杭州啓明醫療器械股份有限公司
Venus Medtech (Hangzhou) Inc.

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

(Stock Code: 2500)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

The board (the "**Board**") of directors (the "**Director(s)**") of Venus Medtech (Hangzhou) Inc. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended December 31, 2023 (the "**Reporting Period**"), together with comparative figures for the same period of 2022.

FINANCIAL HIGHLIGHTS

	Year ended December 31, 2023 ***RMB'000***	Year ended December 31, 2022 *RMB'000*	Year-on-year change
Revenue	**491,373**	406,461	20.9%
Gross profit	**389,205**	313,998	24.0%
Loss before tax	**(752,462)**	(1,156,344)	-34.9%
Loss for the year	**(746,178)**	(1,122,042)	-33.5%
Loss attributable to owners of the parent	**(720,876)**	(1,057,699)	-31.8%
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted	**RMB(1.65)**	RMB(2.42)	-31.8%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*4*	**491,373**	406,461
Cost of sales		**(102,168)**	(92,463)
Gross profit		**389,205**	313,998
Other income and gains	*4*	**231,201**	147,988
Selling and distribution expenses		**(300,477)**	(260,382)
Research and development costs		**(524,915)**	(527,451)
Administrative expenses		**(160,549)**	(192,178)
Other expenses		**(314,040)**	(557,781)
Impairment losses on financial assets, net		**2,210**	(21,972)
Finance costs	*5*	**(62,716)**	(44,623)
Share of losses of:			
A joint venture		**(1,515)**	(4,092)
Associates		**(10,866)**	(9,851)
Loss before tax	*6*	**(752,462)**	(1,156,344)
Income tax credit	*7*	**6,284**	34,302
Loss for the year		**(746,178)**	(1,122,042)
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequently periods:			
Exchange differences on translation of foreign operations		**16,821**	118,952
Share of other comprehensive income of associates		**–**	737
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		**16,821**	119,689

	Note	2023	2022
		RMB'000	*RMB'000*
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequently periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**254**	(787)
Income tax effect		**(42)**	321
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequently periods		**212**	(466)
Other comprehensive (loss)/income for the year, net of tax		**17,033**	119,223
Total comprehensive loss for the year		**(729,145)**	(1,002,819)
Loss attributable to:			
– Owners of the parent		**(720,876)**	(1,057,699)
– Non-controlling interests		**(25,302)**	(64,343)
		(746,178)	(1,122,042)
Total comprehensive loss attributable to:			
– Owners of the parent		**(704,396)**	(940,052)
– Non-controlling interests		**(24,749)**	(62,767)
		(729,145)	(1,002,819)
Loss per share attributable to ordinary equity holders of the parent			
– Basic and diluted (RMB)	*9*	**(1.65)**	(2.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**543,372**	318,139
Right-of-use assets		**150,096**	143,144
Goodwill		**1,024,354**	1,238,535
Other intangible assets		**551,022**	611,171
Investment in a joint venture		**4,793**	2,728
Investment in associates		**60,554**	70,283
Deferred tax assets		**17,660**	9,941
Equity investments designated at fair value through other comprehensive income		**16,269**	15,747
Financial assets at fair value through profit or loss		**428,380**	388,322
Prepayments, other receivables and other assets		**9,147**	15,855
Total non-current assets		**2,805,647**	2,813,865
Current assets			
Inventories		**112,942**	104,396
Trade receivables	*10*	**290,607**	303,388
Prepayments, other receivables and other assets		**194,111**	119,868
Due from former directors		**–***	34,400
Pledged deposits	*13*	**211,649**	27,487
Short-term bank deposit		**7,240**	–
Cash and cash equivalents		**774,396**	1,879,431
Total current assets		**1,590,945**	2,468,970

* The relevant audit procedures remain in progress, adjustment(s) to the financial statements may be identified when such audit works are completed.

	Notes	2023	2022
		RMB'000	*RMB'000*
Current liabilities			
Trade payables	*11*	**33,855**	9,126
Lease liabilities		**37,722**	23,457
Other payables and accruals		**244,914**	227,590
Interest-bearing bank borrowings	*12*	**456,978**	222,603
Government grants		**700**	1,370
Contract liabilities		**28,842**	2,952
Tax payable		**2,157**	5,006
Total current liabilities		**805,168**	492,104
Net current assets		**785,777**	1,976,866
Total assets less current liabilities		**3,591,424**	4,790,731
Non-current liabilities			
Interest-bearing bank borrowings	*12*	**248,929**	573,379
Other payables and accruals		**338,308**	487,826
Lease liabilities		**82,557**	80,204
Deferred tax liabilities		**17,776**	17,411
Government grants		**1,630**	600
Total non-current liabilities		**689,200**	1,159,420
Net assets		**2,902,224**	3,631,311
EQUITY			
Equity attributable to owners of the parent			
Share capital		**441,012**	441,012
Reserves		**2,462,514**	3,166,852
		2,903,526	3,607,864
Non-controlling interests		**(1,302)**	23,447
Total equity		**2,902,224**	3,631,311

1. CORPORATE INFORMATION

Venus Medtech (Hangzhou) Inc. (the "**Company**") is a joint stock company with limited liability established in the People's Republic of China (the "**PRC**"). The registered office of the Company is located at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC. The address of its principal place of business in Hong Kong is 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

During the year, the Group was principally engaged in the research and development, and the manufacture and sale of bioprosthetic heart valves.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 December 2019.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 APPLICATION OF NEW AND REVISED IFRSS

In the current year, the Group has adopted all the new and revised IFRSs issued by IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. IFRSs comprise IFRS; International Accounting Standards ("**IAS**"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The application of these new IFRSs will not have material impact on the consolidated financial statements of the Group.

3. 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 results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**418,699**	354,567
Others	**72,674**	51,894
	491,373	406,461

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**726,200**	557,214
Israel	**502,648**	503,136
Hong Kong	**60,554**	66,584
United States of America ("**USA**")	**26,900**	30,349
Netherlands ("**NL**")	**490**	55
	1,316,792	1,157,338

The non-current asset information above is based on the locations of the assets and excludes goodwill, deferred tax assets and financial instruments.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue during the year (2022: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of medical devices	**491,373**	406,461

Revenue from contracts with customers

(a) Disaggregated revenue information

	2023	2022
	RMB'000	*RMB'000*
Geographical markets		
Mainland China	**418,699**	354,567
Others	**72,674**	51,894
Total revenue from contracts with customers	**491,373**	406,461
Timing of revenue recognition		
Goods transferred at a point in time	**491,373**	406,461

(b) Performance obligations

There was no revenue recognised during the year that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2023	2022
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**28,842**	2,952

The amounts of transaction prices allocated to the performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2023	2022
	RMB'000	*RMB'000*
Other income		
Bank interest income	**21,290**	19,230
Other interest income	**2,808**	15,418
Government grants *(note(a))*	**18,894**	31,128
Others	**4,076**	485
	47,068	66,261
Other gains		
Fair value adjustments of contingent considerations	**160,586**	–
Fair value gain on financial assets at fair value through profit or loss	**21,288**	–
Foreign exchange gains, net	**2,259**	81,727
	184,133	81,727
	231,201	147,988

Note:

(a) The government grants mainly represent incentives received from the local governments for the purpose of compensation for expenditure arising from research activities and clinical trial activities and awards for new valve product development and expenditure incurred on certain projects.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on bank loans	**58,623**	40,360
Interest on lease liabilities	**9,654**	5,402
Total interest expense	**68,277**	45,762
Less: Interest capitalised	**(5,561)**	(1,139)
	62,716	44,623

6. LOSS BEFORE TAX

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

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories sold	**100,401**	90,717
Research and development costs	**524,915**	527,451
Depreciation of property, plant and equipment	**35,623**	27,072
Depreciation of right-of-use assets	**35,792**	27,370
Amortisation of other intangible assets	**53,372**	57,910
Impairment of trade receivables, net	**(1,428)**	6,555
Impairment of other receivables, net	**(782)**	15,417
Impairment of property, plant and equipment	**–**	4,197
Recognition of/(reversal of) write-down of inventories to net realisable value	**17,636**	(202)
Impairment of other intangible assets	**17,518**	111,735
Impairment of goodwill	**231,262**	304,301
Government grants	**(18,894)**	(31,128)
Bank interest income	**(21,290)**	(19,230)
Other interest income	**(2,808)**	(15,418)
Loss on disposal of items of property, plant and equipment, net	**1,265**	130
Lease payments not included in the measurement of lease liabilities	**2,432**	1,883
Fair value (gain)/losses, net:		
Financial assets at fair value through profit or loss		
– mandatorily classified as such	**(21,288)**	189
Fair value adjustments of contingent considerations	**(160,586)**	55,549
Foreign exchange differences, net	**(2,259)**	(81,727)

7. INCOME TAX

PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Company, since it was recognised as a High and New Technology Enterprise in December 2022, and was entitled to a preferential tax rate of 15% during the year (2022: 15%). Certain subsidiaries of the Group are qualified as small and micro enterprises and are subject to a preferential income tax rate of 20% during the year with the first annual taxable income of RMB1,000,000 eligible for 87.5% reduction and the income between RMB1,000,000 and RMB3,000,000 eligible for 75% reduction.

