



杭州启明医疗器械股份有限公司
Venus Medtech (Hangzhou) Inc.

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

Stock Code: 2500

2025

INTERIM REPORT





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Corporate Information

(As of June 30, 2025)

Name in Chinese:	杭州啓明醫療器械股份有限公司
Name in English:	Venus Medtech (Hangzhou) Inc.
Legal representative:	Mr. Lim Hou-Sen (Lin Haosheng)
Chairman:	Mr. Ting Yuk Anthony Wu
Registered capital:	RMB441,011,443
Headquarters in the PRC:	
Registered office address:	Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, PRC
Company website:	http://www.venusmedtech.com/
E-mail:	inquiry@venusmedtech.com
Principal place of business in Hong Kong:	40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Board of Directors:	
Executive Directors	Mr. Lim Hou-Sen (Lin Haosheng), Mr. Liqiao Ma and Ms. Meirong Liu
Non-executive Directors	Mr. Ao Zhang and Mr. Wei Wang
Independent non-executive Directors	Mr. Ting Yuk Anthony Wu, Mr. Chi Wai Suen and Mr. John Junhua Gu
Supervisors:	Mr. Changxi Zhang, Mr. Yixiang Xu and Mr. Jianmin Tao ¹
Audit Committee:	Mr. Chi Wai Suen (<i>Chairman</i>), Mr. Ting Yuk Anthony Wu and Mr. John Junhua Gu
Remuneration and Assessment Committee:	Mr. Ting Yuk Anthony Wu (<i>Chairman</i>), Mr. Chi Wai Suen and Mr. John Junhua Gu

Corporate Information

(As of June 30, 2025)

Nomination Committee:	Mr. John Junhua Gu (<i>Chairman</i>), Mr. Chi Wai Suen, Mr. Ting Yuk Anthony Wu and Ms. Meirong Liu ²
Company Secretary:	Mr. Wong Wai Chiu, CTP, CPA (Aust.), FCG (CS, CGP), FCS (CS, CGP)
Authorized Representatives:	Mr. Wong Wai Chiu and Ms. Liu Meirong
Legal Adviser to Hong Kong Law:	Davis Polk & Wardwell 10th Floor, The Hong Kong Club Building 3A Chater Road, Hong Kong
Auditor engaged by the Company:	ZHONGHUI ANDA CPA Limited <i>Certified Public Accountants and Registered Public Interest Entity Auditor</i>

1. Ms. Xiaojuan Li and Mr. Wei Chen, the Shareholders' representative Supervisors of the second session of the Supervisory Committee, have retired upon the approval of the appointment of the proposed Shareholders' representative Supervisors at the annual general meeting of the Company held on June 27, 2025 due to other business commitments. Mr. Yixiang Xu and Mr. Jianmin Tao have been appointed as Shareholders' representative Supervisors of the third session of the Supervisory Committee with effect from the same date.
2. Ms. Meirong Liu has been appointed as a member of the Nomination Committee with effect from June 27, 2025.

Financial Summary

	Six months ended June 30, 2025 (Unaudited) RMB'000	Six months ended June 30, 2024 (Unaudited) RMB'000	Period-to- period change
Revenue	187,137	230,720	-18.9%
Gross profit	137,988	181,760	-24.1%
Loss before tax	(138,564)	(213,581)	-35.1%
Loss for the period	(134,772)	(208,825)	-35.5%
Loss attributable to owners of the parent	(134,772)	(206,487)	-34.7%
Loss per Share attributable to ordinary equity holders of the parent Basic and diluted	RMB(0.31)	RMB(0.47)	-34.0%
Non-IFRS measures*			
Non-IFRS EBITDA ¹	(82,024)	(145,286)	-43.5%
Non-IFRS commercialization profit ²	30,363	34,131	-11.0%
Non-IFRS commercialization profit margin ²	16.2%	14.8%	1.4 percentage points

* This item is neither required under IFRS nor presented in the consolidated financial statements. For further details, please refer to "Financial Review – Non-IFRS Measures" in this report.

¹ Non-IFRS EBITDA represents earnings/(loss) before interest, tax, depreciation and amortization.

² Non-IFRS commercialization profit represents gross profit after deducting (i) selling and distribution expenses; and (ii) charitable donations. Non-IFRS commercialization profit margin represents commercialization profit divided by revenue. These indicators are used to measure the Company's commercialization capability.

Management Discussion and Analysis

I. BUSINESS REVIEW

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 devices for valvular heart diseases including transcatheter aortic valve replacement (TAVR), transcatheter pulmonary valve replacement (TPVR), transcatheter mitral valve replacement (TMVR), transcatheter tricuspid valve replacement (TTVR) and other procedural accessories, allowing us to provide overall solutions for physicians and patients. In the future, the Company will continue to focus on the field of structural heart, and continue to iterate and update by applying new technologies and materials to introduce innovative products that meet needs of physicians and patients.

During the Reporting Period, the Company continued to focus on its product pipeline in the field of structural heart diseases, and concentrated resources to advance the clinical enrollment of its core products by optimizing the layout of its R&D pipelines. Cardiovalve, a tricuspid valve replacement product, is making smooth progress in its pivotal clinical trial in Europe, with over 130 patients enrolled and clinical trial enrollment is about to be completed. In addition, the key clinical enrollment for Venus-PowerX, our new generation of TAVR product, is also advancing steadily. Leveraging differentiated products and robust clinical progress, the Company will continue to launch innovative valve products globally to benefit patients worldwide as soon as possible.

Management Discussion and Analysis

During the Reporting Period, the Company has substantially completed the transformation from direct sales-like model to platform-based sales model, significantly improving turnover efficiency of trade receivables. Meanwhile, the Company actively expanded its distributor channels, strengthened construction of its sales team, and further explored the commercial potential of its products, striving to provide high-quality treatment solutions for more patients. In the first half of 2025, the Company completed a total of approximately 1,950 units of terminal implantation volume in domestic market. As of 30 June 2025, our total coverage of hospital had reached over 700 nationwide.

In terms of overseas operations, the Company continues to expand into international markets in Europe, South America, Asia Pacific and the Middle East. Leveraging the differentiated product positioning of VenusP-Valve, our market share has achieved steady growth as supported by long-term safety and effective clinical data. In the first half of 2025, our overseas revenues, primarily driven by the VenusP-Valve product, reached RMB40.7 million, representing a year-on-year growth of 35.3%. The products now covers 63 countries and regions across Europe, North America, the Middle East, Southeast Asia, and Latin America. The continuous improvement of direct sales and distribution models in overseas market lays a solid foundation for the Company to achieve sustainable and stable growth for its existing products and expansion into overseas market for its future products.

To achieve the Company's strategic objectives, we are committed to enhancing operational efficiency by actively improving internal production systems, refining processes, enhancing quality, and lowering costs. This bolstered the cost competitive advantage of our products. In addition, we continuously strengthened budget management, reduced costs, enhanced efficiency and controlled expenses to manage spending, lower costs, and reduce losses. In the first half of 2025, the losses attributable to the parent decreased by 34.7% year on year, while non-IFRS EBITDA decreased by 43.5% year on year.

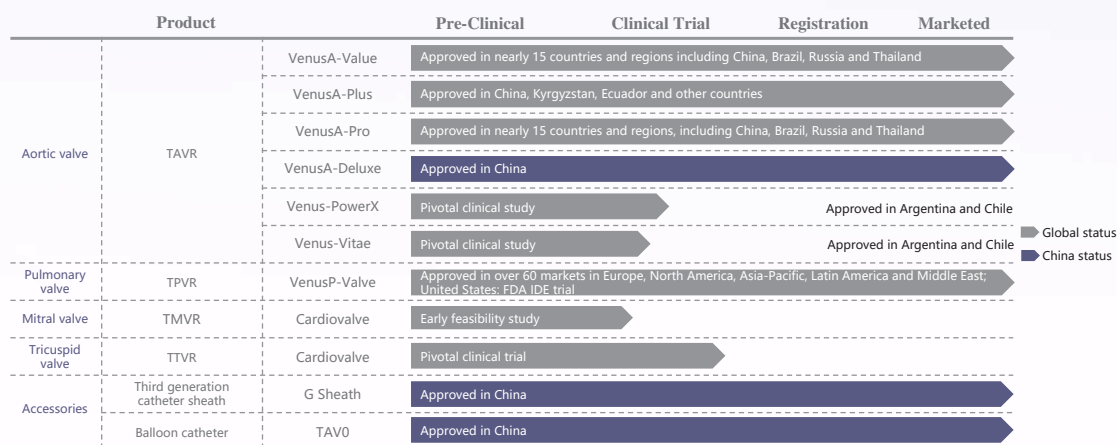
Our Products and Product Pipeline

As of the date of this report, the Company has successfully established a product pipeline consisting of ten innovative medical devices, covering the fields of heart valve diseases.

Management Discussion and Analysis

Interventional treatment of heart valve diseases is our core therapeutic area. The Company has four commercialized TAVR products (VenusA-Valve, VenusA-Plus, VenusA-Pro and VenusA-Deluxe), one TPVR product (VenusP-Valve) and two transcatheter procedural accessories (expandable catheter sheath product (G Sheath) and balloon catheter (TAV0)). Our products currently in clinical trials include next-generation TAVR products (Venus-PowerX and Venus-Vitae), one innovative medical device Cardiovalve which can be used for both TMVR and TTVR, and the TPVR product (VenusP-Valve).

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



VenusA Series – TAVR Products

We currently have four marketed TAVR products, namely, VenusA-Valve, VenusA-Plus, VenusA-Pro and VenusA-Deluxe. VenusA-Valve received approval for registration from the NMPA in April 2017, which marked the first transcatheter aortic valve replacement (TAVR) product approved by NMPA for commercialization in China. VenusA-Plus received approval for registration from the NMPA in November 2020, which was 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.

Management Discussion and Analysis

VenusA-Pro received approval for registration from the NMPA in May 2022, as an upgraded version of VenusA-Plus. It 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. VenusA-Deluxe received approval for registration from the NMPA in November 2024, as the latest generation TAVR product. It builds on previous products by further optimizing and upgrading the delivery system, and applies the stepwise compression of the valve, which effectively reduces the incidence of folding during the valve loading phase. The unique axial imaging markers for Commissural Allignment provides full protection for the coronary arteries, and parts of the material structure of the delivery system is fully optimized, making the overall delivery and release process more stable and safe. Our extensive product pipeline offers more comprehensive and better treatment options to physicians and patients, and meets the needs of different patients.

For VenusA-Valve, as the first TAVR product launched in China, the Company has continued to carry out the long-term follow-up of its registered clinical study. At the 19th Oriental Congress of Cardiology (OCC 2025), the ten-year follow-up results of VenusA-Valve were released. As the only TAVR product in China with ten years of long-term follow-up data, its cardiac mortality is less than 20%, and the patient's peak flow velocity, mean transvalvular pressure gradient and left ventricular outflow fraction are all in normal levels in a long run and remain stable, and more than 90% of patients had no/minimal/slight paravalvular regurgitation. The longest follow-up patient has completed a twelve-year postoperative follow-up, and the valve function is normal, fully proving the long-term safety, efficacy and durability of the VenusA-Valve. At the 11th China Valve (Hangzhou) 2025 conference, the results of the five-year follow-up in the VenusA-Plus were released. Notably, there were no new cases of patients with cardiac deaths, the incidence of valve thrombosis was 0%; the valve function was good, and the valve area, transvalvular pressure difference and flow rate all indicated that patients continued to benefit. In addition, subgroup results showed that the optional feature of "retrievability" did not bring additional long-term safety risks, both bicuspid and tricuspid valve patients revealed excellent long-term follow-up results using VenusA-Plus, demonstrating the excellent clinical safety and efficacy of VenusA-Plus.

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. The product 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 CE MDR regulations. VenusP-Valve was approved for registration by the NMPA in July 2022 for the treatment of patients with severe pulmonary regurgitation with native RVOT. As the first TPVR product approved in China, VenusP-Valve filled the gap in clinical demands in China.

