MicroPort CardioFlow Medtech Corporation
微创心通医疗科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2160)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2023, together with comparative audited figures for the year ended December 31, 2022. The results have been reviewed by the Audit Committee.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL SUMMARY

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Revenue	**336,215**	251,026
Gross profit	**229,931**	162,130
Loss before taxation	**(463,582)**	(451,299)
Loss attributable to equity shareholders of the Company	**(471,534)**	(454,395)
Loss per share — Basic and diluted *(in RMB)*	**(0.20)**	(0.19)

For the year ended December 31, 2023, the Group recorded revenue of RMB336.2 million, representing an increase of 33.9% compared to RMB251.0 million for the year ended December 31, 2022, primarily attributable to the increased sales from our TAVI products in the PRC owing to the rapid increase in the number of procedures brought by the increased hospital penetration of our TAVI products in the PRC. Meanwhile, our revenue from overseas sales of our TAVI products in 2023 increased by 58.9% from previous year, along with the market expansion of our TAVI products overseas. As of December 31, 2023, our TAVI products had entered nearly 100 hospitals overseas in Argentina, Colombia, Thailand and Russia.

Our gross profit increased by 41.8% from RMB162.1 million for the year ended December 31, 2022 to RMB222.9 million for the year ended December 31, 2023, and the gross profit margin increased by 3.8 percentage points from 64.6% for the year ended December 31, 2022 to 68.4% for the year ended December 31, 2023, primarily due to our effective costs reduction and expenditures control measures and the economies of scale we achieved in line with our business growth.

The Group recorded loss for the year of RMB471.5 million for the year ended December 31, 2023 as compared to RMB454.4 million for the year ended December 31, 2022. The loss incurred for the year ended December 31, 2023 included (i) non-cash losses of RMB196.0 million, represented the losses/impairment losses of our equity-accounted investments and fair value losses in financial instruments; and (ii) other losses of RMB275.5 million, mainly reflecting our continued R&D investment in an effort to further strengthen our product pipelines.

BUSINESS REVIEW

Overview

We are a medical device company focusing on the R&D and commercialization of innovative transcatheter and surgical solutions for structural heart diseases, dedicated to providing universal access to state-of-the-art total solutions to physicians and patients for the treatment of structural heart diseases. Our vision is to build a people-centric medical group ranking as a global leader of evolving and emerging medical technologies. Deeply rooted in the vast, rapid-growing and substantially underpenetrated structural heart diseases medical device market, we have developed a comprehensive product pipeline for the treatment of structural heart diseases. We attach great importance to R&D and innovation and have created a technological innovation system integrating industry-university-research cooperation to profoundly involve in the field of structural heart diseases with higher standards and better practice to provide high-quality products and services to the global market.

In 2023, as China emerged from the pandemic and medical institutions fully resumed normal operation, the demand for TAVI procedures that had been constrained during the pandemic was partially released. Meanwhile, by virtue of the collaborative endeavors of TAVI industry participants in academic exchanges, propaganda and education among doctors and patients, medical insurance coverage, and payment support, the TAVI procedures have become widely accepted and developed. The number of qualified medical centers has increased, the penetration rate of TAVI procedures has been further enhanced, and the industry has accelerated its growth.

Leveraging the Group's extensive presence in different regions across China and our close collaboration with MicroPort® Group, we continued to carry out high-quality hospital coverage and newly entered 117 medical centers during the Reporting Period, representing an increase of approximately 27% as compared to the number as of December 31, 2022. At the same time, the Company focused on consolidating and enhancing patient discovery and procedure support in existing medical centers, achieving rapid growth in implantation volume and sales revenue in over 500 medical centers we covered. During the Reporting Period, implantation of our TAVI products in China grew by approximately 45% compared to 2022. In overseas markets, we continue to gradually increase the presence of VitaFlow Liberty® in the global structural heart disease academic community through participation in international academic conferences. Our TAVI products had cumulatively entered nearly a hundred hospitals in Argentina, Colombia, Thailand, and Russia by the end of the Reporting Period, and completed 120 commercial implants during the Reporting Period, representing an increase of approximately 90% compared to 2022.