USA

Pursuant to the relevant tax laws of the USA, federal corporation income tax was levied at the rate of 21% (2022: 21%) on the taxable income arising in the USA during the year.

Israel

Pursuant to the relevant tax laws of Israel, the corporate income tax was levied at 23% (2022: 23%) on the taxable income arising in Israel during the year.

United Kingdom ("UK")

Pursuant to the relevant tax laws of the UK, the principal federal tax was levied at the rate of up to 19% (2022: up to 19%) on the taxable income arising in the UK during the year.

Netherlands ("NL")

Pursuant to the relevant tax laws of the NL, the corporate income tax was levied at the rate of up to 19% (2022: up to 15%) on the taxable income arising in the NL during the year.

The income tax credit of the Group during the year is analysed as follows:

	2023	2022
	RMB'000	*RMB'000*
Current-PRC		
Charge for the year	**160**	1,707
Current-USA		
Charge for the year	**11**	949
Current-Israel		
Charge for the year	**–**	428
Current-NL		
Charge for the year	**422**	(15)
Deferred tax credit	**(6,877)**	(37,371)
	(6,284)	(34,302)

8. DIVIDEND

No dividend has been paid or declared by the Company during the year (2022: Nil).

9. 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 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 437,897,443 (2022: 437,897,443) in issue during the year, as adjusted to reflect the shares purchased in 2021 which were treated as treasury shares.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculation of basic loss per share is based on:

	2023	2022
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(720,876)**	(1,057,699)

	Number of shares	
	2023	2022
Shares		
Weighted average number of shares in issue during the year	**437,897,443**	437,897,443

10. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**302,277**	316,486
Impairment	**(11,670)**	(13,098)
	290,607	303,388

The Group's trading terms with its customers are mainly on credit. The credit period is generally six months to one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**201,096**	164,808
7 to 12 months	**61,509**	83,811
1 to 2 years	**24,839**	54,429
Over 2 years	**3,163**	340
	290,607	303,388

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**13,098**	6,543
Impairment losses, net *(note 6)*	**(1,428)**	6,555
	11,670	13,098

11. TRADE PAYABLES

An ageing analysis of the trade payables of the group as at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**33,420**	8,980
3 to 6 months	**32**	50
6 to 12 months	**1**	65
Over 12 months	**402**	31
	33,855	9,126

Trade payables are non-interest-bearing and are normally settled on 30-day terms.

12. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%)	Maturity	**2023** ***RMB'000***	2022 *RMB'000*
Current				
Floating interest rate:				
Bank loans – unsecured	1-year LPR plus 0.45%	2023	**–**	100,115
Bank loan – secured				
Current portion of long-term bank loan US$90,000,000 bank loan	LIBOR* plus 1.65%	2024	**320,144**	122,488
Bank loan – unsecured	1-year LPR plus 0.40%	2024	**100,113**	–
Bank loans – unsecured	1-year LPR plus 0.20%	2024	**29,721**	–
Fixed interest rate:				
Bank loans – unsecured	3.3%	2024	**7,000**	–
			456,978	222,603
Non-current				
Floating interest rate:				
Bank loan – secured				
Non-current portion of long-term bank loan US$90,000,000 bank loan	LIBOR* plus 1.65%	2024-2025	**–**	501,451
Bank loans – secured	5-year LPR minus 0.10%	2026-2036	**170,720**	61,915
Bank loans – secured	5-year LPR minus 0.15%	2026-2037	**78,209**	10,013
			248,929	573,379
			705,907	795,982

* Loan Prime Rate in Mainland China ("**LPR**") and London Interbank Offered Rate ("**LIBOR**")

13. PLEDGED DEPOSITS

	2023 ***RMB'000***	2022 *RMB'000*
Pledged for rent deposits	**3,412**	4,747
Pledged for bank loans	**4,700**	22,740
Pledged for others (Note)	**203,537**	–
	211,649	27,487

Note: The amount mainly represents the deposits pledged to certain banks to secure loans to a related party and certain deposit interest income. As at the date of this announcement, the pledged deposits of RMB100,000,000 had been released by the relevant bank and further withdrawn by the Company from such bank.

I. BUSINESS OVERVIEW

Overview

Founded in 2009, we have grown into a global platform company engaged in innovative medical devices that integrate R&D, clinical development, manufacturing and commercialization. Our vision is to become a global leader in the field of structural heart diseases, seeking effective treatment options for major diseases that seriously threaten human health.

We have developed a product portfolio covering the interventional heart valve devices for valvular heart diseases including the aortic valve, pulmonic valve, mitral valve and tricuspid valve, radiofrequency ablation system for interventional treatment of HCM, renal artery denervation ultrasound ablation system for interventional treatment of hypertension and other accessory consumables, allowing us to provide overall solutions for the physicians and patients. In the future, we will focus on the fields of new materials, bionics, image fusion technology and digital sensing, and leverage constant innovations to better cover the entire therapeutic process of patients, and satisfy the needs of physicians and patients.

In 2023, with the continuous improvement and development of the TAVR procedure in the Chinese market, centers with independent procedure capabilities have been expanding. The number of qualified physicians has steadily increased, and patients' awareness of treatment has been continuously enhanced. Reimbursement from local government medical insurance further expanded, and patients' affordability also improved, contributing to a significant increase in the volume of procedures and the continuous expansion of the industry scale, propelling the robust development of the TAVR industry. Leveraging our first-mover advantage, we have developed products that have been thoroughly validated for their industry-leading follow-up duration, mid-to-long-term safety and efficacy. Supported by our experienced and professional sales and marketing team, we continuously strengthened the exploration of procedure techniques and new technologies in collaboration with Top 20 hospitals, and actively identified and nurtured the procedure potential of existing Top 21-50 and Top 51-100 hospitals, while also dedicating significant efforts to enter into new centers and cultivating procedure expertise. The cumulative number of our covered medical centers increased to over 550, ensuring sustained high-quality growth. The rapid advancement of our commercialization efforts laid a solid cash foundation for the Company's long-term development.

The Company has achieved constant progress in overseas business and smooth globalization with a commitment to its long-standing strategic goals. In 2023, our revenue from areas other than China amounted to RMB72.7 million, representing a year-over-year increase of 40% from 2022. VenusP-Valve, which is our first independently developed product marketed in Europe and also the first self-expanding TPVR product approved in Europe, continued to benefit from our improving overseas channels for commercialization, advancement of overseas clinical trials and registration progress to enter over 50 countries including the United Kingdom, Italy, Spain, Denmark, Greece, France, Germany, Poland, Switzerland, Canada and Australia, and has been included into medical insurance systems in countries such as Germany and France, covering over 135 overseas medical centers. Meanwhile, overseas sales of our TAVR product VenusA series have expanded to 10 countries and regions in Asia Pacific and Latin America. We will continue to expand the international market and deepen the internationalization process with our innovative product and forward-looking commercialization layout.