With its excellent clinical performance, the safety and effectiveness of VenusP-Valve have been highly recognized by experts and physicians worldwide. In May 2025, the 19th Oriental Congress of Cardiology (OCC 2025) announced the nine-year follow-up results of the VenusP-Valve China registered clinical trial. These findings demonstrate the long-term safety and efficacy of the VenusP-Valve, improving patients' quality of life and fully confirming its robust performance and clinical value in clinical application and long-term prognosis outcomes. The study results showed a low cumulative mortality rate of only 3.64% over the nine-year follow-up, with zero new deaths between years 1 and 9 after procedures. The patient with the longest duration of follow-up completed 12 years follow-up and remains in good health. Nine-year follow-up of the post-VenusP-Valve procedure demonstrated a low incidence of adverse events. The stroke rate was 0%, the probability of pacemaker implantation was 3.64%, and the probability of three adverse events, namely severe bleeding, pulmonary embolism and valve displacement, was 1.82%. The incidence of new-onset arrhythmias one year after procedure was 5.5%, lower than the 23.9% of Harmony, a comparable product six months after procedure.

We are steadily expediting US IDE (PROTEUS) pivotal clinical study on VenusP-Valve. This study is a prospective, multi-centered clinical trial targeting patients with RVOTD combined with severe pulmonary valve regurgitation, and is expected to enroll a total of 60 subjects. Previously, 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, accelerating the progress of clinical trial in various centers. We will actively expedite the approval of VenusP-Valve in the U.S. market.

Management Discussion and Analysis

Venus-PowerX – New Generation TAVR Product

Venus-PowerX, our first self-developed self-expanding dry-tissue TAVR product, is in the global pivotal clinical trial.

Venus-PowerX is our new generation pre-loaded dry-tissue valve product. It adopts the Venus-Endura dry-tissue technology, which leverages advanced anti-calcification technology to improve the durability of the valve, without glutaraldehyde for preservation. While enhancing safety, Venus-PowerX also boasts convenience for clinical application, preservation and transportation. 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 the skirt adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt, thereby effectively reducing paravalvular leakage. Its pre-loaded dry tissue technology can significantly reduce operation preparation time. The combination of wire-controlled technology and a unique valve frame design can eliminate the stress on the valve during deployment, ensuring a more stable and precise release. It can still be 100% fully retrieved after complete release, offering greater safety compared to existing retrievable valves. Additionally, the valve frame employs a unique design with three large V-shaped openings, coordinated with the direction of entry of the delivery system, effectively preserving coronary access in the later stage. The delivery system, compared to previous generations, features a unique multi-layer waveguide design, offering superior flexibility and pushability. Venus-PowerX was approved for marketing and successfully completed commercial sales in Argentina and Chile. We will further promote the clinical research of Venus-PowerX to strive for its early approval in the global market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VENUS-POWERX SUCCESSFULLY (EXCEPT FOR ARGENTINA AND CHILE).

Management Discussion and Analysis

Venus-Vitae – New Generation TAVR Product

The Venus-Vitae, our first self-developed balloon-expandable dry-tissue TAVR product, is in the global pivotal clinical trial.

Venus-Vitae adopted Venus-Endura dry tissue technology, which leverages advanced anti-calcification technology on the valve 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 a coronary 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 the skirt thickness adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. Venus-Vitae was approved for marketing and successfully completed commercial sales in Argentina and Chile. We will promote the clinical research of Venus-Vitae, striving for its early approval for marketing in the global market.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VENUS-VITAE SUCCESSFULLY (EXCEPT FOR ARGENTINA AND CHILE).

Management Discussion and Analysis

Cardiovalve – TMVR/TTVR Product

Cardiovalve, a wholly-owned subsidiary of the Company, has independently developed transcatheter mitral valve and tricuspid valve replacement products that are currently in the pre-market development stage. We are in pivotal clinical trial in terms of the product for the treatment of patients with tricuspid regurgitation in Europe and we are in feasibility study stage in terms of the product for the treatment of patients with mitral regurgitation.

Compared with similar products, its transfemoral approach significantly improves the safety of treatment and its annular, up to 55 mm, is suitable for about 95% of the patient population. Meanwhile, its unique short frame design lowers the risk of ventricular obstruction. Cardiovalve is easy to operate, safe, highly repeatable, and can be completed in three steps: positioning, anchoring and release.

The CE pivotal clinical trial for the Cardiovalve tricuspid regurgitation intervention therapy system is progressing steadily at over 30 leading cardiovascular centers across Europe (mainly in Germany, Italy and Spain), the United Kingdom and Canada. As of the Reporting Period, over 130 patients have been successfully enrolled in the clinical study, remarking the complete entrance into the core last-stage phase. At the NewYork Valve 2025, the Company released for the first time the immediate postoperative outcome data from the first 125 patients, which indicated that the patient population was of elderly and high risk. In particular, the average age of enrolled patients was 77 years old, and the substantial majority (94%) of the patients presented with 3+ (Severe), 4+ (massive) and 5+ (torrential) tricuspid regurgitation, accounting for 24%, 34% and 67%, respectively. Excellent safety profile: Preliminary data have validated the favorable safety profile of Cardiovalve. Significant efficacy: immediate postoperative data showed that up to 98% of patients had no regurgitation of moderate or higher severity ($\leq 2+$), demonstrating significant improvement in valvular regurgitation. Notably, the first enrolled patient has been followed up for two years. Two years after the operation, the patient remained reflux-free and had a significantly improved quality of life. Two-year follow-up CT scans confirmed significant positive remodeling of the right heart structure, providing highly valuable early evidence supporting Cardiovalve as a long-term effective treatment option for tricuspid regurgitation. Based on the current positive results and steady enrollment, the Company is accelerating the completion of pivotal clinical trial in Europe. It will complete the follow-up and submit the CE application as soon as possible, striving to market the product as soon as practicable to benefit the large number of patients with tricuspid regurgitation who urgently need effective treatment worldwide, and to create significant commercial value.

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

R&D Innovation

The structural heart disease market has immense potential. Focusing on its core strategy of “innovation driven by clinical demand”, the Company continues to increase its R&D investment to further cement its leading role in the field of heart valve interventions while making forward-looking arrangements for next-generation growth curve such as mitral valve and tricuspid valve. In the first half of 2025, the Company’s R&D pipelines continued to progress. In terms of aortic valves, the Company’s new generation of dry-tissue TAVR products, Venus-PowerX and Venus-Vitae, advanced smoothly in clinical trials. Both products adopt advanced anti-calcification technology, which significantly improves valve durability while simplifying surgical procedures, and are expected to provide a more durable solution for patients with aortic valve disease. In the field of pulmonary valve, the IDE pivotal clinical trial for VenusP-Valve in the U.S. is advancing steadily, marking the first instance of Chinese heart valve products undergoing clinical trial in the U.S. Meanwhile, the Company continued to iterate and update its pulmonary valve product, and further optimized the delivery system and valve design, thus consolidating the depth and lifecycle of the Company’s products in this market segment. Furthermore, the Company has strategically positioned our globally leading Cardiovalve valve replacement product for interventional treatment of mitral and tricuspid valves, with rapid progress in clinical trials and enrollment progress ahead of schedule. Early data demonstrate high operation success rates and significant improvement in postoperative reflux. It is poised to offer high-quality solutions for patients worldwide. Looking ahead to the second half of the year, the Company will continue to use evidence-based medicine as its cornerstone to accelerate the clinical and registration process of various pipelines, strive to bring more clinically impactful innovative products to the market as soon as possible, and further expand the accessibility and penetration of interventional treatments for structural heart disease.

Management Discussion and Analysis

Innovation is the core driving force of the Company. The Company consistently adheres to a clinical demand-oriented approach, continuously advancing the iterative upgrading of interventional heart valve products lines through fully integrating internal independent innovation capabilities and deep collaboration with universities, research institutions, as well as internal innovation synergy, while actively exploring platform-based technologies for future valve optimization. The Company relies on its three R&D centers located in Hangzhou, China, Tel Aviv, Israel and Irvine, California, USA, fully leveraging the advantages of each region to form an efficient and collaborative global R&D network, providing strong technical support for the update and expansion of the product line. To further enhance innovation efficiency, the Company has optimized and upgraded its innovation strategy, transitioning from internal innovation to internal and external collaborative innovation. The Company actively expanded cooperation with third parties in the field of interventional treatment for structural heart diseases. Through various models such as commercialization cooperation, channel cooperation, and product acquisition, the Company accelerates the introduction of innovative technologies and products, further enriching its product pipeline and enhancing market competitiveness. During the Reporting Period, several of the Company's innovative products were successfully selected for inclusion in the "2025 Hangzhou Quality Product Recommendation Catalogue" (2025年杭州市優質產品推薦目錄) published by the Hangzhou Municipal Bureau of Economy and Information Technology. This is a consecutive number of times the Company has received this recommendation, once again confirming the recognition of the Company's product strength.

For the six months ended June 30, 2025 and 2024, our R&D costs were RMB120.9 million and RMB180.8 million, accounting for 64.6% and 78.4% of the Company's operating income in the corresponding period respectively.

Intellectual Properties

The Company attaches great importance to intellectual property of our products and protection of patents. Leveraging its strong R&D capability, as of June 30, 2025, the Company had a total of 898 patents and patents under applications, including 495 authorized invention patents. We had 410 patents under application and authorized in the PRC, including 285 authorized patents, and 467 patents under application and authorized overseas, including 357 authorized patents. We had 21 PCT applications. Our global IP portfolio mainly covers China, the U.S. and Europe, as well as other countries and regions.

Management Discussion and Analysis

The Company continues to improve its intellectual property management system, strengthen scientific and technological innovation, and make use of high-quality technology to accumulate high-quality intellectual property results, bringing good news to patients with structural heart disease around the world. During the Reporting Period, the Company was successfully selected as one of the outstanding Chinese invention patent case projects in countries and regions participating in the "Belt and Road". The selection was guided by the China National Intellectual Property Administration and aims to commend outstanding corporations that promote international cooperation and development through intellectual property innovation under the "Belt and Road" Initiative. A total of 10 outstanding case projects from different fields were selected nationwide. The Company was honoured to be the only selected enterprise in the national biopharmaceutical industry. This is an authoritative recognition of the Company's persistence in innovation and deep cultivation in the field of intellectual property rights.

In July 2025, the Company officially won the lawsuit filed by Edwards Lifesciences Corporation (愛德華生命科學公司) and Edwards Lifesciences LLC (愛德華生命科學有限責任公司) (collectively referred to as "**Edwards Lifesciences**") regarding the validity of the patent rights owned by its wholly-owned subsidiary Cardiovalve Ltd. ("**Cardiovalve**"). On July 16, 2025, the U.S. Court of Appeals for the Federal Circuit formally issued, according to the applicable legal procedures, an order enforcing the judgment in the appeal case (Case: 23-1515) filed by Edwards Lifesciences against Cardiovalve's patent since Edwards Lifesciences did not file an appeal within the specified timeframe, upholding the final ruling made by the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office in December 2022 in favor of Cardiovalve. This ruling marks Venus Medtech's successful defense for the validity of Cardiovalve's key patents, strengthening its global intellectual property barriers and playing a crucial role in consolidating its competitive advantage in the field of structural heart disease, particularly the advantage in its "Four-Valve Integration" strategy for its core valve business.

Manufacturing

We have a clean production zone of approximately 3,500 square meters 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.

Management Discussion and Analysis

Quality system

The Company has established an international quality management system in accordance with ISO13485, GMP of NMPA in China, QSR of the FDA in the U.S., MDR of the EU, RDC of ANVISA in Brazil, MDSAP, ISO/IEC17025 and other regulations and standards. As of the date of this report, the Company has obtained an ISO13485 system certificate, an MDR system certificate of the EU, an MDSAP quality system certificate (covering the regulatory requirements of quality systems of the U.S., Japan, Canada, Australia and Brazil), a China production license, a Brazil BGMP certificate, a 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 and sales, so as to ensure the quality of products. In addition, the Company has also established a digital and refined quality management system through proactively 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. Currently, information systems such as PLM (Product Lifecycle Management System), EBS (Enterprise Business Suite), WMS (Warehouse Management System), LIMS (Laboratory Information Management System), MES (Manufacturing Execution System), and ECS (Supplier/Customer Management) have been established.

Commercialization

For commercialization in China, the Company has established a professional sales and marketing team to continue to explore potential marketing channels, continuously expand the sales network in China, and provide professional and comprehensive medical solutions for doctors and patients. Through academic promotion activities and product education, we have established a good brand image in the market. We took an active part in international and domestic academic conferences to strengthen communication and exchange with hospitals, doctors and opinion leaders in the industry, continuously consolidate product brand awareness and influence in the industry, and establish a positive and professional brand image and competitive advantage. In the first half of 2025, the Company participated in over 30 third-party meetings, covering more than 1,000 experts with cumulative online views exceeding 50,000. As the only company in the market with four 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.