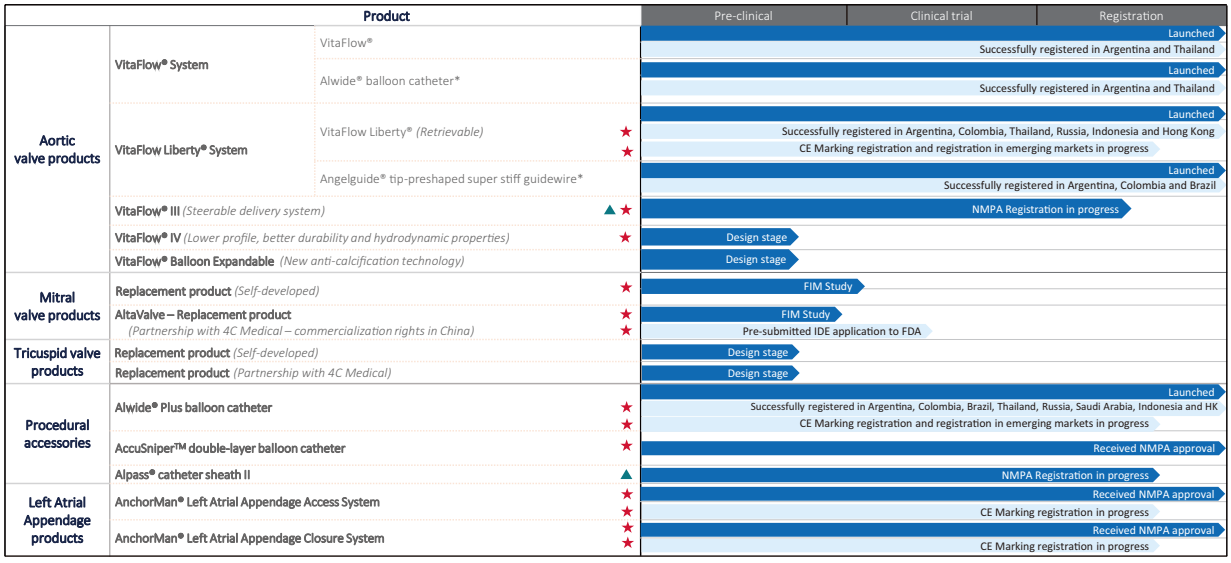
Our global registrations are also progressing steadily during the Reporting Period: VitaFlow Liberty® received registration approvals in Thailand, Russia and Indonesia; Alwide® Plus received registration approvals in Thailand, Russia, Indonesia and Saudi Arabia; the CE mark registration of VitaFlow Liberty® has entered the final approval process, the CE mark registration of Alwide® Plus has entered the key stage of review, and the registration of VitaFlow Liberty® and Alwide® Plus in emerging markets such as India, South Korea, and Mexico has also reached a milestone achievement. With the successive registrations of our products in overseas markets, we will further expand our business coverage and accelerate global business development by continuously leveraging on the global visibility of the MicroPort® brand and the existing sales network of the MicroPort® Group.

While accelerating the pace of commercialization, we have continued to carry out the strategic R&D roadmap to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases in an orderly and efficient manner, providing continuous momentum for the Group's rapid and healthy development. We pay close attention to the technical bottlenecks and clinical pain points of the existing TAVI products, and have designed and planned to launch our third-generation TAVI product which is equipped with an upgraded steerable delivery system, in order to further enhance the immediate and long-term therapeutic effects of TAVI procedures. The product has already been submitted to the NMPA for registration. In August 2023, our AccuSniper™ Double-Layer Balloon Catheter received NMPA registration approval, making it the world's only double-layer balloon catheter with excellent release stability and puncture resistance and further enriching our TAVI total solutions. In respect of mitral valve therapy, the Group's self-developed TMVR product completed several human applications, achieved successful at least one-year postoperative follow-up, and officially initiated the type examination.