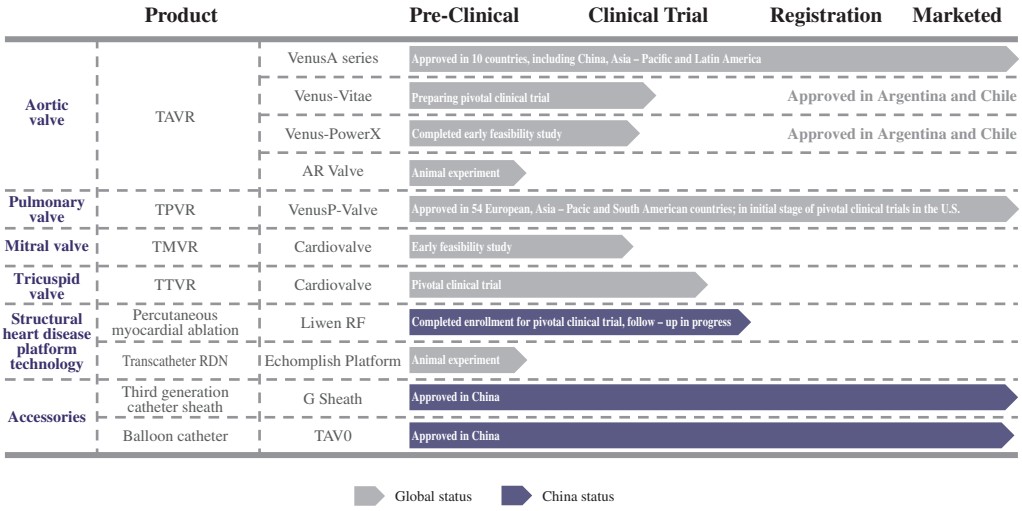
As commercialization advances, our efforts in international R&D and clinical trials continue to make remarkable progress with high efficiency. In July 2023, VenusP-Valve was approved by the FDA for IDE application, allowing pivotal clinical trial to be conducted, thus becoming the first Chinese-made heart valve product approved for clinical study in the United States. In November 2023, it obtained its first central ethical approval in the United States. In December 2023, the clinical trial gained approval from the Centers for Medicare & Medicaid Services (CMS) for inclusion in the medical insurance program. This means that clinical treatment expenses for patients eligible for the CMS medical insurance plan can be reimbursed through insurance claims. Clinical progress continued to advance and pivotal clinical trials will be initiated soon. Meanwhile, the international multi-centered patient enrollment in pivotal clinical trial of Cardiovalve, our tricuspid valve replacement product, progressed smoothly. Besides, Venus-Vitae and Venus-PowerX, our independently developed innovative products, are under smooth international multi-centered clinical study as planned.

Our Pipeline

As of the date of this announcement, the Company has successfully established a product pipeline consisting of 12 innovative medical devices, covering the fields of heart valve diseases, HCM and hypertension.

Interventional treatment of heart valve diseases is our core therapeutic area. We have commercialized three TAVR products (VenusA-Valve, VenusA-Plus and VenusA-Pro), one TPVR product (VenusP-Valve) and two procedural accessories (catheter sheath product (G Sheath) and balloon catheter (TAV0)). Our products currently in clinical trials include next generation TAVR products (Venus-Vitae and Venus-PowerX), one innovative medical device Cardiovalve which can be used for both TMVR and TTVR, and one product currently under animal experiment for the treatment of aortic regurgitation. In addition, we have a leading position in the non-valve segment of structural heart disease. For treatment of HCM, we have developed the world's first radiofrequency ablation system, Liwen RF. We also have developed the innovative device, renal artery denervation (RDN) ultrasound ablation system for interventional treatment of hypertension.

The following chart summarizes the development status of our products and product candidates as of the date of this announcement:



VenusA Series-TAVR Products

We currently have three marketed TAVR products, namely, VenusA-Valve, VenusA-Plus and VenusA-Pro. VenusA-Valve received approval for registration from the NMPA in April 2017, which marked the first NMPA approved TAVR commercialized product in China. VenusA-Plus received approval for registration from the NMPA in November 2020, which is the first retrievable TAVR product approved in China. While maintaining the strong radial force of the first generation valve, VenusA-Plus introduces the functions of retrievability and repositioning, which may reduce the complexity of procedures and significantly shorten the learning curve of physicians.

VenusA-Pro, an upgraded version of VenusA-Plus, ensures radial force while providing improved cross-aortic arch performance with its capsule head made of super-elastic material, therefore enhancing the operability in procedures. Its commissural alignment marks help to give adequate protection to coronary artery. VenusA-Pro was approved for registration by the NMPA in May 2022, making the Company the first domestic enterprise with three TAVR products. Our extensive product pipeline offers better treatment options to physicians and patients, and also enables us to maintain our leading market position.

As the earliest commercialized product in China, VenusA series products have the longest follow-up track record among peers, and their medium to long-term safety and efficacy have been sufficiently verified. At the 21st Chinese Interventional Cardiology (CIT 2023), the eight-year follow-up results of VenusA-Valve were released. An 11-year follow-up has been completed for the first patient. The long track record of ultrasound data indicated consistently sound and stable metrics including peak valve velocity, average valve pressure difference and left ventricular ejection fraction. Furthermore, approximately 80% of the subjects had no or only minimal aortic regurgitation, fully validating the long-term safety and efficacy of VenusA-Valve. At the 9th China Valve (Hangzhou) Conference, the three-year follow-up results of VenusA-Plus were released. According to the results, there was no new case of cardiac death, and the subgroup results showed that VenusA-Plus achieved a good effect for patients with bicuspid aortic valve and tricuspid aortic valve demonstrating the sound clinical safety, efficacy and operability of VenusA-Plus. Chinese TAVR patients are characterized by a high proportion of bicuspid aortic valve and severe calcification of valve leaflets, while VenusA series products with strong radial force are particularly suitable for patients with severe bicuspid aortic valve.

VenusP-Valve – TPVR Product

VenusP-Valve, our independently developed transcatheter pulmonary valve system, obtained the CE MDR approval for registration in April 2022 and was approved for commercialization. It is designed to treat patients suffering moderate to severe pulmonary regurgitation with or without RVOT stenosis. It is the first self-expanding TPVR product approved in Europe, and also the first Class III implantable cardiovascular device approved under new CE MDR regulations.

VenusP-Valve was approved for registration by the NMPA in July 2022 for the treatment of patients with severe pulmonary regurgitation (≥3+) with native RVOT. As the first TPVR product approved in China, VenusP-Valve filled the gap in clinical demands. As of the date of this announcement, our VenusP-Valve has enter over 50 countries and regions including the United Kingdom, Italy, Spain, Denmark, Greece, France, Germany, Poland, Switzerland, Canada and Australia, and has been included into medical insurance systems in countries such as Germany and France, covering over 135 overseas centers. Leveraging its professional and efficient overseas marketing team, the Company achieved strong sales performance for VenusP-Valve.

VenusP-Valve is highly recognized among experts and physicians worldwide because of excellent long-term safety and effectiveness. The three-year follow-up data of CE study of VenusP-Valve showed that the procedure success rate reached 100%, and the mortality and re-operation rate were 0%; no patients suffered moderate or severe pulmonary regurgitation; 96.87% subjects had trivial or less perivalvular leak and 95.38% subjects had mild or less tricuspid regurgitation; and the proportion of subjects of New York Heart Association (NYHA) classification Class III decreased significantly from 7.69% before procedure to 1.67%; and those of Class I surged from 27.69% before procedure to 90%. In addition, according to the five-year follow-up of patients receiving VenusP-Valve implantation in China, the five-year post-procedure mortality rate was only 3.64%, pulmonary regurgitation was greatly reduced, incidence of severe pulmonary regurgitation dropped from 54.5% to 0% and incidence of moderate to severe pulmonary regurgitation dropped from 36.4% to 2.22%, which demonstrated significantly improved right ventricular function and hemodynamic function, and validated the long-term safety and effectiveness of VenusP-Valve.

Currently, we are expediting PROTEUS pivotal clinical trial on VenusP-Valve in the United States. In July 2023, we obtained approval from the FDA for IDE application. We will initiate clinical trial at over ten medical centers in the U.S. and Japan through the Japan-US Harmonization By Doing project, with a total of 60 patients estimated to be enrolled. In November 2023, we obtained the first central ethical approval in the United States. In December 2023, the PROTEUS clinical trial gained approval from the Centers for Medicare & Medicaid Services (CMS) for inclusion in the medical insurance program. This means that clinical treatment expenses for patients eligible for the CMS medical insurance plan can be reimbursed through insurance claims, accelerating the progress of clinical trial in various centers.

Venus-Vitae – New Generation TAVR Product

Venus-Vitae, our self-developed new generation TAVR system, the first balloon-expandable dry tissue product, is about to enter SMART-ALIGN global pivotal clinical trial.