Management Discussion and Analysis

Meanwhile, for international business, the Company has always insisted on promoting the development of innovative products in the international business market and continuously increasing its overseas market promotion efforts. In the first half of 2025, the Company has achieved overseas revenue of RMB40.7 million, a year-on-year increase of 35.3%, and its proportion in the Company's revenue increased to 21.8%. The Company also actively promotes global cooperation with regional industry-leading customers, continues to promote market access and promotion of TPVR and TAVR products in Europe, Latin America, Asia Pacific, the Middle East and other countries, and actively promotes pre-market clinical trials of products in the U.S. and Japan. As of the Reporting Period, the Company sells our products to over 180 medical centers in 63 countries and regions in Europe, the Middle East, Asia-Pacific, North America and Latin America. In the first half of 2025, the Company expanded into 3 new commercialized countries and regions, including New Zealand, India and Hong Kong of the PRC. The Company continues to improve the international market influence of its products, and participated in several reputable international academic conferences in the cardiovascular interventional medicine industry, such as Catheter Interventions in Congenital, Structural and Valvular Heart Disease (CSI), EuroPCR and Association for European Paediatric and Congenital Cardiology (AEPC) Annual Meeting, and 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.

Management Discussion and Analysis

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 report.

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 continue 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 six months ended June 30, 2025 was RMB187.1 million, representing a decrease of 18.9% compared to RMB230.7 million for the six months ended June 30, 2024. The decrease in revenue was mainly due to the decrease in product unit prices which was mainly attributable to the fact that: (i) to respond to fierce market competition, the Company proactively optimized pricing strategy for the core products to balance market share and commercial profits; and (ii) the shift in sales model from direct sales-like model to platform-based sales model also had a certain impact on unit prices of products.

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

Revenue	Six months ended June 30, 2025		Six months ended June 30, 2024	
	RMB'000 (Unaudited)	Proportion	RMB'000 (Unaudited)	Proportion
VenusA series products	138,452	74.0%	191,324	82.9%
VenusP-Valve	43,098	23.0%	38,333	16.6%
Others	5,587	3.0%	1,063	0.5%
Total	187,137	100%	230,720	100%

Cost of Sales

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 six months ended June 30, 2025 was RMB49.1 million, representing an increase of 0.2% compared to RMB49.0 million for the six months ended June 30, 2024. The Group will further enhance profitability by continuously optimizing its cost structure and improving production efficiency.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group decreased by 24.1% from RMB181.7 million for the six months ended June 30, 2024 to RMB138.0 million for the six months ended June 30, 2025. For the six months ended June 30, 2024 and 2025, the Group's gross profit margin was 78.8% and 73.7%, respectively. The above changes are related to the decrease in product unit prices.

Other Income and Gains

The Group's other income and gains for the six months ended June 30, 2025 was RMB31.6 million, representing an increase of 56.4% compared to RMB20.2 million for the six months ended June 30, 2024, which was mainly due to more government project grants received by the Group during the Reporting Period and gains from changes in the fair value of contingent consideration payable recognised in respect of the acquisition of Mitraltch (formerly known as "Cardiovalve").

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended June 30, 2025 was RMB100.5 million, representing a decrease of 23.3% compared to RMB131.0 million for the six months ended June 30, 2024. The Company's selling expense rate decreased to 53.7% for the six months ended June 30, 2025 from 56.8% for the six months ended June 30, 2024. The Company adheres to the "profit-oriented" strategy, adopts cost-cutting and efficiency-enhancing measures, improves overall collaborative efficiency, takes profitability as the goal, continuously integrates internal resources, and enhances its market marginal contribution.

Management Discussion and Analysis

R&D Costs

The Group's R&D costs for the six months ended June 30, 2025 was RMB120.9 million, representing a decrease of 33.1% compared to RMB180.8 million for the six months ended June 30, 2024, primarily attributable to the optimization of production line layout within the Group to reduce costs and increase efficiency.

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

	Six months ended June 30, 2025 RMB'000 (Unaudited)	Six months ended June 30, 2024 RMB'000 (Unaudited)
Staff cost	32,070	60,590
Raw material cost	6,959	23,803
R&D service expenses	17,705	25,527
Intellectual property expenses	4,795	7,274
Clinical trial expenses	16,274	11,887
Depreciation and amortization	35,438	29,845
Others	7,687	21,908
	120,928	180,834

Administrative Expenses

The Group's administrative expenses for the six months ended June 30, 2025 was RMB54.8 million, representing a decrease of 28.5% compared to RMB76.6 million for the six months ended June 30, 2024. These changes were due to the decrease in expenses related to Forensic Investigation in relation to the suspension and resumption of trading during the Reporting Period.

Management Discussion and Analysis

Other Expenses

The Group's other expenses for the six months ended June 30, 2025 was RMB23.8 million, representing an increase of 36.8% compared to RMB17.4 million for the six months ended June 30, 2024. The above changes were due to fair value adjustments to the financial assets.

Impairment of Goodwill and Intangible Assets

The Group did not record impairment on goodwill and intangible assets for the six months ended June 30, 2025.

As at June 30, 2025, the carrying amount of goodwill and other intangible assets of the Group were RMB1.04 billion and RMB0.42 billion, respectively. In preparing the condensed consolidated financial statements for the period ended June 30, 2025, the Company's management reviewed the financial performance of the relevant cash generating unit of the Company, and no material impairment indicator was identified. Thus, the Company's management considered that no impairment of goodwill and other intangible assets was necessary during the six months ended June 30, 2025.

Finance Costs

The Group's finance costs for the six months ended June 30, 2025 was RMB7.2 million, representing a decrease of 26.5% compared to RMB9.8 million for the six months ended June 30, 2024. The above change was due to the decrease in interest expenses as a result of the repayment of bank loans by the Group during the Reporting Period.

Impairment Losses on Financial Assets, Net

The Group's reversal of impairment losses on financial assets, net, for the six months ended June 30, 2025 was RMB1.2 million, representing a change of 50.0% compared to the net reversal of impairment losses on financial assets of RMB0.8 million for the six months ended June 30, 2024. The above change was mainly due to the decrease in the balance of long-term trade receivables and the partial reversal of bad debt provision for trade receivables.

Management Discussion and Analysis

Share of Losses of Associates and Joint Ventures Accounted for under the Equity Method

The Group's share of losses of associates and joint ventures accounted for under the equity method for the six months ended June 30, 2025 was RMB2.3 million, representing an increase in loss of 283.3% as compared to share of losses of associates and joint ventures accounted for under the equity method for the six months ended June 30, 2024 of RMB0.6 million, primarily attributable to the changes in losses recorded by our investees during the Reporting Period.

Income Tax

The Group's income tax credit for the six months ended June 30, 2025 was RMB3.8 million, as compared to income tax credit of RMB4.8 million for the six months ended June 30, 2024. The change in tax credit for the Reporting Period was primarily attributable to the deferred tax recognized in profit or loss relating to fair value adjustment on acquisition of a subsidiary.

Non-IFRS measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided commercialization profit, commercialization profit margin and EBITDA as non-IFRS measures, which are not required by, or presented in accordance with IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

Management Discussion and Analysis

The following table sets out a reconciliation of non-IFRS EBITDA to loss before tax for the periods indicated:

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss before tax	(138,564)	(213,581)
Finance costs	7,172	9,805
Depreciation and amortization	49,368	58,490
Non-IFRS EBITDA¹	(82,024)	(145,286)

The following table sets out a reconciliation of non-IFRS commercialization profit to gross profit for the periods indicated:

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	187,137	230,720
Cost of sales	(49,149)	(48,960)
Gross profit	137,988	181,760
Add/(less):		
Selling and distribution expenses	(100,459)	(130,989)
Other expenses		
Including: charitable donations	(7,166)	(16,640)
Non-IFRS commercialization profit²	30,363	34,131
Non-IFRS commercialization profit margin³	16.2%	14.8%

¹ Non-IFRS EBITDA represents earnings/(loss) before interest, tax, depreciation and amortization.

² Non-IFRS commercialization profit represents gross profit after deducting (i) selling and distribution expenses; and (ii) charitable donations.

³ Non-IFRS commercialization profit margin represents commercialization profit divided by revenue.

These indicators are used to measure the Company's commercialization capability.

Management Discussion and Analysis

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 June 30, 2025 were RMB279.0 million, representing a decrease of 6.4% compared to RMB298.0 million as at December 31, 2024.

We rely on capital contributions by the 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

As at June 30, 2025, the Group's total borrowing, including interest-bearing bank borrowings and other financial liabilities – bridge loan for the convertible bonds, were RMB419.6 million (December 31, 2024: RMB283.0 million). The interest-bearing bank borrowings of the Group are mainly carried with interest charged at floating rates, while other financial liabilities – bridge loan for the convertible bonds are carried with interest charged at a fixed annual rate of 10%. For a breakdown of the interest-bearing bank borrowings of the Group, please refer to Note 13 to the Condensed Consolidated Financial Statements of this report. For details of the convertible bonds, please refer to the announcement of the Company dated March 20, 2025.

The gearing ratio (calculated by dividing the sum of interest-bearing bank borrowings, other financial liabilities – bridge loan for the convertible bonds and lease liabilities by total equity) of the Group as at June 30, 2025 was 23.9% (December 31, 2024: 16.7%).

Management Discussion and Analysis

Net Current Assets

The Group's net current assets, as at June 30, 2025, were RMB329.3 million, representing a decrease of 25.3% compared to net current assets of RMB440.7 million as at December 31, 2024.

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 of June 30, 2025, we did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets.

Material Acquisitions and Disposals

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

Capital Expenditure

For the six months ended June 30, 2025, the Group's total capital expenditure amounted to approximately RMB9.5 million, which was used for (i) purchase of items of property, plant and equipment; and (ii) purchase of other intangible assets.

Management Discussion and Analysis

Indebtedness and Charge on Assets

As of June 30, 2025, the Group had interest-bearing bank borrowings of RMB265.4 million (December 31, 2024: RMB283.0 million). Among them, certain bank loans amounting to RMB265.4 million (December 31, 2024: RMB265.5 million) were secured by mortgages or pledges over our assets. The mortgaged or pledged assets were leasehold lands.

As of June 30, 2025, the Group had other financial liabilities – bridge loan for the convertible bonds of RMB154.2 million (December 31, 2024: nil). Such bridge loan for the convertible bonds were secured by mortgages or pledges over our assets. The mortgaged or pledged assets were Venus-PowerX patents, and the completion of relevant pledge registration had taken place. For details of the convertible bonds, please refer to the section headed “Proposed issue of convertible bonds” in this report and the announcement of the Company dated March 20, 2025.

Saved as disclosed above, as at June 30, 2025, (i) the Company had no other bank loans, convertible loans and borrowings nor did the Company issue any bonds; and (ii) there was no other pledge of the Group’s assets.

Contingent Liabilities

As at June 30, 2025, except for the fair value of contingent consideration payable for acquisition of a subsidiary of the total amount of RMB356.9 million (for details, please refer to the announcement of the Company headed “Discloseable Transaction-Acquisition of Equity Interests in Mitraltech (formerly known as “**Cardiovalve**”) and Subscription of Convertible Loan” dated December 8, 2021), we did not have any contingent liabilities.

Employees and Remuneration Policies

As of June 30, 2025, we had 605 employees in total (June 30, 2024: 778), of whom 524 are stationed in China, and 81 are stationed overseas primarily in the Israel, U.S. and Europe. During the Reporting Period, the total employee benefit expenses of the Group amounted to approximately RMB129.1 million (six months ended June 30, 2024: RMB153.0 million), comprising (i) wages, salaries and bonuses; (ii) social security costs and housing benefits; (iii) employee welfare and (iv) share-based compensation expenses. 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 share incentive schemes to our employees, especially for key employees.

Future Investment Plans and Expected Funding

The Group will continue to expand its heart valve business in markets domestically and globally through organic growth, mergers and acquisitions, with the aim of maximizing shareholder value. To finance relevant capital expenditures, we will fully utilize a combination of financing channels, including but not limited to our own funds, debt financing and equity financing.

Management Discussion and Analysis

III. PROSPECTS

The Company is an innovative medical device corporation focusing on the field of interventional treatment for structural heart diseases. We are committed to promoting technological advancement of innovative medical devices in China to better meet the medical needs of patients.

