date of this announcement		Immediately following the completion of the Placing but before the completion of the Top-up Subscription		Immediately following the completion of the Placing and the Top-up Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders:						
Concerted Parties ⁽¹⁾:						
ZTan Limited ⁽²⁾	275,468,000	21.75%	183,468,000	14.49%	275,468,000	20.28%
Healthbloom Limited ⁽³⁾	59,104,000	4.67%	59,104,000	4.67%	59,104,000	4.35%
Wispirits Limited ⁽⁴⁾	109,052,000	8.61%	109,052,000	8.61%	109,052,000	8.03%
Wiseforward Limited ⁽⁵⁾	44,503,000	3.51%	44,503,000	3.51%	44,503,000	3.28%
Neurobrights Limited ⁽⁶⁾	30,400,000	2.40%	30,400,000	2.40%	30,400,000	2.24%
Sub-total	518,527,000	40.95%	426,527,000	33.68%	518,527,000	38.18%
Other non-public Shareholders:						
Core connected persons ⁽⁷⁾	335,547,000	26.50%	335,547,000	26.50%	335,547,000	24.70%
Public Shareholders:						
The Placees	0	0.00%	92,000,000	7.27%	92,000,000	6.77%
Other public Shareholders	412,204,000	32.55%	412,204,000	32.55%	412,204,000	30.35%
Sub-total	412,204,000	32.55%	504,204,000	39.82%	504,204,000	37.12%
Total	1,266,278,000	100.00%	1,266,278,000	100.00%	1,358,278,000	100.00%

Notes:

- (1) Pursuant to the Offshore AIC Agreement (as defined in the Prospectus), Mr. Tan Zheng, Dr. Wang Xiaoyi, ZTan Limited and Wispirits Limited agreed to act in concert for so long as they remain interested in the shares of the Company, consult each other and reach a consensus before voting at the board meetings and shareholders' meetings of the Company, and in case the parties fail to reach a consensus, vote based on the opinion of Mr. Tan Zheng. Accordingly, Mr. Tan Zheng and Dr. Wang Xiaoyi, together with their respective close associates, namely ZTan Limited, Wispirits Limited, Wiseforward Limited and Neurobright Limited are the Controlling Shareholders of the Company.
- (2) The Seller, a British Virgin Islands company wholly owned by Mr. Tan Zheng, an executive Director, chairman of the Board and chief strategy officer of the Company.
- (3) Pursuant to the Voting Proxy Agreement (as defined in the Prospectus), Healthbloom Limited have granted voting rights in the Company to Mr. Tan Zheng.
- (4) A British Virgin Islands company wholly owned by Dr. Wang Xiaoyi.
- (5) A British Virgin Islands company which voting rights are controlled by Dr. Wang Xiaoyi.
- (6) A British Virgin Islands company which voting rights are controlled by Dr. Wang Xiaoyi.
- (7) This represents the sum of (i) 123,527,000 Shares that Ms. Li Mingqiu, our non-executive Director, deemed to be interested; (ii) 126,854,000 Shares that Mr. Deng Feng, our non-executive Director, deemed to be interested; and (iii) 85,166,000 Shares held by Wisdomspirit Holding Limited, a wholly owned entity of Trident Trust Company (HK) Limited, the trustee of the trust established pursuant to the Pre-IPO Share Award Scheme of which Mr. Tan Zheng and Dr. Wang Xiaoyi is each a beneficiary.

FILINGS WITH THE CSRC

The Company shall comply with CSRC Rules and complete the CSRC filings in connection with the Placing and the Top-up Subscription.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

As a result of the Placing, the aggregate percentage shareholding of the Seller and its concert parties will be reduced from approximately 40.95% to approximately 33.68% (a decrease of approximately 7.27%) and as a result of the Top-up Subscription, their aggregate percentage shareholding will be increased from approximately 33.68% to approximately 38.18% (an increase of approximately 4.5%). An application will be made to the Executive for granting of Waiver to make a mandatory general offer for all of the issued Shares other than those already owned by it and parties acting in concert with it under Note 6 on dispensations from Rule 26 of the Takeovers Code. As stated above, completion of the Top-up Subscription will be subject to the granting of the Waiver by the Executive to the Seller and none of the conditions for the Top-up Subscription can be waived by the parties to the Placing and Subscription Agreement.

Completion of the Placing and the Top-up Subscription is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing and Subscription Agreement. As the completion of the Placing and the Top-up Subscription may or may not take place, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission
“AGM”	the annual general meeting of the Company held on 19 June 2025
“associate(s)”	has the meaning ascribed to such term in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business and the Stock Exchange is open for trading of securities in Hong Kong
“Company”	BrainAurora Medical Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 6681)
“Completion”	completion of the Placing and the Top-up Subscription
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“CSRC”	the China Securities Regulatory Commission of the PRC
“CSRC Archive Rules”	the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) issued by the CSRC on 24 February 2023 (as amended, supplemented or otherwise modified from time to time)
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time
“CSRC Rules”	the CSRC Filing Rules and the CSRC Archive Rules
“Director(s)”	the director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with not more than 253,255,600 new Shares by the Shareholders at the AGM
“Group”	the Company and its subsidiaries
“Guotai Junan”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company or Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	22 January 2026, being the last trading day prior to the signing of the Placing and Subscription Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent professional, institutional, corporate and/or individual investor selected and procured by or on behalf of the Placing Agent to subscribe any of the Placing Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing”	the placing, on a best effort basis, of the Placing Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing Agent”	Guotai Junan
“Placing Completion Date”	means the date of completion of the Placing
“Placing Price”	HK\$5.6 per Placing Share
“Placing Share(s)”	a total of 92,000,000 Shares to be placed under the Placing

“Placing Transaction Date”	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 23 January 2026, or (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 23 January 2026, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Seller and the Placing Agent may agree in writing
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company date December 30, 2024
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Seller”	ZTan Limited
“Share(s)”	share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules
“Top-up Subscription”	the subscription of the Top-up Subscription Shares by the Seller pursuant to the Placing and Subscription Agreement
“Top-up Subscription Price”	HK\$5.6 per Top-up Subscription Share
“Top-up Subscription Shares”	an aggregate of 92,000,000 new Shares to be allotted and issued by the Company and subscribed by the Seller under the Placing and Subscription Agreement
“U.S.”	The United States of America
“US\$”	United States dollars, the lawful currency of U.S.

“Waiver”

a waiver application made to the Executive pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Seller and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all securities of the Company other than those already owned or agreed to be acquired by the Seller and parties acting in concert with it as a result of the allotment and issue of the Top-up Subscription Shares

“%”

per cent

By Order of the Board
BrainAurora Medical Technology Limited
脑动极光医疗科技有限公司
Mr. Tan Zheng
Chairman and Executive Director

Hong Kong, 23 January 2026

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.