Venus-Vitae adopted Venus-Endura dry tissue technology, which leverages advanced anti-calcification technology to improve the durability of the valve, and three-dimensional force controlled dehydration technology without glutaraldehyde for preservation. While enhancing safety, Venus-Vitae also boasts convenience for clinical application, preservation and transportation. In addition, its delivery system is uniquely designed with the patented wire-lock technology, thus locking the valve during transporting and balloon expanding. The wire-lock technology, steerable function, balloon coaxial rotation function and axial fine adjustment function maximize the controllability for physicians, and fill in the gap in the market where similar products are not equipped with commissures alignment delivery system. It is also equipped with the world's first adaptive active anti-PVL skirt Seadapt with high compression ratio, self-expansion and high resilience, which can adjust its height adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. In December 2022, Venus-Vitae was approved for registration in Argentina. In October 2023, Venus-Vitae was approved for registration in Chile. We will conduct international multi-centered clinical trials in countries and regions such as Europe, to expedite the approval of Venus-Vitae in global market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VENUS-VITAE SUCCESSFULLY.

Venus-PowerX – New Generation TAVR Product

Venus-PowerX, our self-developed new generation TAVR system, the world's first self-expanding dry tissue product, has completed patient enrollment for early feasibility study with all patients in follow-up and is about to enter PREVAILS global pivotal clinical trials.

Venus-PowerX is the new generation semi-pre-loaded dry tissue valve product. It adopts the Venus-Endura technology, which leverages advanced anti-calcification technology to improve the durability of the valve, and three-dimensional force controlled dehydration technology without glutaraldehyde for preservation. While enhancing safety, Venus-PowerX also boasts convenience for clinical application, preservation and transportation. Its pre-loaded dry tissue technology can significantly reduce operation preparation time. Venus-PowerX is the only completely releasable and retrievable dry tissue TAVR product in clinical stage currently available in the world. It adopts the wire-controlled design, which permits it to be retrieved after complete release, and therefore excels in terms of safety compared with products designed with traditional approaches for release and retrieval. It is also equipped with the world's first adaptive active anti-PVL skirt Seadapt with high compression ratio, self-expansion and high resilience, which can adjust its height adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. In May 2023, Venus-PowerX was approved for registration in Argentina, and was approved for registration in Chile in October. We will conduct international multi-centered clinical trials in countries and regions such as Europe, to expedite the approval of Venus-PowerX in global market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VENUS-POWERX SUCCESSFULLY.

Cardiovalve – TMVR/TTVR Product

Cardiovalve, a wholly-owned subsidiary of the Company, has independently developed the mitral valve and tricuspid valve replacement products. Currently, Cardiovalve is in early feasibility study stage for the treatment of patients with mitral regurgitation and in pivotal clinical trial for the treatment of patients with tricuspid regurgitation.

Cardiovalve system is a transcatheter valve replacement system for patients suffering from mitral regurgitation and tricuspid regurgitation. Compared with similar products, its transfemoral approach significantly improves the safety of treatment and its 55 mm annular is suitable for about 95% patient population. Meanwhile, its unique short frame design lowers the risk of LVOT obstruction.

The enrollment of Cardiovalve has been going smoothly. The TARGET CE pivotal clinical trial have extended to more than 20 medical centers in countries including United Kingdom, Germany, Italy and Canada. As of the date of this announcement, rapid progress has been made with over 70 patients enrolled. We will carry forward the clinical trials of Cardiovalve, striving for earlier approvals for marketing in global market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CARDIOVALVE SUCCESSFULLY.

Liwen RF – Radiofrequency Ablation System

Nuocheng Medical, a wholly-owned subsidiary of the Company, has independently developed Liwen RF ablation system, an innovative medical device for treatment of patients with HOCM. In March 2023, we completed the enrollment of all patients to pivotal clinical trial, and entered the follow-up stage in China. As of July 2023, among the current follow-up comprising 79 patients after six months from the procedure, the success rate reaches 86.1% (68/79), representing a significant improvement compared to alcohol ablation. As for the clinical endpoint, the maximum ventricular septal thickness decreased from 23.36 mm to an average of 17.23 mm (26.2% lower than that before the procedure), and the post-procedure pressure gradient of the left ventricular outflow tract in resting state decreased from 72.86 mmHg to 22.44 mmHg (69.2% lower than that before the procedure). Both of these two important indicators improved significantly compared to those before the procedure, and showed a trend of continuous improvement.

Liwen RF gains the technical advantages of minimally invasive, accurate positioning, unrestricted by target blood vessels, significantly reducing ventricular septum thickness, and mitigating complications such as conduction system damage. The device not only achieves dehydration and necrosis of hypertrophic myocardial cells, but also blocks the blood supply to hypertrophic myocardial tissue, thereby achieving long-term prognosis. It offers a safe, effective, accurate and minimally invasive innovative treatment strategy for HOCM.

According to the 144 previously completed exploratory clinical trial of Liwen RF ablation system, the success rate with Liwen RF ablation system reached 88% with no mortality after one year, and the clinical manifestations, cardiac function and quality of life of patients are significantly improved. It is significantly better than surgical operation and alcohol septal ablation, which effectively validates its safety, effectiveness and advanced performance. In August 2022, the product was approved for special review through the special examination and approval of the NMPA for innovative medical devices and was admitted to the special review process.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LIWEN RF SUCCESSFULLY.

RDN ablation system

The Company established Renaly with Healium, an Israeli high-tech company to introduce the new generation RDN innovative device. It is currently in animal experiment.

Its exclusive Dual-Mode Ultrasound Technology Platform can realize non-contact continuous ablation treatment with real-time ultrasound imaging, significantly reducing the occurrence of various problems such as insufficient nerve ablation or vascular damage caused by uncontrollable ablation. The delivery of accurate and efficient ablation shifts the treatment paradigm to more predictable outcomes, improves the patient's treatment experience with non-obstructive blood flow design and simplifies the procedure flow to ultimately improve the safety and efficacy of ablation procedures.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET RDN PRODUCT SUCCESSFULLY.

R&D Innovation

In the broad market of structural heart diseases, the Company is committed to solving clinical pain points, increases R&D investment, deeply engages in the field of structural heart diseases, makes constant innovations, and continues to accumulate technical experience, striving to bring innovative products to the market, and consolidate its leading position in the field of valves. In terms of aortic valves, the Company's new generation of dry tissue TAVR products, Venus-Vitae and Venus-PowerX, which are in clinical stage, adopt advanced anti-calcification technology to extend valve durability, further improve and simplify the procedure of TAVR. In the field of pulmonary valve products, VenusP-Valve has been successively approved in Europe and China and extend presence to overseas countries, and the Company has included patients with congenital heart disease into the target patients. Interventional therapy in mitral and tricuspid valve fields will be our new growth drivers in the future. The Company's Cardiovalve, the world's leading product in interventional treatment of mitral and tricuspid valve diseases, witnessed remarkable progress in clinical trials.

The Company's R&D platform continues to fledge. The Company has established a global R&D innovation platform through independent R&D and external cooperation. Our three R&D centers are located in Hangzhou, China, Tel Aviv, Israel and Irvine, California, USA, and comprise of members with professional experience and innovative capacity at home and abroad. In March 2022, the Company established Venus Medtech Global Heart Valve Innovation Center in Israel, tapping into Israel's innovative talents and culture to improve the Company's global innovation system and product layout. The Global Heart Valve Innovation Center will be committed to incubating breakthrough innovative treatment technologies, further improving the global innovation system and product layout, focusing on the research and development of a new generation of aortic regurgitation treatment technology using Cardiovalve technology platform and the application of digital health technology in valve system, and transferring the technology to China and other regions in the world at an appropriate time. In March 2023, the project of "Development and Application of Transcatheter Self-expanding pulmonary Valve Replacement System" led by the Company passed the acceptance inspection by the China Biotechnology Development Center of the Ministry of Science and Technology with a performance rate of "excellent". This marks another occasion where our company has successfully passed project evaluation with excellent performance following the "National Science and Technology Support Program" and the "National Major Research and Development Plan" conducted by the Ministry of Science and Technology. In December 2023, the first collective standard for "Transcatheter Pulmonary Valve" in China led by us was approved for publication by the Chinese Society for Biomaterials, which is the first collective standard for transcatheter pulmonary valve in the world.