We strive to develop and expand our product pipeline by fully leveraging our internal independent innovation capabilities and combining them with deep collaboration between industry, academia and research. In the second half of 2025, we will continue to accelerate the clinical progress of our independently developed first self-expanding valve TAVR product, Venus-PowerX, and tricuspid valve replacement product, Cardiovalve, moving towards the next milestone. We expect to complete enrollment of patients in the European pivotal clinical trial for Cardiovalve in the second half of 2025, and will strive to expedite the approval process.

We will be committed to deepening marketing and commercialization, actively responding to our challenges in the Chinese market. We will enhance the capabilities of our commercialization team through internal training and recruitment of talents with relevant expertise. We will take further actions to accelerate the smooth completion of the transformation of the sales promotion model, explore market channels, expand the secondary market, increase market penetration at all levels and promote the sales of the products. Leveraging the expertise of our commercialization team and our in-depth understanding of the Chinese market environment, we will seek various ways to enhance our brand image.

In terms of internationalization, we will continue to integrate overseas market resources, deepen our presence in the European market, further expand into overseas emerging markets, and continuously improve the layout of our global marketing network. We will maintain the momentum of global market expansion and continue to enhance our overseas sales expertise. We will continue to be committed to identifying strategic partners globally and exploring overseas expansion models for our products through collaboration, licensing agreements or joint ventures in a way that further accelerates the global layout.

With our leading R&D pipelines, an increasingly mature global commercialization system and a defined, executable internationalization path, we are confident in delivering safer and more effective treatment options for structural heart disease patients worldwide.

Corporate Governance and Other Information

I. INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended June 30, 2025 to the Shareholders (six months ended June 30, 2024: Nil).

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

As of June 30, 2025, the interests or short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Class of Shares	Capacity	Number of Securities/ Type of Shares Held	Approximate Percentage of Shareholding in the Total Issued Share Capital of the Company (Note 1)	Approximate Percentage of Shareholding in the Relevant Class of Shares (Note 1)
Mr. Liqiao Ma	H Shares	Beneficial owner	37,000/ Long position	0.00%	0.00%
Mr. John Junhua Gu	H Shares	Beneficial owner	553,500/ Long position	0.13%	0.13%

Note:

- (1) The Company has two classes of Shares: H Shares as one class of Shares, Unlisted Foreign Shares as another class of Shares. As at June 30, 2025, the total issued share capital of the Company was 441,011,443 Shares, which comprise 441,010,235 H Shares and 1,208 Unlisted Foreign Shares.

Corporate Governance and Other Information

Save as disclosed above, as at June 30, 2025, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

III. RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

As of June 30, 2025, none of the Directors, Supervisors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing Shares or debentures of the Company. Neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors, Supervisors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other body corporates.

Corporate Governance and Other Information

IV. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As of June 30, 2025, to the knowledge of our Company and the Directors after making reasonable inquiries, the following persons (other than the Directors, Supervisors and chief executive of our Company as disclosed above) have interests or short positions in Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by our Company under Section 336 of the SFO:

Name of Shareholders	Class of Shares	Capacity	Number of securities/ Type of Shares held	Approximate percentage of shareholding in the total share capital of our Company (Note 5)	Approximate percentage of shareholding in the relevant class of shares (Note 5)
Mr. Min Frank Zeng (Note 1)	H Shares	Interest of controlled corporations	33,651,618/ Long position	7.63%	7.63%
Horizon Binjiang LLC (Note 1)	H Shares	Beneficial owner	33,651,618/ Long position	7.63%	7.63%
Mr. Zi (Note 2)	H Shares	Beneficial owner	32,720,498/ Long position	7.42%	7.42%
		Interest of controlled corporations	10,569,132/ Long position	2.40%	2.40%
	Unlisted Foreign Shares	Other	1,208/ Long position	0.00%	100.00%
Qiming Corporate GP III, Ltd. (Note 3)	H Shares	Interest in controlled corporations	57,048,980/ Long position	12.94%	12.94%
Qiming GP III, L.P. (Note 3)	H Shares	Interest in controlled corporations	57,048,980/ Long position	12.94%	12.94%
Qiming Venture Partners III, L.P. (Note 3)	H Shares	Interest in controlled corporations	40,018,283/ Long position	9.07%	9.07%
Ming Zhi Investments Limited (Note 3)	H Shares	Interest in controlled corporations	40,018,283/ Long position	9.07%	9.07%
Ming Zhi Investments (BVI) Limited (Note 3)	H Shares	Beneficial owner	40,018,283/ Long position	9.07%	9.07%
Mr. Haifeng David Liu (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%

Corporate Governance and Other Information

Name of Shareholders	Class of Shares	Capacity	Number of securities/ Type of Shares held	Approximate percentage of shareholding in the total share capital of our Company (Note 5)	Approximate percentage of shareholding in the relevant class of shares (Note 5)
Mr. Julian Juul Wolhardt (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
DCP, Ltd. (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
DCP Partners Limited (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
DCP General Partner, Ltd. (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
DCP Capital Partners, L.P. (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
Red Giant Limited (Note 4)	H Shares	Interest in controlled corporations	24,713,752/ Long position	5.60%	5.60%
Muheng Capital Partners (Hong Kong) Limited (Note 4)	H Shares	Beneficial Owner	24,713,752/ Long position	5.60%	5.60%

Notes:

- (1) Horizon Binjiang LLC, an investment holding company incorporated in California, the United States, owns 33,651,618 H Shares of the Company. Mr. Zeng, as its sole shareholder, is deemed to be interested in the interest owned by Horizon Binjiang LLC under the SFO.
- (2) Mr. Zi beneficially owns 32,720,498 H Shares of the Company. In addition to his direct shareholding, he is also deemed to be interested in 10,569,132 H Shares and 1,208 Unlisted Foreign Shares of the Company through the below intermediaries he controlled under the SFO:
 - Adventure 03 Limited, an investment holding company incorporated in Hong Kong, owns 476,224 H Shares in the Company. Dinova Healthcare Gamma Fund (USD) L.P. (as the sole shareholder of Adventure 03 Limited), Dinova Venture Partners GP III, L.P. (as the general partner of Dinova Healthcare Gamma Fund (USD) L.P.) and Dinova Capital Limited (as the general partner of Dinova Venture Partners GP III, L.P.), Xin Nuo Tong Investment Limited (as the sole shareholder of Dinova Capital Limited) and Mr. Zi (as the sole shareholder of Xin Nuo Tong Investment Limited) are deemed to be interested in the interest owned by Adventure 03 Limited in the Company under the SFO.

Corporate Governance and Other Information

- Dinova Venture Partners GP III, L.P. owns 238,112 H Shares of the Company. Dinova Capital Limited (as the general partner of Dinova Venture Partners GP III, L.P.), Xin Nuo Tong Investment Limited (as the sole shareholder of Dinova Capital Limited) and Mr. Zi (as the sole shareholder of Xin Nuo Tong Investment Limited) are deemed to be interested in the interest owned by Dinova Venture Partners GP III, L.P. in the Company under the SFO.
- Zhejiang Dinova Ruiying Venture Investment L.P. (浙江德諾瑞盈創業投資合夥企業(有限合夥)) (“**Zhejiang Dinova**”), a limited partnership and a venture capital fund holding various portfolios established in the PRC, owns 6,977,955 H Shares of the Company. Zhejiang Dinova Capital Management L.P. (浙江德諾資本管理合夥企業(有限合夥)) (as the general partner of Zhejiang Dinova), Hangzhou Dinova Commercial Information Consulting Ltd. (杭州德諾商務信息諮詢有限公司) (as the general partner of Zhejiang Dinova Capital Management L.P.) and Mr. Zi (as a 40% shareholder of Hangzhou Dinova Commercial Information Consulting Ltd.) are deemed to be interested in the interest owned by Zhejiang Dinova in the Company under the SFO.
- DNA 01 (Hong Kong) Limited, an investment holding company incorporated in Hong Kong, owns 919,805 H Shares of the Company. Dinova Healthcare Delta Fund (USD) L.P. (as the sole shareholder of DNA 01 (Hong Kong) Limited), Dinova Venture Partners GP IV, L.P. (as the general partner of Dinova Healthcare Delta Fund (USD) L.P.), Dinova Venture Capital Limited (as the general partner of Dinova Venture Partners GP IV, L.P.), Xin Nuo Tong Investment Limited (as a 40% shareholder of Dinova Venture Capital Limited) and Mr. Zi (as the sole shareholder of Xin Nuo Tong Investment Limited) are deemed to be interested in the interest owned by DNA 01 (Hong Kong) Limited under the SFO.
- Shenzhen Dinova Ruihe Venture Investment L.P. (深圳市德諾瑞和創業投資合夥企業(有限合夥)) (“**Shenzhen Dinova**”), a limited partnership established in the PRC and a venture capital fund holding various portfolios, owns 1,687,358 H Shares of the Company. Shenzhen Dinova Investment L.P. (深圳市德諾投資合夥企業(有限合夥)) (as the general partner of Shenzhen Dinova), Shenzhen Dinova Investment Consulting Ltd. (as the general partner of Shenzhen Dinova Investment L.P.) and Mr. Zi (as a 66.67% shareholder of Shenzhen Dinova Investment Consulting Ltd.) are deemed to be interested in the interest owned by Shenzhen Dinova.
- Hangzhou Qisheng Investment Partnership (Limited Partnership) (杭州啓勝投資合夥企業(有限合夥)), one of the PRC Employee Entities, owns an aggregate of 269,678 H Shares of the Company. Hangzhou Nuoxin Investment Management Limited (杭州諾心投資管理有限公司) is the general partner of the PRC Employee Entities. Mr. Zi, as the sole shareholder of Hangzhou Nuoxin Investment Management Limited, is deemed to be interested in the interest owned by the PRC Employee Entities under the SFO.
- Mr. Zi holds voting rights of 1,208 Unlisted Foreign Shares of the Company, while Jupiter Holdings Limited and Mercury Holding Limited are entitled to the ownership, dividend rights, disposal rights and other benefits of the above-mentioned Unlisted Foreign Shares of the Company.

Corporate Governance and Other Information

- (3) Qiming Corporate GP III, Ltd. is deemed to be interested in 57,048,980 H Shares of the Company through the below intermediaries it controls under the SFO:
- Ming Zhi Investments (BVI) Limited, an investment holding company incorporated in the British Virgin Islands, owns 40,018,283 H Shares of the Company. For the purpose of the SFO, Ming Zhi Investments Limited (as the sole shareholder of Ming Zhi Investments (BVI) Limited), Qiming Venture Partners III, L.P. (as a 96.94% shareholder of Ming Zhi Investments Limited) and Qiming GP III, L.P. (as the general partner of Qiming Venture Partners III, L.P.) are deemed to be interested in the interest owned by Ming Zhi Investments (BVI) Limited.
 - QM22 (BVI) Limited, an investment holding company incorporated in the British Virgin Islands, owns 17,030,697 H Shares of the Company. For the purpose of the SFO, QM22 Limited (as the sole shareholder of QM22 (BVI) Limited), Qiming Venture Partners III Annex Fund, L.P. (as the sole shareholder of QM22 Limited), Qiming GP III, L.P. (as the general partner of Qiming Venture Partners III Annex Fund, L.P.) and Qiming Corporate GP III, Ltd. (as the general partner of Qiming GP III, L.P.) are deemed to be interested in the interest owned by QM22 (BVI) Limited.
- (4) Muheng Capital Partners (Hong Kong) Limited, a company incorporated in Hong Kong, owns 24,713,752 H Shares of the Company. For the purpose of the SFO, Red Giant Limited (as the sole shareholder of Muheng Capital Partners (Hong Kong) Limited), DCP Capital Partners, L.P. (as the sole shareholder of Red Giant Limited), DCP General Partner, Ltd. (as the general partner of DCP Capital Partners, L.P.), DCP Partners Limited (as the sole shareholder of DCP General Partner, Ltd.), DCP, Ltd. (as the sole shareholder of DCP Partners Limited) and Mr. Haifeng David Liu and Mr. Julian Juul Wolhardt (each as a person holding 50% control of DCP, Ltd.) are deemed to be interested in the interest owned by Muheng Capital Partners (Hong Kong) Limited.
- (5) The Company has two classes of Shares: H Shares as one class of Shares, Unlisted Foreign Shares as another class of Shares. As of June 30, 2025, the total issued share capital of the Company was 441,011,443 Shares, which comprise 441,010,235 H Shares and 1,208 Unlisted Foreign Shares.