In addition to in-house development, we have been actively seeking opportunities to collaborate with advanced products and technologies, both domestic and overseas, in the field of structural heart disease in order to expand our product portfolio. During the Reporting Period, AltaValve™, one TMVR product developed by us in collaboration with our business partners, has completed patient enrollment in its early feasibility study overseas and has pre-filed its IDE application with the FDA, which is expected to be the world's first mitral regurgitation treatment option with atrium-only fixation. On January 1, 2024, we acquired 51% equity interest in MP CardioAdvent. The self-developed AnchorMan® LAAC System of MP CardioAdvent was approved by the NMPA on January 5, 2024, making it the only approved semi-closed type LAAC product in China to date. As of the date of this annual results announcement, the Group has completed its first two commercial implantations of AnchorMan® LAAC System. The self-developed AnchorMan® LAA Access System of MP CardioAdvent was also approved by the NMPA during the Reporting Period. The MP CardioAdvent Acquisition provides the Company with the opportunity to enter a new market segment with high growth potential in the field of structural heart disease, thereby expanding its revenue sources and providing universal access to state-of-the-art total solutions to treat structural heart diseases and further enhance its competitiveness.

Our Pipeline

As of the date of this announcement, our in-house developed product portfolio consists of six registered products — VitaFlow®, VitaFlow Liberty® (including procedural accessories as supporting supply), Alwide® Plus, AccuSniper™, AnchorMan® LAAC System and AnchorMan® LAA Access System, and various TAVI products, TMV products, TTV products, LAA products and procedural accessories at different development stages. In addition to our in-house developed product portfolio, we also collaborated with our business partner, namely 4C Medical, with respect to certain TMV and TTV products, for which we own the exclusive commercial rights in China. The following chart summarizes our product portfolio comprised of the products that we developed in house and in collaboration with our business partners as of the date of this announcement:



China status
Global status
★ Major Progress during the Reporting Period

▲ Among our product candidates, these devices are exempted from clinical trial requirements in accordance with the Catalogue of Medical Device Exempted from Clinical Trials promulgated by the NMPA, as amended.

* These procedural accessories are registered and commercialized offered as part of VitaFlow® or VitaFlow Liberty® system and are not registered as standalone product in China.

VitaFlow®

Our self-developed first-generation TAVI product VitaFlow®, obtained the NMPA approval for registration in July 2019 and started to commercialize in China in August 2019. VitaFlow® primarily consists of a PAV, a motorized delivery system and certain procedural accessories. The PAV is a self-expanding bio-prosthesis valve that is manufactured by suturing bovine pericardial valve leaflets and a double-layer PET skirt onto a self-expanding nitinol frame. The motorized delivery system consists of a catheter and a motorized handle. The procedural accessory is our first-generation Alwide® balloon catheter, which is designed to help physicians overcome the challenges in performing TAVI procedures.

We conducted a prospective, multi-center and single-arm pivotal clinical trial in China with VitaFlow®, which enrolled 110 patients with STS Score of 8.8%. The 5-year follow-up results of the clinical trial were released in July 2022, in which the all-cause mortality rate at 5-year follow-up was 18.2%, and the incidence of major stroke cases was only 2.1%; during the Reporting Period, the 7-year follow-up results of the clinical trial were released, in which the all-cause mortality rate at 7-year follow-up was 31.4%. Compared with other commercially available TAVI products in China, VitaFlow® performed better in terms of all-cause mortality rate and postoperative complications (including moderate/severe PVL, major stroke and vascular complications). This excellent clinical data provides strong support for the safety and efficacy of VitaFlow®, as well as a solid clinical basis for the global expansion of the product.

In July 2020 and November 2020, VitaFlow® was registered in Argentina and Thailand, respectively. In August 2021, VitaFlow® started to have commercial implantations in Argentina and continued to contribute overseas revenue to our Group.

VitaFlow Liberty®

VitaFlow Liberty® is our self-developed second-generation TAVI product, which consists of a PAV, a motorized delivery system and a tip-preshaped super stiff guidewire Angelguide®, where the PAV adopts the same design with VitaFlow®. Compared with VitaFlow®, the key upgrade for VitaFlow Liberty® lies in the unique and innovative structure of the delivery system that enables retrieval of the PAV while ensuring excellent navigability, which helps to traverse challenging anatomical structures. The system is equipped with the only commercialized motorized handle worldwide, enabling deployment and retrieval of the PAV being conducted in a stable, accurate and fast manner. A physician may retrieve the PAV up to three times if it is not placed accurately at the designated position during deployment of the PAV, provided that the deployment does not exceed 75% of the maximal deployment range. The retrieval function helps increase the accuracy of positioning the PAV, thereby further improving the overall success rate of the TAVI procedure. In addition, Angelguide® features high guidewire rail support and smooth transition to reduce the risk of vascular damage and enhance the accuracy of deployment. VitaFlow Liberty® has won the German Red Dot Award: Product Design and the Italy A' Design Award for its innovative design concept and outstanding product performance, showing the international recognition of our innovative product design and the CardioFlow brand and laying a solid foundation for the internationalization of VitaFlow Liberty®.