In addition to internal innovation, we also constantly expand and enrich product pipeline through collaboration with universities, research institutions and hospitals as well as third-party cooperation, so as to broaden business layout in structural heart diseases, enrich innovative device pipeline and comprehensive therapy solutions, improve innovative device research and clinical application, speed up research and development and transformation of innovative technologies and products, and extend presence to emerging areas leveraging international leading new technologies to achieve technological leadership.

Intellectual Properties

The Company attaches great importance to intellectual property protection. Leveraging its strong R&D capability, as of March 28, 2024, the Company had a total of 855 patents and patents under applications, including 429 authorized invention patents. We had 398 patents under application and authorized in the PRC, including 263 authorized patents; and 432 patents under application and authorized overseas, including 314 authorized patents. We had 25 PCT applications. Our global IP portfolio mainly covers China, the U.S., Europe, Japan and other countries.

Manufacturing

We have an approximately 3,500 square meters of clean production zone in Hangzhou for manufacturing our heart valve products and product candidates. Our manufacturing facilities comply with the GMP requirements in the U.S., the EU and the PRC and follow rigorous manufacturing and quality control standards to ensure high product quality and safety standards. To support our rapid business growth, our Venus Medtech Life and Health Industrial Park on Binpu Road, Binjiang District, Hangzhou with a planned site area of approximately 206,400 square meters is under construction, laying the solid foundation for rapid increase in production capacity in future periods.

Quality system

The Company has established an international quality management system in accordance with ISO13485, GMP of NMPA in China, QSR of FDA in the United States, MDR of EU, RDC of ANVISA in Brazil, MDSAP, ISO/IEC17025 and other regulations and standards. As of the date of this announcement, the Company has obtained ISO13485 system certificate, MDR system certificate of EU, MDSAP quality system certificate (covering the regulatory requirements of quality systems of the United States, Japan, Canada, Australia and Brazil), China production license, Brazil BGMPC certificate, CNAS laboratory accreditation certificate, and is also a training base unit for medical device inspectors in Hangzhou. Leveraging the establishment and maintenance of a high-standard and strict quality management system, the Company imposes quality control on products throughout the life cycle from R&D to marketing, so as to ensure the quality of products. We obtained the MDSAP system certificate in May for the first time. In addition, the Company has also established a digital and refined quality system through proactive participating in and completing the safety intelligence supervision "black box" project of Zhejiang Medical Products Administration, the management intelligence supervision platform of Hangzhou Market Supervision Administration, and the key transcatheter replacement system for the "14th Five-year" period and other intelligence regulation projects.

Commercialization

In 2023, the Company demonstrated excellent commercilization capabilities and made progress in global expansion, continuously solidifying its leading position in the market. Adhering to the strategy of commercial profitability, the domestic sales team continued to cultivate the market and explore new markets. While maintaining continuous growth in sales revenue, they also further enhanced operational efficiency to contribute profits to the Company, showcasing industry-leading commercilization capabilities. As the Company continued to penetrate new overseas markets, its global recognition steadily increased, accompanied by continuous expansion of the overseas sales network, further advancing globalization.

We have established a sales team in China comprising nearly 220 members, covering more than 550 hospitals, to provide a strong foundation for sustainable sales growth. The Company has established a professional sales and marketing team as well as an in-house logistics supply chain team, to provide professional and comprehensive medical solutions for doctors and patients. We took an active part in international and domestic academic conferences to carry forward our academic education and promotion. In 2023, the Company participated in 52 third-party conferences and hosted 35 conferences of its own, covering more than 3,900 experts and attracting 850,000 visitors. In order to improve the standardized diagnosis and treatment services for patients with AS in China, we have established a multi-dimensional program to publicize knowledge about valve diseases, through multiple channels such as co-holding of expert television interviews, webcasts, new media, free treatment events and educational sessions for patients. We carried out a series of tour seminars on TAVR to educate primary-level hospitals about disease treatment. By strengthening ultrasound diagnosis training, we improved the diagnostic ability of ultrasound physicians for valve diseases. Through these efforts, we aim to realize the whole-process management of patients from treatment to rehabilitation. As the only company in the market with three TAVR products and one TPVR product, our rich product pipeline provides physicians and patients with more and better choices of treatment, enhances the brand influence of the Company and helps to consolidate our leading position in China.

Meanwhile, we have established a professional commercialization team and supply chain in the overseas market, selling our products to over 50 countries and regions in Europe, Middle East, Asia-Pacific, North America and Latin America. In August 2023, we appointed Shakeel Osman as the head of international congenital heart disease business for steering our pulmonary valve operations in the world (except mainland China), as a part of our efforts to improve our overseas marketing system and expedite overseas commercialization. In 2023, the Company participated in 9 overseas conferences in the cardiovascular interventional medicine industry, such as CRT, CSI and PCR London Valve, and organized 18 online surgical broadcasts and 9 seminars, which attracted cardiovascular experts from different countries around the world, enhanced the recognition of our products among overseas doctors, and continuously strengthened the Company's international brand awareness and influence. We also gradually established contact with physicians and hospitals through distributors to continuously expand sales and our brand influence, thus providing more options for unmet clinical needs worldwide and benefiting more patients.

II. FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, all of our revenue was generated from sales of medical devices. Since its commercialization in August 2017, sales of VenusA-Valve have comprised the major portion of our revenue, and are expected to account for a substantial portion of our sales in the near future. VenusP-Valve received the CE MDR Marking in the EU on April 8, 2022, and was approved by the NMPA for marketing on July 11, 2022.

The Group's revenue for the year ended December 31, 2023 was RMB491.4 million, representing an increase of 20.9% compared to RMB406.5 million for the year ended December 31, 2022. The increase was primarily attributable to continuous marketing promotion of VenusA series products and enhanced penetration of VenusP-Valve in the overseas market during the Reporting Period. For the year ended December 31, 2023, sales revenue from VenusA series products accounted for 83.4% of our total revenue, as compared to 88.1% for the year ended December 31, 2022.

The following table sets forth a breakdown of our revenue by product:

	Year ended December 31, 2023		Year ended December 31, 2022	
Revenue	***RMB'000***	**Proportion**	*RMB'000*	Proportion
VenusA series products	**409,747**	**83.4%**	358,066	88.1%
VenusP-Valve	**76,431**	**15.6%**	40,867	10.1%
Others	**5,195**	**1.0%**	7,528	1.8%
Total	**491,373**	**100%**	406,461	100%

Cost of Sales

The cost of sales primarily consists of staff costs, raw material costs, depreciation and amortization, utility costs and others.

The Group's cost of sales for the year ended December 31, 2023 was RMB102.2 million, representing an increase of 10.5% compared to RMB92.5 million for the year ended December 31, 2022. The increase was primarily attributable to the increase in staff costs and raw material costs as a result of the increase in sales volume of VenusA series products and VenusP-Valve.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 23.9% from RMB314.0 million for the year ended December 31, 2022 to RMB389.2 million for the year ended December 31, 2023. Gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group increased from 77.2% for the year ended December 31, 2022 to 79.2% for the year ended December 31, 2023, primarily attributable to economies of scale in production.

Other Income and Gains

The Group's other income and gains for the year ended December 31, 2023 was RMB231.2 million, representing an increase of 56.2% compared to RMB148.0 million for the year ended December 31, 2022. The change was primarily due to the fair value adjustment for not being required to pay the contingent consideration payable in relation to the acquisition of Nuocheng under the acquisition agreement with Nuocheng. For details of the acquisition, please refer to the Company's announcement dated October 10, 2021.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended December 31, 2023 was RMB300.5 million, representing an increase of 15.4% compared to RMB260.4 million for the year ended December 31, 2022. The increase was in line with the trend of increase in sales income during the same period, which was attributable to the increase in investment in market development.

R&D Costs

The Group's R&D costs for the year ended December 31, 2023 was RMB524.9 million, representing a decrease of 0.5% compared to RMB527.5 million for the year ended December 31, 2022. The change was related to the optimization of the R&D pipeline layout.

The following table sets forth a breakdown of R&D costs:

	Year ended December 31, 2023 ***(RMB'000)***	Year ended December 31, 2022 *(RMB'000)*
Staff costs	**154,754**	148,605
Raw material costs	**110,739**	96,279
R&D service expenses	**58,239**	68,267
Intellectual property expenses	**34,240**	27,907
Clinical trial expenses	**41,994**	55,683
Depreciation and amortization	**77,889**	74,783
Others	**47,060**	55,927
	524,915	527,451

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2023 was RMB160.5 million, representing a decrease of 16.5% compared to RMB192.2 million for the year ended December 31, 2022. The decrease was primarily due to the acquisition expenses related to the acquisition of Cardiovalve in last year, which were not incurred in the current year.