Save as disclosed above, as at June 30, 2025, to the best knowledge of the Directors, no other persons (not being Directors, Supervisors and chief executive of our Company) have interests or short positions in Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by our Company under Section 336 of the SFO.

V. ISSUANCE OF SHARES AND UTILIZATION OF PROCEEDS

(i) The Initial Global Offering

The net proceeds received (the “**IPO Proceeds**”) by the Company from its initial global offering (including the full exercise of the over-allotment option) (the “**Initial Global Offering**”) amounted to HK\$2,846.0 million (equivalent to RMB2,558.0 million) (after deducting the underwriting commissions and other estimated expenses in connection with the initial global offering and exercise of the over-allotment option).

For the six months ended June 30, 2025, the Group had used the net proceeds from the Global Offering for the following purposes:

Use of proceeds	Percentage of total net proceeds (in the same proportion as stated in the Prospectus) (%)	Amount of net proceeds for the relevant use (in the same proportion as stated in the Prospectus) (RMB million)	Amount of net proceeds available to be utilized as of January 1, 2025 (RMB million)	Amount of net proceeds utilized during the six months ended June 30, 2025 (RMB million)	Actual amount of proceeds utilized as of June 30, 2025 (RMB million)	Amount of net proceeds available to be utilized as of June 30, 2025 (RMB million)
(A) For our Core Products:	35.00	895.30	–	–	895.30	–
(i) ongoing sales and marketing of VenusA-Valve in China and planned commercialization of VenusA-Valve in other countries	5.00	127.90	–	–	127.90	–
(ii) ongoing and planned R&D and commercial launches of VenusA-Plus	12.00	307.00	–	–	307.00	–
(iii) ongoing and planned R&D and commercial launches of VenusP-Valve	18.00	460.40	–	–	460.40	–

Corporate Governance and Other Information

Use of proceeds	Percentage of total net proceeds (in the same proportion as stated in the Prospectus) (%)	Amount of net proceeds for the relevant use (in the same proportion as stated in the Prospectus) (RMB million)	Amount of net proceeds available to be utilized as of January 1, 2025 (RMB million)	Amount of net proceeds utilized during the six months ended June 30, 2025 (RMB million)	Actual amount of proceeds utilized as of June 30, 2025 (RMB million)	Amount of net proceeds available to be utilized as of June 30, 2025 (RMB million)
(B) Allocated to our other products and product candidates:	30.00	767.40	73.03	–	694.37	73.03
(i) ongoing and planned R&D and marketing of CEP device	17.00	434.90	4.02	–	430.88	4.02
(ii) ongoing and planned R&D of VenusA-Pilot	3.00	76.70	69.01	–	7.69	69.01
(iii) ongoing and planned R&D of mitral valve products	2.00	51.20	–	–	51.20	–
(iv) R&D of tricuspid valve products	2.00	51.20	–	–	51.20	–
(v) ongoing and planned R&D of valvuloplasty balloon products such as V8 and TAV8	2.00	51.20	–	–	51.20	–
(vi) ongoing and planned R&D of other product candidates	4.00	102.20	–	–	102.20	–
(C) Payment of considerations and other transaction expenses related to acquisition of Keystone	10.00	255.80	201.19 <i>Note</i>	–	54.61	– <i>Note</i>
(D) Our continued expansion of product portfolio through internal research and/or potential acquisition	15.00	383.70	–	–	383.70	–
(E) Working capital and other general corporate purposes	10.00	255.80	– <i>Note</i>	201.19 <i>Note</i>	456.99 <i>Note</i>	–
TOTAL	100.00	2,558.00	274.22	201.19	2,484.97	73.03

Note: Reference is made to the announcement of the Company dated January 13, 2025. The unutilized proceeds from the Initial Global Offering of RMB201.19 million which was originally planned to fund the payment of contingent consideration and other transaction expenses related to the acquisition of Keystone have been reallocated for working capital and other general corporate purposes.

Due to strategic adjustments in R&D plan for the pipeline products, the Company is considering reallocating the unutilized proceeds of RMB73.03 million, and will make further announcement regarding any change in the use of proceeds as appropriate.

Saved as disclosed above, the Company intends to use the net proceeds that had not been utilized as of June 30, 2025 in the same manner and proportion as set out in the Prospectus under the section headed “Future Plans and Use of Proceeds”.

(ii) The September 2020 Placing

The net proceeds received by the Company from the placing of an aggregate of 18,500,000 new H Shares in September 2020 (the “**September 2020 Placing**”) were approximately HK\$1,173.0 million (equivalent to RMB1,034.01 million) (after deducting the expenses of the placing). Pursuant to the announcement made by the Company dated March 14, 2022, the Company made the clarification of the intended purposes of the proceeds from the September 2020 Placing.

As of January 1, 2023, the Group had fully utilized the net proceeds from the September 2020 Placing in accordance with the intended purpose.

(iii) The January 2021 Placing

The net proceeds received by the Company from the placing of an aggregate of 18,042,500 new H Shares taken place in January 2021 (the “**January 2021 Placing**”) were approximately HK\$1,427 million (equivalent to RMB1,191.00 million) after deducting the expenses of the placing. Pursuant to the announcement made by the Company on March 14, 2022, the Company changed the use of proceeds from the January 2021 Placing (the “**Changed Use of Proceeds**”).

As of December 31, 2024, the Group had fully utilized the net proceeds from the January 2021 Placing in accordance with the intended purpose and the Changed Use of Proceeds.

Corporate Governance and Other Information

VI. ADVANCE TO AN ENTITY

During the Reporting Period, the Group did not make any advance of loans to any entity which exceeded 8% of the total assets of the Group in accordance with Rule 13.13 of the Listing Rules.

VII. SHARE OPTION SCHEME

As at the date of this report, the Company has only one share scheme, being the Share Option Scheme adopted by the resolutions of the Shareholders passed at an extraordinary general meeting of the Company held on July 12, 2023.

During the period commencing from the Adoption Date up to the date of this report, no grant had been made under the Share Option Scheme. Accordingly, during the Reporting Period, no share options were vested, cancelled, or lapsed under the Share Option Scheme.

As at both of January 1, 2025 and June 30, 2025, the number of options available for grant under the Scheme Limit and the Service Provider Sublimit stood at 44,101,023 H Shares (representing approximately 10% of the total issued H Shares) and 4,410,102 H Shares, respectively.

The number of H Shares that may be issued in respect of options and/or awards granted under all schemes of the Company during the Reporting Period is nil, and the calculation pursuant to Rule 17.07(3) of the Listing Rules is not applicable.

Further, as of the date of this report, the total number of H Shares available for issue under the Share Option Scheme is 44,101,023, representing approximately 10% of the total issued H Shares.

Corporate Governance and Other Information

A summary of the principal terms of the Share Option Scheme is set out below.

Purpose:

The purposes of the Share Option Scheme are:

- (i) to attract, motivate and retain skilled and experienced personnel who are eligible persons to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
- (ii) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
- (iii) to (a) recognize the contributions of the leadership of the Company including the executive Directors, non-executive Directors and/or independent non-executive Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

Duration and remaining life:

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period no further options shall be granted.

As of the date of this report, the remaining life of the Share Option Scheme was approximately eight years.

Corporate Governance and Other Information

Eligible persons:

Any Employee Participant or Service Provider, whom the Board or the scheme administrator consider(s), in their sole discretion, to have contributed or will contribute to the Group.

Exercise price:

Subject to the effect of alterations to share capital as set out in the Share Option Scheme, the exercise price shall be a price determined by the Board (or the scheme administrator) in its sole and absolute discretion and notified to an eligible person, but in any event must be at least the highest of:

- (a) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant;
- (b) the average of the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant; and
- (c) the nominal value of an H Share.

**Vesting and
performance targets:**

Unless otherwise specified in the offer letter approved by the Board or the scheme administrator, all options under the Share Option Scheme shall be vested in a number of tranches. The specific commencement and duration of each vesting period and the actual vesting amount of the options granted to a participant for the respective vesting periods shall be specified in the offer letter approved by the Board or the scheme administrator provided however that the vesting period shall not be less than twelve (12) months, except that any Share Options granted to an Employee Participant may be subject to a shorter vesting period including where: (i) grants of "make whole" Share Options to new Employee Participant to replace options and/or awards that such Employee Participants forfeited when leaving their previous employers; (ii) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure; (iii) grants of Share Options which are subject to fulfillment of performance targets as determined in the conditions of their grant; (iv) grants of Share Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the Share Options would have been granted if not for such administrative or compliance requirements; (v) grants of Share Options with a mixed vesting schedule such that the Share Options vest evenly over a period of twelve (12) months; or (vi) grant of Share Options with a total Vesting Period of more than twelve (12) months, such as where the Share Options may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date.

Corporate Governance and Other Information

The Share Option Scheme does not stipulate that specific performance targets of a participant are required to be achieved. Nevertheless, the Board or the scheme administrator may at its discretion set performance objectives for options under the Share Option Scheme, which will be stated in the offer letter. The performance objectives, if any, must be achieved before the options can be exercised, and shall be assessed in accordance with the stipulated performance measures. The Board or the scheme administrator will carefully assess, on a periodic basis, whether the performance targets are satisfied.

Maximum number of H Shares available for subscription under the Share Option Scheme:

The maximum number of H Shares which may be issued upon exercise of option(s) and vesting of award(s) under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) shall be such number of H Shares which represent 10% of the total number of H Shares as of the date of the Shareholders' approval of the Scheme Limit.

Service Provider Sublimit under the Scheme Limit:

The maximum number of H Shares which may be issued to Service Providers upon exercise of option(s) and vesting of award(s), if any, under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) shall be such number of H Shares which represent 1% of the total number of H Shares in issue as of the date of the Shareholders' approval of the Service Provider Sublimit.

Corporate Governance and Other Information

Maximum entitlement of each eligible participant:

Where any grant of options to a grantee would result in the H Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the Share Option Scheme and any other share scheme adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued H Shares at the relevant time, such grant must be separately approved by Shareholders in a general meeting with such grantee and their close associates (or associates if the grantee is a connected person of the Company) to abstain from voting.

Any grant of options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the options).

Where any grant of options to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the H Shares issued and to be issued in respect of all options and awards granted (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued H Shares at the relevant time, such grant must be separately approved by Shareholders in a general meeting with such grantee and their associates and all core connected persons of the Company to abstain from voting.

Corporate Governance and Other Information

Time of exercise of options:

Each offer of an option shall be in writing made to a participant by letter in such form as the Board or the scheme administrator may from time to time determine at its discretion. The offer letter shall state, among others, the period during which the option may be exercised, which period is to be determined and notified by the Board but shall expire in any event not later than the last day of the scheme period after the date of grant of the option.

Amount payable on application or acceptance of the option:

The Board or the scheme administrator may determine the amount payable (if any) on an application or acceptance of an option and the period(s) within which any such payments must be made, and specify in the offer letter. Unless otherwise set out in the offer letter, a participant shall have 14 business days from the grant date to accept the offer.

VIII. PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

The Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury Shares (as defined under the Listing Rules)) during the Reporting Period.

As of June 30, 2025, there were no treasury Shares (as defined under the Listing Rules) held by the Company.

IX. MODEL CODE FOR SECURITIES TRANSACTIONS

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. 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 Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code. 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 Reporting Period.

X. AUDIT

The 2025 interim financial report of the Company is unaudited. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management, internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made and did not raise any objection to the accounting policy and practices adopted by the Company.

The auditor of the Company, ZHONGHUI ANDA CPA Limited, has reviewed the unaudited condensed consolidated interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

XI. 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. During the Reporting Period, the Company has complied with the mandatory code provisions in the Corporate Governance Code.

XII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group did not have any material litigation or arbitration.

Corporate Governance and Other Information

XIII. CHANGE IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

(i) Change in Directors and Composition of Board Committees

Save as disclosed below, there were no changes in Directors and composition of Board Committees during the Reporting Period:

Ms. Meirong Liu has been appointed as a member of the Nomination Committee with effect from June 27, 2025.