VitaFlow Liberty® obtained the NMPA approval for registration in August 2021 and started to commercialize in China in September 2021. In December 2021, VitaFlow Liberty® was registered in Argentina and submitted registration application for CE Mark. In August 2022, February 2023, September 2023, October 2023 and March 2024, VitaFlow Liberty® was registered in Colombia, Thailand, Russia, Indonesia and Hong Kong, respectively. We are also in the process of registering VitaFlow Liberty® in emerging markets, such as India, Brazil, South Korea, Mexico, and Saudi Arabia, and plan to apply for its registration in other regions and countries that recognize the CE Mark after obtaining the same.

Third-Generation TAVI Product

Our third-generation TAVI product, which is currently in the design stage, inherits all the advantages of VitaFlow Liberty®. Its delivery system will feature with steerable function designed to help physicians increase the accuracy of positioning, and the profile will be further reduced. The third-generation TAVI product will provide physicians with excellent ease-of-use and further improve procedure efficiency and release accuracy. We have submitted the registration application for this product to the NMPA during the Reporting Period.

We may not be able to successfully develop and commercialize the third-generation TAVI product.

Fourth-Generation TAVI Product

We are developing the fourth-generation product of the VitaFlow series, which will continue the technical features of this series, such as controllable bending, full retrievability, and strong support. At the same time, we are continuously focusing on enhancing safety, effectiveness, and usability, such as providing better choices for physicians in terms of low profile, durability, and hydrodynamics to provide patients with products that are both reliable and affordable. The product is currently in the R&D and design stage.

We may not be able to successfully develop and commercialize the fourth-generation TAVI product.

TAVI Balloon Expandable Product

We are designing a TAVI product for the treatment of aortic stenosis with balloon dilatation that adopts a short stent design and dry tissue, and equips with other unique technical features to optimize hemodynamics and maintain valve performance. The product is currently in the R&D and design stage.

We may not be able to successfully develop and commercialize TAVI balloon expandable product.

TMVR Product

We are developing a TMVR product for the treatment of patients with mitral regurgitation, which is featured with large orifice, low subvalvular height and dry tissue technology, and the operation of which is simple and physician-friendly. We have now completed several human applications of the TMVR product and postoperative follow-ups of relevant patients for up to one year and are rapidly advancing the human application and validation of the product in multiple centers, so as to accumulate clinical experience for the subsequent large scale clinical trials of the product. We have initiated type testing of this product.

We may not be able to successfully develop and commercialize TMVR product.

R&D

R&D is crucial to our growth. We have been practicing our mission "to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases" by deeply rooting ourselves in the field of structural heart disease with higher standards and better practices and committing ourselves to innovation and R&D of the world-leading structural heart disease technologies, to create a technological innovation system integrating production, education and research, bring high-quality products and services to the global market, and provide the most powerful driving force for the Group's sustainable development.

We have a core R&D team with key technology expertise in areas including, among others, biological material, structure design and processing technique. The team, currently comprising of approximately 90 staff, focuses on the R&D of new technologies and materials that have the potential to be applied to our product portfolio. We have established several cross-functional project teams encompassing project management, R&D, process, procurement, quality, registration, clinical trial and medical technology, to work toward the whole process of developing new products through professional work of each function and cooperation of all parties. We also have an international scientific advisory board, consisting of global leading scientists and physicians in the cardiovascular field, who share their abundant experiences and insights on the latest technology breakthroughs and the latest trends in the treatment of valvular heart diseases worldwide.