Other Expenses

The Group's other expenses for the year ended December 31, 2023 was RMB314.0 million, representing a decrease of 43.7% as compared to RMB557.8 million for the year ended December 31, 2022. The change was related to the change in impairment losses provided by the Company for certain intangible assets and goodwill.

Impairment of goodwill and intangible assets

The impairment of goodwill and intangible assets was mainly due to the impairment provision arising from the discontinued operation of Hangzhou Nuocheng Medical Technology Co., Ltd. ("**Nuocheng**") during the Reporting Period.

Background

Founded in 2017, Nuocheng is a private company incorporated in the PRC engaged in the design, development, and commercialisation of medical devices. The Liwen RF® ablation system for treatment of hypertrophic obstructive cardiomyopathy (HOCM) is jointly developed by the team led by Professor Liu Liwen, director of HCM diagnosis and treatment center in Xijing Hospital of Air Force Medical University, and Nuocheng Medical. It adopts the international novel Liwen Procedure to conduct minimally invasive diagnosis and treatment under the guidance of ultrasound. Such method can not only dehydrate and necrotize hypertrophic myocardial cells, but also block the blood supply of hypertrophic myocardial tissue, thus achieving long-term prognosis.

On September 30, 2021 (after trading hours), based on its product portfolio in the field of structural heart disease, the Company, through one of its wholly-owned subsidiaries incorporated in China, entered into a share transfer agreement to acquire the equity interests in Nuocheng Medical. Pursuant to the agreement, the Group will acquire the 100% equity interests in Nuocheng Medical from the existing shareholders of Nuocheng Medical at a consideration of not more than RMB493 million, and shall pay the consideration conditionally to the shareholders of Nuocheng Medical in installments subject to the completion of certain milestone events as agreed in the agreement.

On November 4, 2021, the Group acquired a 100% equity interest in Nuocheng at a consideration of RMB310,863,000. The acquisition was made as part of the Group's strategy to further improve the Group's research and development business and expand the business of the Group's medical services. The acquisition was completed on November 4, 2021 when the Group obtained control of the operating and financial activities of Nuocheng. The Group recognized goodwill of RMB231,262,000 and other intangible assets of RMB111,000,000 in respect of the acquisition. As part of the share purchase agreement, contingent consideration is payable, which is dependent on the occurrence of milestone events, including the achievement of the NMPA approval and medical device registration of Nuocheng Product ("**Milestone 1**"), and the achievement of a sales target from the sales of Nuocheng Product ("**Milestone 2**"). The initial amount recognized for the contingent consideration payable was RMB163,038,000 which was determined using the discounted cash flow model and is within Level 3 fair value measurement.

On March 3, 2023, the Liwen RF® ablation system has successfully enrolled one patient at West China Hospital, Sichuan University, thus completing the enrollment of patients for confirmatory clinical trial in China.

As of now, design validation of the Liwen RF® ablation system for NMPA has been completed, and enrollment and most of the follow-up in confirmatory clinical trials have been completed. Excellent clinical performance has been demonstrated in early exploratory clinical trials as well as confirmatory clinical trials. However, the commercialization and full profitability of the Liwen RF® ablation system will still require a longer period of time and significant capital investment, including but not limited to follow-up for confirmatory clinical trials, patient education, marketing, quality system construction and registration related expenses. The management has made a prudent decision not to make further business planning for the Liwen RF® ablation system and to only maintain the patents related to core technology of the product, after taking into account of the domestic and overseas market conditions, as well as the Group's product layout and long-term development strategy. This decision is based on the prioritization of internal resources of the Company, with a focus on investing more resources in the ongoing development of the interventional heart valve business in the coming years. In light of these circumstances, the Group has ultimately decided to make full impairment on relevant goodwill for the year ended December 31, 2023 and reevaluate the value of relevant intangible assets.

There were remarkable signs that the new technologies and products had huge potential and might achieve success when the Group determined on whether to conduct research and development and market new technologies and products. However, these impairment events were related to the rapidly changing market environment, the Company's internal resource allocation, product layout and adjustments to corporate strategy, which could not have been anticipated at the time of initial recognition.

Impairment method

As Nuocheng has ceased its operation during the year, the expected future economic benefits from Nuocheng are minimal and a full impairment of the goodwill related to Nuocheng have been made this year. However, as the Group still retains and continues to maintain the patents related to the core technology of the product, the Group engaged an independent external valuer to perform the valuation of the relevant intangible assets based on market approach – market multiple method. For the year ended December 31, 2023, the amount of goodwill impairment related to Nuocheng was RMB231.3 million, and the impairment amount of relevant intangible assets was RMB15.8 million. For details of the impairment losses on intangible assets and goodwill of the Group, please refer to the 2023 annual report to be published by the Company in due course.

Impairment Losses on Financial Assets, Net

The Group's reversal of impairment losses on financial assets, net, for the year ended December 31, 2023 was RMB2.2 million, representing a change of 110.0% compared to impairment losses on financial assets, net of RMB22.0 million for the year ended December 31, 2022, primarily attributable to the decrease in balance of long-aged accounts receivable and partial reversal of bad debt provision for accounts receivable.

Finance Costs

The Group's finance costs for the year ended December 31, 2023 was RMB62.7 million, representing an increase of 40.6% compared to RMB44.6 million for the year ended December 31, 2022. The increase was primarily attributable to the impact of fluctuations in floating rates.

Share of Loss in Investments in Associates and Joint Ventures Accounted for Using the Equity Method

For the year ended December 31, 2023, the Group's share of loss in investments in associates and joint ventures accounted for using the equity method was RMB12.4 million, representing a decrease of 10.8% from share of loss of RMB13.9 million for the year ended December 31, 2022, which was primarily attributable to changes in losses recorded by our investees during the Reporting Period.

Income Tax

The Group's income tax credit for the year ended December 31, 2023 was RMB6.3 million, representing a decrease of 81.6% compared to the income tax credit of RMB34.3 million for the year ended December 31, 2022. The change in tax credit recorded during the Reporting Period was mainly related to deferred tax recognized in profit or loss (fair value adjustment on acquisition of a subsidiary).

Capital Management

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

Liquidity and Financial Resources

The Group's cash and cash equivalents as at December 31, 2023 were RMB774.4 million, representing a decrease of 58.8% compared to RMB1,879.4 million for the year ended December 31, 2022. The decrease was mainly related to repayment of bank loans and relevant operating expenses.

We rely on capital contributions by our Shareholders and bank loans as the major sources of liquidity. We also generate cash from our sales revenue of existing commercialized products. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of existing commercialized products and by launching new products, as a result of the broader market acceptance of our existing products and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

Borrowings and Gearing Ratio

The Group's total borrowings, including interest-bearing borrowings, as at December 31, 2023 were RMB705.9 million (December 31, 2022: RMB796.0 million). Borrowings of the Group are mainly carried with interest charged at floating rates. For a breakdown of the borrowings of the Group, please refer to the 2023 annual report of the Company to be published in due course.

The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group as at December 31, 2023 was 28.5% (December 31, 2022: 24.8%).

Net Current Assets

The Group's net current assets, as at December 31, 2023 were RMB785.8 million, representing a decrease of 60.3% compared to net current assets of RMB1,976.9 million as at December 31, 2022.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are dominated in foreign currencies and are exposed to foreign currency risk. 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.

Significant Investments

As at December 31, 2023, we did not hold any significant investments.

Material Acquisitions and Disposals

During the Reporting Period, we did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures of the Company.

Capital Expenditure

For the year ended December 31, 2023, the Group's total capital expenditure amounted to approximately RMB308.9 million, which was used in (i) payment for additional investment in a joint venture; (ii) purchase of financial assets at fair value through profit or loss; (iii) purchase of items of property, plant and equipment; and (iv) purchase of other intangible assets.

Charge on Assets

As of December 31, 2023, certain of the Group's loans amounted to RMB569.1 million (December 31, 2022: RMB695.9 million) were secured by mortgages or pledges over our assets. The mortgaged or pledged assets include equity interests of certain subsidiaries, leasehold land, time deposits, etc.