(ii) Change in Supervisors

Save as disclosed below, there were no changes in Supervisors during the Reporting Period:

Ms. Xiaojuan Li and Mr. Wei Chen, the Shareholders' representative Supervisors of the second session of the Supervisory Committee, have retired upon the approval of the appointment of the proposed Shareholders' representative Supervisors at the annual general meeting of the Company held on June 27, 2025 due to other business commitments. Mr. Yixiang Xu and Mr. Jianmin Tao have been appointed as Shareholders' representative Supervisors of the third session of the Supervisory Committee with effect from the same date.

(iii) Change in Biographies of Directors and Supervisors

There has been no change in the information of the Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published 2024 Annual Report.

(iv) Change in Company Secretary and Authorized Representatives

During the Reporting Period, there were no changes in Company Secretary and Authorized Representatives.

XIV. OTHER SIGNIFICANT EVENTS

(1) Resumption of trading

The Group resumed trading in the shares of the Company on the Stock Exchange with effect from March 13, 2025. For details of the fulfillment of the Resumption Guidance, please refer to the announcement of the Company dated March 12, 2025.

(2) Further information in respect of unauthorized loans and pledged deposits

Reference is made to (i) the sections 3 and 4 headed “Unauthorized loans to Jiangsu Wuzhong” and “Unauthorized guarantees to Hangzhou Kuntai” in the announcement of the Company dated February 23, 2024; (ii) the announcement of the Company dated April 16, 2024; (iii) the 2023 Annual Report; (iv) the announcement of the Company dated May 23, 2024; (v) the announcement of the Company dated August 23, 2024; (vi) the announcement of the Company dated November 22, 2024; (vii) the announcement of the Company dated January 13, 2025; and (viii) the announcement of the Company dated March 12, 2025.

Since the obtaining of the arbitration award in favor of the Company’s requests from Hangzhou Arbitration Commission on March 26, 2025, the Company has initiated enforcement procedures in respect of the award in the PRC, Hong Kong and Cayman Islands.

Xin Nuo Tong, the party controlled by Mr. Zi, has opposed enforcement in each of the jurisdictions to set aside the arbitration award, or to stay its enforcement, as applicable. Relatedly, Mr. Zi, Xin Nuo Tong, and Hangzhou Kuntai has initiated a court action in Hong Kong against the Company, Venus Hong Kong, and Hangzhou Qijin (“**Venus Parties**”), seeking to dispute the amounts he owed to the Company relating to the Unauthorized Transactions. The writ of summons has not yet been served on any of the Venus Parties.

Corporate Governance and Other Information

The Company believes that Xin Nuo Tong's applications to resist enforcement of the award and the court action are without merit. The Company will contest Xin Nuo Tong's action in all jurisdictions to vigorously pursue timely enforcement of the arbitration award, and will defend the frivolous Hong Kong action brought by Mr. Zi, Xin Nuo Tong, and Hangzhou Kuntai.

As of the date of this report, the unauthorized loan of RMB80,000,000 to Jiangsu Wuzhong has not been repaid.

(3) Proposed issue of convertible bonds

On March 20, 2025, the Company entered into the subscription agreement and the convertible bonds framework agreement with Hangzhou Yingzhiqin No. 2 Venture Capital Partnership (Limited Partnership)* (杭州盈智勤貳號創業投資合夥企業(有限合伙)) ("**Subscriber**") regarding the issuance of convertible bonds with an aggregate principal amount not exceeding RMB200,000,000, which may be converted into the Company's H shares upon maturity. Pursuant to the convertible bonds framework agreement, the Company has received the first installment of the bridge loan of RMB150,000,000 on March 21, 2025. As of June 30, 2025, the Subscriber has not yet provided the second installment of the bridge loan of RMB50,000,000. The bridge loan bears interest at a rate of 10% per annum. The proceeds from the convertible bonds will only be used for the Company's business operations in the PRC. With the consent of the Subscriber, the Company may also use the proceeds for business operations outside of the PRC.

Pursuant to the convertible bonds framework agreement, conditional upon the Subscriber completing the filing for overseas direct investment (ODI) procedures and notifying the Company, the Company will repay the domestic bridge loan to enable the Subscriber to complete the subscription of the convertible bonds convertible into the Company's H Shares. The maturity date of the convertible bonds is March 15, 2026. The issuer, may at its option, apply for an extension of the bonds for a period of 6 months to 1 year upon the maturity date, subject to obtaining the relevant consent from the Subscriber and completing the registration and filing obligations with the National Development and Reform Commission of the PRC.

Corporate Governance and Other Information

The initial conversion price of the convertible bonds is HK\$4.50 per Share. The conversion price may be adjusted in accordance with the agreed mechanism.

The completion of issuance and subscription of the convertible bonds are subject to the fulfillment and/or waiver of the conditions precedent set forth in the subscription agreement. For further details, please refer to the announcement of the Company dated March 20, 2025.

As of the date of this report, the conditions precedent set forth in the subscription agreement have not yet been fulfilled.

XV. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Company is not aware of any material subsequent events from June 30, 2025 to the date of this report.

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

Hangzhou, PRC, August 28, 2025

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF VENUS MEDTECH (HANGZHOU) INC.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Venus Medtech (Hangzhou) Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 52 to 88 which comprises the condensed consolidated statement of financial position as at 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

Report on Review of Condensed Consolidated Financial Statements

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance IAS 34.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Lee Chi Sum

Audit Engagement Director

Practising Certificate Number P08391

Hong Kong, 28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	187,137	230,720
Cost of sales		(49,149)	(48,960)
Gross profit		137,988	181,760
Other income and gains		31,601	20,176
Selling and distribution expenses		(100,459)	(130,989)
Research and development costs		(120,928)	(180,834)
Administrative expenses		(54,785)	(76,575)
Other expenses		(23,782)	(17,437)
Finance costs		(7,172)	(9,805)
Impairment losses reversed on financial assets, net		1,238	764
Share of losses of a joint venture and associates		(2,265)	(641)
LOSS BEFORE TAX	6	(138,564)	(213,581)
Income tax credit	7	3,792	4,756
LOSS FOR THE PERIOD		(134,772)	(208,825)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months ended 30 June 2025

		For the six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(10,060)	11,576
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(144,832)	(197,249)
Loss attributable to:			
Owners of the parent		(134,772)	(206,487)
Non-controlling interests		–	(2,338)
		(134,772)	(208,825)
Total comprehensive loss attributable to:			
Owners of the parent		(144,832)	(195,123)
Non-controlling interests		–	(2,126)
		(144,832)	(197,249)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	9	(0.31)	(0.47)

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	400,803	405,372
Right-of-use assets		100,638	116,738
Goodwill		1,035,331	1,039,641
Other intangible assets		419,142	439,718
Investment in a joint venture		3,725	3,740
Investments in associates		55,890	58,390
Deferred tax assets		28,411	24,471
Financial assets at fair value through profit or loss		336,453	352,461
Prepayments, other receivables and other assets		7,000	6,759
Total non-current assets		2,387,393	2,447,290
CURRENT ASSETS			
Inventories		104,166	98,061
Trade receivables	11	137,529	198,567
Prepayments, other receivables and other assets		72,313	70,582
Loans to former directors and a former director's controlled entity	17(b)	109,767	108,567
Pledged deposit		15,541	21,001
Short-term bank deposit		14,311	7,666
Cash and cash equivalents		278,995	298,036
Total current assets		732,622	802,480
CURRENT LIABILITIES			
Trade payables	12	22,417	30,229
Lease liabilities		40,731	38,591
Other payables and accruals		174,387	272,144
Interest-bearing bank borrowings	13	6,982	17,518
Other financial liabilities – convertible bond bridge loan	14	154,151	–
Government grants		2,390	2,560
Contract liabilities		2,264	649
Tax payable		–	58
Total current liabilities		403,322	361,749

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NET CURRENT ASSETS		329,300	440,731
TOTAL ASSETS LESS CURRENT LIABILITIES		2,716,693	2,888,021
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	13	258,439	265,455
Other payables and accruals		356,871	363,942
Lease liabilities		33,286	47,525
Government grants		1,830	–
Total non-current liabilities		650,426	676,922
Net assets		2,066,267	2,211,099
EQUITY			
Share capital	15	441,012	441,012
Reserves		1,625,255	1,770,087
Total equity		2,066,267	2,211,099

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2025

	Share capital RMB'000	Treasury shares* RMB'000	Share premium* RMB'000	Other reserves* RMB'000	Fair value reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2025 (audited)	441,012	(72,548)	5,112,276	270,539	(44,485)	100,424	(3,596,119)	2,211,099
Loss for the period (unaudited)	-	-	-	-	-	-	(134,772)	(134,772)
Other comprehensive income for the period:								
Exchange differences related to foreign operations (unaudited)	-	-	-	-	-	(10,060)	-	(10,060)
Total comprehensive loss for the period (unaudited)	-	-	-	-	-	(10,060)	(134,772)	(144,832)
At 30 June 2025 (unaudited)	441,012	(72,548)	5,112,276	270,539	(44,485)	90,364	(3,730,891)	2,066,267

* These reserve accounts comprise the consolidated reserves of RMB1,625,255,000 (31 December 2024: RMB1,770,087,000) in the condensed consolidated statement of financial position as at 30 June 2025.

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital	Treasury shares*	Share premium*	Other reserves*	Fair value reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	441,012	(72,548)	5,112,276	270,539	(28,478)	79,659	(2,881,812)	2,920,648	(1,302)	2,919,346
Loss for the period (unaudited)	-	-	-	-	-	-	(206,487)	(206,487)	(2,338)	(208,825)
Other comprehensive income for the period:										
Exchange differences related to foreign operations (unaudited)	-	-	-	-	-	11,364	-	11,364	212	11,576
Total comprehensive loss for the period (unaudited)	-	-	-	-	-	11,364	(206,487)	(195,123)	(2,126)	(197,249)
At 30 June 2024 (unaudited)	441,012	(72,548)	5,112,276	270,539	(28,478)	91,023	(3,088,299)	2,725,525	(3,428)	2,722,097

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(138,564)	(213,581)
Adjustments for:			
Finance costs		7,172	9,805
Interest income		(2,800)	(4,617)
Fair value adjustments of contingent considerations		(5,534)	–
Impairment losses reversed on financial assets, net	6	(1,238)	(764)
Loss on termination of a lease		–	111
Depreciation of items of property, plant and equipment		12,092	18,206
Depreciation of right-of-use assets		16,603	15,329
Amortisation of other intangible assets		20,673	24,955
Loss/(gain) on disposal of items of property, plant and equipment, net	6	139	(3)
(Reversal of write-down)/write-down of inventories to net realisable value	6	(3,480)	23
Fair value gains, net:			
Financial assets at fair value through profit or loss – mandatorily classified as such		14,748	–
Share of losses of a joint venture and associates		2,265	641
Foreign exchange differences, net		856	(3,643)
Operating cash flows before movements in working capital		(77,068)	(153,538)
Change in inventories		(2,625)	(10,764)
Change in trade receivables		61,992	16,522
Change in prepayments, other receivables and other assets		(1,047)	16,780
Change in pledged time deposits		5,395	202,219
Change in trade payables		(7,812)	6,285
Change in other payables and accruals		(94,207)	29,034
Change in contract liabilities		1,615	(27,860)
Change in government grants		1,660	(340)

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash (used in)/generated from operations	(112,097)	78,338
Interest received	–	3,487
Net income tax (paid)/refund	(315)	423
Net cash flows (used in)/from operating activities	(112,412)	82,248
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(9,368)	(43,558)
Purchases of other intangible assets	(117)	(2,684)
(Placement)/withdrawal of bank deposits with original maturity over three months	(6,679)	7,240
Interest received	1,600	1,129
Proceeds from disposal of items of property, plant and equipment	154	747
Net cash flows used in investing activities	(14,410)	(37,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(47,500)	(389,834)
Principal portion of lease payments	(11,840)	(17,441)
Interest paid	(4,734)	(9,322)
Interest portion of lease payments	(2,490)	(905)
Proceeds from other financial liabilities – convertible bond bridge loan	150,000	–
Proceeds from bank borrowings	30,000	79,528
Net cash flows from/(used in) financing activities	113,436	(337,974)

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,386)	(292,852)
Cash and cash equivalents at beginning of period	298,036	774,396
Effect of foreign exchange rate changes, net	(5,655)	4,299
CASH AND CASH EQUIVALENTS AT END OF PERIOD	278,995	485,843
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	278,995	465,337
Non-pledged time deposits	–	20,506
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	278,995	485,843

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

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 six months ended 30 June 2025, the Company and its subsidiaries (the “**Group**”) were principally engaged in the research and development, and the manufacturing and sale of bioprosthetic heart valves.

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

2. BASIS OF PREPARATION

The condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting. The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The International Accounting Standards Board has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in the interim financial report. IFRS Accounting Standards comprise International Financial Reporting Standards, IAS and Interpretations. The Group has not applied any new IFRS Accounting Standards that is not yet effective for the current accounting period. The directors of the Company (the “**Directors**”) anticipated that the application of these new IFRS Accounting Standards will have no material impact on the interim financial report.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PRC	146,419	200,620
Others	40,718	30,100
Total	187,137	230,720

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

(b) Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
PRC	484,118	496,239
Israel	1,458,377	1,489,533
Hong Kong	55,890	58,390
United States of America ("USA")	22,529	24,495
Netherlands ("NL")	518	460
Total	2,021,432	2,069,117

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

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of medical devices	187,137	230,720

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Geographical markets		
PRC	146,419	200,620
Other countries/regions	40,718	30,100
Total revenue from contracts with customers	187,137	230,720
Timing of revenue recognition		
Goods transferred at a point in time	187,137	230,720

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold	49,149	48,960
Reversal of impairment of trade receivables	(1,055)	(727)
Reversal of impairment of other receivables	(183)	(37)
(Reversal of write-down)/write-down of inventories to net realisable value	(3,480)	23
Loss/(gain) on disposal of items of property, plant and equipment, net	139	(3)
Foreign exchange differences, net	856	(3,643)

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 period (six months ended 30 June 2024: 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 periods with annual taxable income eligible for 75% reduction.

Israel

Pursuant to the relevant tax laws of Israel, the corporate income tax was levied at 23% (six months ended 30 June 2024: 23%) on the taxable income arising in Israel.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

7. INCOME TAX (Continued)

USA

Pursuant to the relevant tax laws of the USA, federal corporation income tax was levied at the rate of 21% (six months ended 30 June 2024: 21%) on the taxable income arising in the USA.

NL

Pursuant to the relevant tax laws of the NL, the corporate income tax was levied at the rate of up to 19% (six months ended 30 June 2024: up to 19%) on the taxable income arising in the NL.

Germany

Pursuant to the relevant tax laws of Germany, the corporate income tax was levied at 16% (six months ended 30 June 2024: N/A) on the taxable income arising in Germany during the year.

The income tax (credit)/expense of the Group during the periods is analysed as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current – PRC		
Charge for the period	77	283
Current – Israel		
Charge/(credit) for the period	22	(128)
Current – USA		
Charge for the period	–	6
Current – NL		
Charge/(credit) for the period	158	(295)
Deferred tax	(4,049)	(4,622)
	(3,792)	(4,756)

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

8. DIVIDEND

The Board does not recommend the payment of any dividend in respect for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 437,897,443 (six months ended 30 June 2024: 437,897,443) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

The calculation of basic loss per share is based on:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent	134,772	206,487

	Number of shares For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Shares		
Weighted average number of shares in issue during the period	437,897,443	437,897,443

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at beginning of period/year	405,372	543,372
Additions	9,368	38,951
Deconsolidation of subsidiaries	–	(11,888)
Depreciation provided during the period/year	(12,092)	(24,672)
Disposals	(293)	(14,704)
Transfer	(1,542)	–
Impairment during the period/year	–	(125,960)
Exchange realignment	(10)	273
Carrying amount at end of period/year	400,803	405,372

11. TRADE RECEIVABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	80,932	144,726
7 to 12 months	35,459	28,956
1 to 2 years	14,910	20,522
Over 2 years	6,228	4,363
	137,529	198,567

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

12. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	20,212	27,496
3 to 6 months	296	1,573
6 to 12 months	1,714	725
Over 12 months	195	435
	22,417	30,229

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

13. INTEREST-BEARING BANK BORROWINGS

	Effective Interest rate (%)	Maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current				
Floating interest rate:				
Bank loans – unsecured	1-year LPR plus 0.25%	2025	–	17,518
Bank loans – secured (note (a))	5-year LPR minus 0.10%	2026	3,585	–
Bank loans – secured (note (b))	5-year LPR minus 0.15%	2026	3,397	–
			6,982	17,518
Non-current				
Floating interest rate:				
Bank loans – secured (note (a))	5-year LPR minus 0.10%	2026-2036	177,301	180,909
Bank loans – secured (note (b))	5-year LPR minus 0.15%	2026-2037	81,138	84,546
			258,439	265,455
			265,421	282,973

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

13. INTEREST-BEARING BANK BORROWINGS (Continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	6,982	17,518
In the second year	15,160	13,965
In the third to fifth years, inclusive	56,236	56,236
Over five years	187,043	195,254
	265,421	282,973

Notes:

- (a) The bank loan of RMB180,886,000 (31 December 2024: RMB180,909,000) is secured by mortgage over the Group's leasehold land, which had a net carrying value at the end of the reporting period of approximately RMB28,270,000 (31 December 2024: RMB28,575,000).
- (b) The bank loan of RMB84,535,000 (31 December 2024: RMB84,546,000) is secured by mortgage over the Group's leasehold land, which had a net carrying value at the end of the reporting period of approximately RMB11,937,000 (31 December 2024: RMB12,066,000).

14. OTHER FINANCIAL LIABILITIES – CONVERTIBLE BOND BRIDGE LOAN

On 20 March 2025, the Company entered into a framework agreement with Hangzhou Yingzhiqin No. 2 Venture Capital Partnership (Limited Partnership). Pursuant to this framework agreement, the Company received the first installment of a bridge loan amounting to RMB150,000,000 on 21 March 2025. This loan bears interest at 10% per annum.

Please refer to the announcement of the Company dated 20 March 2025 for further details.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

15. SHARE CAPITAL

	Number of shares	RMB'000
Issued and fully paid:		
Ordinary shares of RMB1.00 each		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	441,011,443	441,012

As at 30 June 2025, the Company had outstanding treasury shares of 3,114,000 (31 December 2024: 3,114,000) shares.

16. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Purchases of items of property, plant and equipment	314	2,015
Purchases of other intangible assets	291	8
	605	2,023

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

17. RELATED PARTY TRANSACTIONS

Name	Relationship with the Company
Mr. Zhenjun Zi	Shareholder and former director
Xin Nuo Tong Investment Limited ("Xin Nuo Tong")	A former director's controlled entity

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest from loans to:		
Mr. Zhenjun Zi	–	1,129
Xin Nuo Tong	1,200	–
	1,200	1,129

(b) The Group had following outstanding balances with related parties:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Loans to former directors and a former director's controlled entity:		
Mr. Zhenjun Zi	23,767	23,767
Xin Nuo Tong	86,000	84,800
	109,767	108,567

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

17. RELATED PARTY TRANSACTIONS (Continued)

Pursuant to the repayment agreement entered into amongst the Group, Mr. Zi, Xin Nuo Tong (a company wholly owned by Mr. Zi), Tianjin Qizhang Economic Information Consulting Partnership (Limited Partnership) ("**Tianjin Qizhang**") (天津啟彰經濟信息諮詢合夥企業(有限合夥)) and Mr. Haiyue Ma ("**Mr. Ma**"), the loans to Jiangsu Wuzhong amounting to RMB80,000,000 and bearing interest at 3% per annum shall be repaid jointly and severally by Xin Nuo Tong, Tianjin Qizhang and Mr. Ma.

During the year ended 31 December 2023, pursuant to the repayment agreement entered into amongst the Company, its subsidiaries, and Mr. Zi, Mr. Zi agreed to take full responsibility for and voluntarily repay the outstanding amount and the relevant interest receivables in respect of the loans to the former directors and a former director's controlled entity, including: (i) interest receivables arising from the loans to former directors; and (ii) exchange differences arising from certain foreign currency loans, all of which will be repaid by Mr. Zi.

The outstanding interest on the loans provided to the former directors and exchange differences are unsecured. The Company has frozen the domestic properties of the directors through the court order, subject to repayment on demand.

During the year ended 31 December 2024, pursuant to the repayment agreement entered into amongst the Group, Mr. Zi, Xin Nuo Tong, Tianjin Qizhang and Mr. Ma the debt obligation regarding the loan to Jiangsu Wuzhong, amounting to RMB80,000,000 and bearing interest at 3% per annum, shall be repaid jointly and severally by Xin Nuo Tong, Tianjin Qizhang and Mr. Ma. As security for the loan, Mr. Zi and Xin Nuo Tong agreed to pledge certain equity interests in external investments held by Xin Nuo Tong. As at 30 June 2025, interest receivables arising from the loan to a former director and exchange differences arising from certain foreign currency loans amounting to RMB23,767,000 were repayable on demand.

As at 30 June 2025, the loan to a former director's controlled entity, including the accrued interests, amounted to RMB86,000,000 bears interest at 3% per annum, is secured by certain equity interests in external investments held by Xin Nuo Tong and further guaranteed by Tianjin Qizhang and Mr. Ma and repayable on demand.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

17. RELATED PARTY TRANSACTIONS (Continued)

Based on the valuation of certain equity interests in external investments held by Xin Nuo Tong performed by an independent qualified valuer, Hangzhou PG Advisory Co., Ltd, the Group considers that the fair value of the collateral exceeds the carrying amount of the loan to the former director's controlled entity. Management has assessed the credit risk and determined that no impairment is required.

Since the obtaining of the arbitration award in favor of the Company's requests from Hangzhou Arbitration Commission on March 26, 2025, the Company has initiated enforcement procedures in respect of the award in the PRC, Hong Kong and Cayman Islands. Xin Nuo Tong, the party controlled by Mr. Zi, has opposed enforcement in each of the jurisdictions to set aside the arbitration award, or to stay its enforcement, as applicable. Relatedly, Mr. Zi, Xin Nuo Tong, and Hangzhou Kuntai has initiated a court action in Hong Kong against the Company, Venus Hong Kong, and Hangzhou Qijin ("**Venus Parties**"), seeking to dispute the amounts he owed to the Company relating to the Unauthorized Transactions. The writ of summons has not yet been served on any of the Venus Parties.

The Company believes that Xin Nuo Tong's applications to resist enforcement of the award and the court action are without merit. The Company will contest Xin Nuo Tong's action in all jurisdictions to vigorously pursue timely enforcement the arbitration award, and will defend the frivolous Hong Kong action brought by Mr. Zi, Xin Nuo Tong, and Hangzhou Kuntai.

- (c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, bonuses, allowances and benefits in kind	4,607	4,166
Pension scheme contributions	181	107
Total compensation paid to key management personnel	4,788	4,273

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

18. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

At 30 June 2025

Financial assets

		Financial assets at fair value through profit or loss	
	Financial assets at amortised cost RMB'000 (Unaudited)	Mandatorily classified as such RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Loans to former directors and a former director's controlled entity	109,767	–	109,767
Financial assets at fair value through profit or loss	–	336,453	336,453
Trade receivables	137,529	–	137,529
Financial assets included in prepayments, other receivables and other assets	24,115	–	24,115
Pledged deposits	15,541	–	15,541
Short-term bank deposit	14,311	–	14,311
Cash and cash equivalents	278,995	–	278,995
	580,258	336,453	916,711

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

18. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

At 30 June 2025 (Continued)

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000 (Unaudited)	Financial liabilities at amortised cost RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade payables	–	22,417	22,417
Financial liabilities included in other payables and accruals	–	140,639	140,639
Other financial liabilities – convertible bond bridge loan	–	154,151	154,151
Interest-bearing bank borrowings	–	265,421	265,421
Contingent consideration payables	356,871	–	356,871
	356,871	582,628	939,499

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

18. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

At 31 December 2024

Financial assets

		Financial assets at fair value through profit or loss	
	Financial assets at amortised cost RMB'000 (Audited)	Mandatorily classified as such RMB'000 (Audited)	Total RMB'000 (Audited)
Loans to former directors and a former director's controlled entity	108,567	–	108,567
Financial assets at fair value through profit or loss	–	352,461	352,461
Trade receivables	198,567	–	198,567
Financial assets included in prepayments, other receivables and other assets	25,222	–	25,222
Pledged deposits	21,001	–	21,001
Short-term bank deposit	7,666	–	7,666
Cash and cash equivalents	298,036	–	298,036
	659,059	352,461	1,011,520

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

18. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

At 31 December 2024 (Continued)

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000 (Audited)	Financial liabilities at amortised cost RMB'000 (Audited)	Total RMB'000 (Audited)
Trade payables	–	30,229	30,229
Financial liabilities included in other payables and accruals	–	219,736	219,736
Interest-bearing bank borrowings	–	282,973	282,973
Contingent consideration payables	363,942	–	363,942
	363,942	532,938	896,880

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values. Management has assessed that the fair values of cash and cash equivalents, pledged deposits, current portion of financial assets included in prepayments, other receivables and other assets, loan from former directors, trade receivables, current portion of interest-bearing bank borrowings, trade payables and current portion of financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

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

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, non-current portion of interest-bearing bank borrowings and non-current portion of financial liabilities included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group has also invested in unlisted debt investments which fair value is determined on a recent transaction valuation. The Group classifies the fair value of these investments as Level 2.