As of December 31, 2023, the Group's fixed deposits of RMB200,000,000 continued to be used as a pledge to guarantee two loans of up to RMB100,000,000 each made to Hangzhou Kuntai which is/will be due on March 28, 2024 and April 14, 2024, respectively. For further details of the aforesaid pledged deposits, please refer to the Forensic Investigation Announcement and the section headed "*Further Information in respect of Unauthorized Pledged Deposits*" below in this announcement.

Contingent Liabilities

As at December 31, 2023, except for the contingent consideration payables recognised for acquisition of subsidiaries, we did not have any contingent liabilities.

Further Information in respect of unauthorized loans and pledged deposits

Reference is made to (i) sections 3 and 4 headed "*Unauthorised loans to Jiangsu Wuzhong*" and "*Unauthorized guarantees to Hangzhou Kuntai*" in the Forensic Investigation Announcement; and (ii) the section headed "Charge on Assets" in this announcement.

As at the date of this announcement, the unauthorized pledged deposits provided by Hangzhou Qiyi (a wholly-owned subsidiary of the Company) of RMB100,000,000, as security in respect of the aforesaid loan to Hangzhou Kuntai (falling due on March 28, 2024), had been released by the relevant bank and further withdrawn by the Company from such bank. In addition, Hangzhou Qiyi has received an interest income of RMB2,050,000 for such deposits as at the date of this announcement.

With respect to the additional RMB100,000,000 deposits pledged to a certain bank by Hangzhou Qiyi to secure loans to Hangzhou Kuntai (which are to mature on April 14, 2024), the Company will urge the borrower to repay on time and expects the pledge to be released on or before April 14, 2024.

The amount of RMB80,000,000 which was extended to Jiangsu Wuzhong by Hangzhou Qijin (a wholly-owned subsidiary of the Company) has not been repaid as at the date of this announcement. The Company will continue its negotiation with Jiangsu Wuzhong to determine the repayment date of the loans. If repayment is not made to the Company by the agreed date or if sufficient collateral to cover the loans is not provided to the Company by the agreed date, we reserve the right to initiate legal proceedings against the relevant part(ies) to recover the outstanding amount. Further announcements will be made by the Company in due course.

Further, as previously announced by the Company, in light of the key findings of the Forensic Investigation, the Company has engaged Deloitte Enterprise Consulting (Shanghai) Co., Ltd., Beijing Branch as the internal control consultant to perform a review of internal controls and to assess whether the Company has adequate internal control systems and procedures in place to remediate and mitigate the relevant gaps. Such review is ongoing and is scheduled for completion by April 2024. The Company will make further announcement(s) in due course.

Other Significant Events

(1) Suspension of Trading on the Stock Exchange

Trading in the Shares on the Main Board of the Stock Exchange has been suspended since 9:00 a.m. (Hong Kong time) on November 23, 2023 and will remain suspended pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

(2) Resumption Guidance

As stated in the announcements of the Company dated December 27, 2023 and February 16, 2024, the Stock Exchange has set out the following Resumption Guidance for the Company：

(a) conduct the special audit and an appropriate forensic investigation into (i) the provision of loans to Mr. Zi and Mr. Zeng and (ii) other fund flows of the Group to and from Mr. Zi, Mr. Zeng and/or any entity they, individually or collectively, own or control that may be uncovered by the special audit, announce the findings, and take appropriate remedial actions;

(b) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;

(c) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence;

(d) inform the market of all material information for the Shareholders and investors to appraise its position; and

(e) re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules in relation to the composition and chairmanship of the Board and its Board committees, as applicable.

(3) Progress of Fulfillment of the Resumption Guidance

For the progress of the Company in fulfillment of the Resumption Guidance, please refer to the announcement of the Company published on February 25, 2024 in accordance with Rule 13.24A of the Listing Rules.

Save and except for the matters disclosed above in this announcement, there have been no other material subsequent events following the end of the Reporting Period up to the date of this announcement.

Employees and Remuneration Policies

As of December 31, 2023, we had 865 employees in total.

Among the 865 employees, 735 of our employees are stationed in China, and 130 of our employees are stationed overseas primarily in the U.S. and Israel. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three to five years.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and stock incentive plans to our employees especially key employees.

Future Investment Plans and Expected Funding

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

III. PROSPECTS

Committed to our vision of becoming a global leader in structural heart diseases, we continued to closely adhered to the long-term strategies of "pursuing global localization and generating profitability through local expansion", expedited the promotion and clinical application of our innovative technologies in the global markets, established globally competitive business operation teams leveraging the marketing of our innovative products such as VenusP-Valve, and secured strong sales performance. In the domestic market, we focused on seeking profitability to drive our quality development, and facilitated our innovative products to achieve breakthroughs in clinical trials, registration and market access, in a bid to lay the foundation for our sustainable and steady growth.

Accelerate Globalization Pace

Following the approved marketing and sales of VenusP-Valve in the EU, we will constantly establish and improve the international manufacture capabilities and quality system, aiming to lay a solid foundation for launching domestically-produced devices in the global market. Cardiovalve, our innovative device, has witnessed increasing penetration in global clinical applications, and attracted a number of experienced professionals to join clinical trials. Venus-PowerX and Venus-Vitae, a new generation of aortic valve products, have achieved smooth progress in global clinical trials, and are highly recognized by doctors. The Company has been pressing ahead with its globalization strategy. Meanwhile, we will launch the pivotal clinical study of VenusP-Valve in the USA, and enhance our overseas clinical development and innovative device registration capabilities, endeavoring to establish presence in more countries and markets. In terms of commercialization, we will make unremitting efforts to promote the global sales of VenusP-Valve, and strive for strong and sustainable sales increase. In terms of market access, we will comply with local laws and regulations, learn about access policies of different countries and regions, endeavor to make breakthroughs in medical insurance, bidding and hospital access procedures, and continue to venture into the international market. We will also proactively participate in international medical conferences and industry exhibitions in the field of cardiology, facilitate doctors to obtain an understanding of and get familiar with our products, so as to enhance our global brand influence.

Maintain Quality Marketing Growth

We will continue to tap into our first-mover advantages, strengthen the construction and integration of our own marketing system, provide comprehensive intraoperative solutions for clinical hospitals with our rich professional knowledge, clinical resources and perfect product portfolio, reduce the difficulty of surgery with constantly optimized products, serve physicians and a wider range of patients, and improve the commercial profit of TAVR business through scale effect and optimization of business processes. Meanwhile, we will continue to launch post-marketing clinical trials, and accumulate more clinical data to provide sufficient support for inclusion of our products in medical insurance and other access. We will also proactively cultivate ties and communicate with medical insurance departments to explore innovative payment methods such as payment by medical insurance and commercial insurance.

Looking into 2024, we will remain committed to the unmet medical needs, uphold our globalization strategy with a focus on the field of structural heart diseases, leverage our first-mover advantages, expedite sales and marketing in the global market, facilitate the progress of the international multi-center clinical study, deepen our presence in the domestic market and expand the TAVR market, in an endeavor to improve our profitability.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted and applied the principles and code provisions as set out in the Corporate Governance Code. Save as disclosed in this section, during the Reporting Period, the Company has strictly complied with the provisions of the Corporate Governance Code.

Under Code Provision D.1.2 of the Corporate Governance Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

During January to May 2023 of the Reporting Period, the relevant financial statements (despite being compiled and consolidated on a monthly basis at the material time) were not provided for review by the Board every month. Without being able to review such information on a monthly basis, the Board did not receive "a balanced and understandable assessment of the issuer's performance, position and prospects" to the extent necessary for compliance with the requirements in Code Provision D.1.2 of the Corporate Governance Code during the aforesaid period. As remedial measures, the Company has:

(i) conducted training on the relevant obligations under the Listing Rules for its directors, senior management, supervisors and personnel of the Group;

(ii) established a whistle blowing policy as disclosed in the announcement of the Company dated August 4, 2023; and

(iii) since June 2023 and up to the date of this announcement, provided to all members of the Board the financial statements on a monthly basis.

Compliance with the Model Code

The Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code set out in Appendix C3 to the Listing Rules. The Company has made specific enquiries to all Directors and Supervisors concerning their compliance with the Model Code. All Directors and Supervisors confirmed that they had strictly observed all standards set out in our Company's code of conduct regarding Directors' and Supervisors' securities transactions during the year ended December 31, 2023.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the code of conduct regarding Directors' and Supervisors' securities transactions of the Company. No incident of non-compliance of code of conduct regarding Directors' and Supervisors' securities transactions by the employees was noted by the Company during the year ended December 31, 2023.