For Level 3 financial assets, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the scenario analysis for unlisted debt investments, the probability-weighted expected return method for unlisted debt investments, and market method for an unlisted debt investment and an unlisted equity investment. The fair value measurement of these financial instruments may involve unobservable inputs such as the risk-free rate, discount rate, equity volatility, discount for lack of marketability ("**DL**OM"), Probability of IPO and P/R&D. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

The fair values of the contingent consideration payables were determined using the discounted cash flow method and are within Level 3 fair value measurement.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant. All the carrying amounts of the Group's non-current portion of interest-bearing bank borrowings approximate to their fair values.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024:

30 June 2025

	Valuation technique (Unaudited)	Significant unobservable inputs (Unaudited)	Range (weighted average) (Unaudited)	Relationship of fair value to the input (Unaudited)
Financial assets at fair value through profit or loss	Scenario analysis	Risk-free rate	4.03%-4.29%	The higher the risk-free rate, the lower the fair value.
		Discount rate	19.62%-19.73%	The higher the discount rate, the lower the fair value.
Financial assets at fair value through profit or loss	Market method	Risk-free rate	4.38%	The higher the risk-free rate, the lower the fair value.
		Equity volatility	41.53%	The higher the equity volatility, the lower the fair value.
		DLOM	19.53%	The higher the DLOM, the lower the fair value.
		Probability of IPO	20.00%	The higher the probability of IPO, the lower the fair value.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024: (Continued)

30 June 2025 (Continued)

	Valuation technique (Unaudited)	Significant unobservable inputs (Unaudited)	Range (weighted average) (Unaudited)	Relationship of fair value to the input (Unaudited)
Financial assets at fair value through profit or loss	Discounted cash flow method	Risk-free rate	3.92%	The higher the risk-free rate, the lower the fair value.
		Equity volatility	43.40%	The higher the equity volatility, the lower the fair value.
		DLOM	5.80%	The higher the DLOM, the lower the fair value.
		Probability of IPO	30.00%	The higher the probability of IPO, the lower the fair value.
Contingent consideration payables	Discounted cash flow method	Discount rate	21.00%	The higher the discount rate, the lower the fair value.
		Discount for own non-performance risk for Milestone 1	20.00%	The higher the discount risk, the lower the fair value.
		Discount for own non-performance risk for Milestone 2	25.00%	The higher the discount risk, the lower the fair value.
		Discount for own non-performance risk for Milestone 3	25.00%	The higher the discount risk, the lower the fair value.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024: (Continued)

31 December 2024

	Valuation technique (Audited)	Significant unobservable inputs (Audited)	Range (weighted average) (Audited)	Relationship of fair value to the input (Audited)
Financial assets at fair value through profit or loss	Scenario analysis	Risk-free rate	4.20%-4.21%	The higher the risk-free rate, the lower the fair value.
		Discount rate	11.44%-11.59%	The higher the discount rate, the lower the fair value.
Financial assets at fair value through profit or loss	Market method	Risk-free rate	4.38%	The higher the risk-free rate, the lower the fair value.
		Equity volatility	41.53%	The higher the equity volatility, the lower the fair value.
		DLOM	19.53%	The higher the DLOM, the lower the fair value.
		Probability of IPO	20.00%	The higher the probability of IPO, the lower the fair value.
Financial assets at fair value through profit or loss	Market method	Risk-free rate	4.38%	The higher the risk-free rate, the lower the fair value.
		Equity volatility	69.58%	The higher the equity volatility, the lower the fair value.
		DLOM	22.02%	The higher the DLOM, the lower the fair value.
		Probability of IPO	20.00%	The higher the probability of IPO, the lower the fair value.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024: (Continued)

31 December 2024 (Continued)

	Valuation technique (Audited)	Significant unobservable inputs (Audited)	Range (weighted average) (Audited)	Relationship of fair value to the input (Audited)
Financial assets at fair value through profit or loss	Discounted cash flow method	Risk-free rate	4.22%	The higher the risk-free rate, the lower the fair value.
		Equity volatility	39.97%	The higher the equity volatility, the lower the fair value.
		DLOM	4.83%	The higher the DLOM, the lower the fair value.
		Probability of IPO	30.00%	The higher the probability of IPO, the lower the fair value.
Contingent consideration payables	Discounted cash flow method	Discount rate	21.00%	The higher the discount rate, the lower the fair value.
		Discount for own non-performance risk for Milestone 1	20.00%	The higher the discount risk, the lower the fair value.
		Discount for own non-performance risk for Milestone 2	25.00%	The higher the discount risk, the lower the fair value.
		Discount for own non-performance risk for Milestone 3	25.00%	The higher the discount risk, the lower the fair value.

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

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

Assets measured at fair value:

At 30 June 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted price in active market (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial assets at fair value through profit or loss – Unlisted debt/equity investments	–	118,460	217,993	336,453

At 31 December 2024

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted price in active market (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets at fair value through profit or loss – Unlisted debt/equity investments	–	130,792	221,669	352,461

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Financial assets at fair value through profit or loss:		
At beginning of period	221,669	301,298
Exchange realignment	(457)	1,782
Total losses recognised in profit or loss included in other expense [#]	(3,219)	(81,411)
At end of period	217,993	221,669
[#] Include losses for assets held at the end of reporting period	(3,219)	(81,411)
Financial assets at fair value through other comprehensive income:		
At beginning of period	–	16,269
Exchange realignment	–	90
Total losses recognised in other comprehensive loss	–	(16,359)
At end of period	–	–

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

At 30 June 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted price in active market (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Contingent consideration payables	–	–	356,871	356,871

At 31 December 2024

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted price in active market (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Contingent consideration payables	–	–	363,942	363,942

Notes to Condensed Consolidated Financial Statements

For the Six Months ended 30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

As part of the share purchase agreements, portions of the consideration for business combination were determined to be contingent. The movement of the fair value of contingent consideration payables is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	363,942	325,996
Fair value changes [#]	(5,534)	32,774
Exchange realignment	(1,537)	5,172
At end of period/year	356,871	363,942
[#] Include (gains)/losses for liabilities held at the end of reporting period	(5,534)	32,774

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (six months ended 30 June 2024: nil).

During the period, there were no transfers into or out of Level 3 for financial assets and financial liabilities (six months ended 30 June 2024: nil).

Definitions

"2024 Annual Report"	the annual report of the Company for the year ended December 31, 2024
"Adoption Date"	July 12, 2023, being the date on which the adoption of the Share Option Scheme was approved by the Shareholders
"ANVISA"	Brazil's National Health Surveillance Agency
"AS"	Aortic Stenosis
"Audit Committee"	the audit committee of the Board
"BGMP"	Brazil Good Manufacture Practice
"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 certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CE MDR Marking"	a mark of CE MDR
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
"Company" or "our 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)
"Core Product(s)"	VenusA-Valve, VenusA-Plus and VenusP-Valve, the designated "core product" as defined under Chapter 18A of the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules

Definitions

"Director(s)"	the director(s) of the Company
"Employee Participant"	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and any person who are granted options as an inducement to enter into employment contracts with the Company or any of its subsidiaries (including nominees and/or trustees of any employee benefit trust established for them)
"EU"	the European Union
"FDA"	U.S. Food and Drug Administration
"Forensic Investigation"	has the meaning ascribed to it in the forensic investigation 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" or "we/our/us"	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
"Hangzhou Kuntai"	Hangzhou Kuntai Biotechnology Co., Ltd., a company controlled by Mr. Zi
"Hangzhou Qijin"	Hangzhou Qijin Equity Investment Co., Ltd., a wholly-owned subsidiary of the Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IDE"	Investigation Device Exemption

"IFRS"	International Financial Reporting Standards
"Jiangsu Wuzhong"	Jiangsu Wuzhong Real Estate Group Co., Ltd.
"Listing Rules"	the Rules governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the Main Board of the Stock Exchange
"MDR"	Regulation (EU) 2017/745
"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
"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)
"Nomination Committee"	the nomination committee of the Board
"PI"	principle investigator
"PRC Employee Entities"	Hangzhou Qichu Investment Partnership (Limited Partnership) (杭州啓初投資合夥企業(有限合夥)), Hangzhou Mingnuo Investment Partnership (Limited Partnership) (杭州明諾投資合夥企業(有限合夥)), Hangzhou Qifei Investment Partnership (Limited Partnership) (杭州啓非投資合夥企業(有限合夥)), Hangzhou Qihe Investment Partnership (Limited Partnership) (杭州啓和投資合夥企業(有限合夥)), Hangzhou Qilai Investment Partnership (Limited Partnership) (杭州啓來投資合夥企業(有限合夥)), Hangzhou Qili Investment Partnership (Limited Partnership) (杭州啓立投資合夥企業(有限合夥)), Hangzhou Qinuo Investment Partnership (Limited Partnership) (杭州啓諾投資合夥企業(有限合夥)), Hangzhou Qisheng Investment Partnership (Limited Partnership) (杭州啓勝投資合夥企業(有限合夥)) and Hangzhou Qixin Investment Partnership (Limited Partnership) (杭州啓心投資合夥企業(有限合夥)), the beneficial interests of which are offered to certain key employees of the Company pursuant to the the employee incentive scheme of our Company approved and adopted by our Board on March 10, 2017

Definitions

"Prospectus"	the prospectus published by the Company on November 28, 2019 in relation to its Hong Kong public offering
"R&D"	research and development
"Reporting Period"	the six months period from January 1, 2025 to June 30, 2025
"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 pulmonary artery
"RVOTD"	the dysfunction of RVOT
"Scheme Limit"	the maximum limit on the number of H Shares which may be issued upon exercise of option(s) and vesting of award(s), if any, under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), which must not exceed 10% of the total number of issued H Shares as at the date of the Shareholders' approval of the Scheme Limit
"Service Providers"	any advisor and consultant (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group that are in the interests of the long-term growth of the Group
"Service Provider Sublimit"	a sublimit under the Scheme Limit on the number of H Shares which may be issued to Service Providers upon exercise of option(s) and vesting of award(s), if any, under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), which must not exceed 1% of the total number of H Shares in issue as at the date of the Shareholders' approval of the Service Provider Sublimit

"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)" or "share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each
"Share Option Scheme"	the H Share option scheme of the Company adopted on June 30, 2023, the principal terms of which are set out in Appendix I to the circular of the Company on June 21, 2023 and the sub-section headed "Share Option Scheme" in this report
"Shareholder(s)"	holder(s) of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Target Company"	Mitraltech Holdings Ltd., a private company incorporated under the laws of Israel
"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 open-chest 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
"TPVR"	transcatheter pulmonary valve replacement, a catheter-based technique to implant a new pulmonary 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

Definitions

“Unauthorized Transactions”	has the meaning ascribed to it in the section headed “Scope of the Forensic Investigation” in the forensic investigation announcement of the Company dated February 23, 2024
“Unlisted Foreign Share(s)”	the issued ordinary share(s) of the Company with a par value of RMB1.00 issued to overseas investors, which are subscribed for and paid up in currencies other than Renminbi and not listed on any stock exchange
“U.S.” or “USA”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US\$”	United States dollars, the lawful currency of the United States of America
“V8”	V8, one of our balloon transluminal aortic valvuloplasty catheter system products
“Venus Hong Kong”	Venus Medtech (Hong Kong) Limited, 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-Pilot”	VenusA-Pilot System, 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, one of our TPVR products
“Xin Nuo Tong”	Xin Nuo Tong Investment Limited, a company controlled by Mr. Zi

In this report, the terms “associate”, “connected transaction” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.