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended December 31, 2023.

Audit Committee

The audit committee of the Board (the "**Audit Committee**") has two members who are independent non-executive Directors, being Mr. Chi Wai Suen (chairman of the Audit Committee) and Mr. Ting Yuk Anthony Wu, with terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed the Group's financial information for the year ended December 31, 2023 and has met with the Group's independent auditor, ZHONGHUI ANDA CPA Limited. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management.

Scope of Work of the Auditor

The figures in respect of the Group's consolidated statements of financial position, consolidated statements of profit or loss and other comprehensive income and the related notes thereto as of and for the year ended December 31, 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the unaudited consolidated financial statements of the Group for the year as prepared by management. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this preliminary announcement.

The financial information contained herein in respect of the annual results of the Company have not been audited by the auditors. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Passing away of A Director

Mr. Wan Yee Joseph Lau, who was an independent non-executive Director, the chairman of the nomination committee and a member of each of the remuneration and assessment committee and the audit committee of the Board, passed away on February 7, 2024. The Board would like to express its sincere gratitude to Mr. Lau for his valuable contributions to the Company during his tenure.

Following the passing away of Mr. Lau, the Board comprises seven Directors, including three executive Directors, two non-executive Directors and two independent non-executive Directors. The Company currently does not meet (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of Listing Rules; (ii) the requirement under Rule 3.10A of the Listing Rules which stipulates that independent non-executive directors must represent at least one-third of the Board; (iii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules; and (iv) the requirement under Rule 3.27A of the Listing Rules which stipulates that the nomination committee must be chaired by the chairman of the board or an independent non-executive director. The Company will endeavor to identify a suitable candidate to fill the vacancy of independent non-executive director of the Company and the vacancies of the relevant board committees in order to fulfill the requirements of the Listing Rules as soon as practicable and in any event within the period prescribed under Rules 3.11 and 3.23 of the Listing Rules.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2023 (2022: Nil).

ANNUAL GENERAL MEETING

A circular containing more details of the 2023 annual general meeting including closure of register of members and record date will be despatched to the Shareholders in due course.

FURTHER ANNOUNCEMENTS

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.venusmedtech.com).

The annual report for the year ended December 31, 2023 of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders (if necessary) and published on the websites of the Stock Exchange and the Company in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on November 23, 2023 and will remain suspended pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

"AS"	aortic stenosis
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"Cardiovalve"	Cardiovalve Ltd. (formerly known as Mitraltech Ltd.), a private company incorporated under the laws of Israel, which is a wholly-owned subsidiary of the Target Company
"CE MDR"	a certificate that indicates conformity with health, safety, and environmental protection standards for products sold within the Europe Economic Area, as regulated under the Europe Medical Device Regulation
"CE MDR Marking"	a mark of CE MDR
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Company"	Venus Medtech (Hangzhou) Inc. (杭州啓明醫療器械股份有限公司), a limited liability company incorporated in the PRC on July 3, 2009 and converted into a joint stock limited liability company incorporated in the PRC on November 29, 2018, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 2500)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"COVID-19"	an infectious disease caused by a newly discovered coronavirus, the outbreak of which began in December 2019
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"EU"	the European Union
"FDA"	U.S. Food and Drug Administration
"FIM"	First-In-Man

"Forensic Investigation"	has the meaning ascribed to it in the Forensic Investigation Announcement
"Forensic Investigation Announcement"	the announcement of the Company published on February 25, 2024 in relation to, among others, the key findings of the Forensic Investigation
"GMP"	good manufacturing practices, the aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hangzhou Kuntai"	Hangzhou Kuntai Biotechnology Co., Ltd., a company controlled by Mr. Zi and as referred to in the Forensic Investigation Announcement
"Hangzhou Qijin"	Hangzhou Qijin Equity Investment Co., Ltd., a wholly-owned subsidiary of the Company and as referred to in the Forensic Investigation Announcement
"Hangzhou Qiyi"	Hangzhou Qiyi Enterprise Management Co., Ltd., a wholly-owned subsidiary of the Company and as referred to in the Forensic Investigation Announcement
"HCM"	hypertrophic cardiomyopathy
"Healium"	Healium Medical Ltd, a high-tech company in Israeli
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HOCM"	hypertrophic obstructive cardiomyopathy
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IASB"	the International Accounting Standards Board
"IFRS"	International Financial Reporting Standards
"Jiangsu Wuzhong"	Jiangsu Wuzhong Real Estate Group Co., Ltd., as further described in the Forensic Investigation Announcement
"Listing Rules"	the Rules governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time

"LVOT"	left ventricular outflow tract
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Zeng"	Mr. Min Frank Zeng (曾敏), a former executive Director
"Mr. Zi"	Mr. Zhenjun Zi (訾振軍), a former executive Director
"NL"	the Netherlands
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"PI"	the principal investigator
"Prospectus"	the prospectus published by the Company on November 28, 2019 in relation to its Hong Kong public offering
"Purchaser"	Athena Medtech Holding Ltd, a private company incorporated under the laws of Israel and wholly-owned by Venus HK, which is in turn wholly-owned by the Company
"R&D"	research and development
"RDN"	Renal Artery Denervation
"Renaly"	Renaly Ltd, a 51% owned subsidiary established by the Company and Healium
"Reporting Period"	the one-year period from January 1, 2023 to December 31, 2023
"Resumption Guidance"	the guidance for the resumption of trading in the shares of the Company set forth by the Stock Exchange in its letters of December 20, 2023 and February 9, 2024, as disclosed in the announcements of the Company dated December 27, 2023 and February 16, 2024, respectively
"RMB" or "Renminbi"	Renminbi Yuan, the lawful currency of China
"RVOT"	right ventricular outflow tract, an infundibular extension of the ventricular cavity which connects to the pulmonic artery
"RVOTD"	the dysfunction of RVOT

"Selling Shareholders' Representative"	MTH Shareholder Representative LLC, a Delaware limited liability company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"TAV0"	TAV0 Balloon Aortic Valvuloplasty Catheter, one of our balloon transluminal aortic valvuloplasty catheter system products
"TAVR"	transcatheter aortic heart valve replacement, a catheter-based technique to implant a new aortic valve in a minimally invasive procedure that does not involve openchest surgery to correct severe aortic stenosis
"TMVR"	transcatheter mitral valve replacement, catheter-based technique to implant a new mitral valve in a minimally invasive procedure that does not involve open-chest surgery
"ToF"	tetralogy of fallot, a congenital abnormality of the heart characterized by pulmonic stenosis, an opening in the interventricular septum, malposition of the aorta over both ventricles, and hypertrophy of the right ventricle
"TPVR"	transcatheter pulmonic valve replacement, a catheter-based technique to implant a new pulmonic valve in a minimally invasive procedure that does not involve open-chest surgery
"TTVR"	transcatheter tricuspid valve replacement, a catheter-based technique to implant a new tricuspid valve in a minimally invasive procedure that does not involve open-chest surgery
"UK"	the United Kingdom
"U.S." or "the USA"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"V8"	V8, one of our balloon transluminal aortic valvuloplasty catheter system products
"Venus HK"	Venus Medtech (Hong Kong) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"Venus-PowerX"	Venus-PowerX Valve, one of our TAVR product candidates
"Venus-Vitae"	Venus-Vitae Valve, one of our TAVR product candidates
"VenusA-Plus"	VenusA-Plus System, one of our TAVR products

"VenusA-Pro"	VenusA-Pro System, one of our TAVR products
"VenusA series"	VenusA-Valve, VenusA-Plus and VenusA-Pro
"VenusA-Valve"	VenusA-Valve System, one of our TAVR products
"VenusP-Valve"	VenusP-Valve System, our TPVR product candidate

By Order of the Board
Venus Medtech (Hangzhou) Inc.
Mr. Lim Hou-Sen (Lin Haosheng)
Executive Director

Hong Kong, March 28, 2024

As at the date of this announcement, the executive Directors are Mr. Lim Hou-Sen (Lin Haosheng), Mr. Liqiao Ma and Ms. Meirong Liu; the non-executive Directors are Mr. Ao Zhang and Mr. Wei Wang; and the independent non-executive Directors are Mr. Ting Yuk Anthony Wu and Mr. Chi Wai Suen.