Intellectual Properties

Intellectual properties are important intangible assets of our Group and a key factor to maintain and enhance our core competitiveness. Thus, we attach great importance to intellectual properties protection such as patent application, trademark registration, business secret control, etc., while devoting ourselves to technological innovation.

During the Reporting Period, we newly registered 20 patents and submitted 36 pending patent applications in China. Meanwhile, we added a total of 21 patents in South Korea, Japan, Australia, America and Europe. As of the end of the Reporting Period, we owned 153 patents in China, including 27 invention patents, 118 utility models and 8 industry designs, and 179 pending patent applications, including 161 invention patents and 18 utility models. To drive our internationalization strategy, as of the end of the Reporting Period, we also owned 118 patents in Japan, Switzerland, Portugal, the United Kingdom, Italy, Germany, France, Spain, America, South Korea, Australia, Brazil and India, among others. All of the patents that we owned or applied for are related to technologies of our products or product candidates and are self-developed by our R&D team. As of the end of the Reporting Period, with 14 newly registered ones, the total number of our approved trademarks worldwide reached 89.

Supply Chain

Our production plant with a total GFA of approximately 13,000 sq.m. in Shanghai is able to provide an annual production capacity of 25,000 sets of products, providing a solid supply guarantee for the continuous improvement of our sales and supporting our Group's rapid development in the future. Our production facilities and equipment follow the U.S., European and Chinese GMP regulations and adhere to strict production quality control standards.

Through close communication and collaboration with global suppliers based on the concept of win-win cooperation, we accelerate the diversified supplier development and the local sourcing of raw materials while maintaining a stable supply of raw materials to enhance supply chain resilience and agility, and continuously optimize product costs. During the Reporting Period, we have achieved a breakthrough by successfully implementing in-house production of certain key imported raw materials, which not only significantly reduced costs but also broke the foreign monopoly on these critical raw materials, thereby eliminating the potential risks associated with exclusive supply. In addition, we have established an advanced quality control system, further introduced the concept of Operational Excellence (OPEX), and continued to strengthen the construction of the lean manufacturing system to realize the continuous improvement on production efficiency.

Commercialization

As of the end of the Reporting Period, we had commercialized our TAVI products in China, Argentina, Colombia, Thailand and Russia. We focused on the cultivation of qualified TAVI hospitals and Independent Physicians and took it as a key link in the implementation of our market strategy. As of the end of the Reporting Period, there were over 500 hospitals in China that had performed TAVI procedures with VitaFlow® and VitaFlow Liberty®, and the number of our Independent Physicians in China increased to more than 260. Further, our products had been used in nearly 100 overseas centers with around 20 Independent Physicians as of the end of the Reporting Period.

We have a dedicated in-house team (the "**Total Solutions Team**") with professional medical background to promote our medical solutions, which aims to promote the Group's innovative transcatheter and surgical solutions for structural heart diseases. As of the end of the Reporting Period, our Total Solutions Team had nearly 200 full-time employees. Leveraging on the resources and advantages of MicroPort® Group in the field of cardiac and cardiovascular disease treatment, which bring the synergies in the aspects of market access, operation support, first-line promotion, market expansion, medical education and international business, amongst others, into full play, we are committed to providing structural heart diseases patients and physicians with comprehensive medical solutions including disease diagnosis and evaluation, procedure and product education, treatment counsel, training on procedures and use of devices, recommendation on procedural accessories, assistance before and during the procedure and postoperative follow-up. During the Reporting Period, we continued to enhance the screening and referral of lower-tier city patients, and promoted the popularization and penetration of innovative transcatheter treatment solutions in the field of structural heart disease through medical education and marketing activities, which effectively broke the geographical restrictions and tapped into the vast blank market of primary medical care, and helped more TAVI patients complete their diagnosis and treatment conveniently.

We carry out logistics, dispatch, warehousing and other works with the help of platform providers, and then sell our products to hospitals through distributors and ultimately use them to treat our patients. We select distributors with extensive experience and resources in selling medical devices across China for cooperation, who will be provided with professional training and assessed strictly to build all-round capabilities in market development, solution promotion, device sales and perioperative support, making them a powerful complement to our Total Solutions Team.

In order to strengthen the marketing of our products and our brand building, we actively participated in medical conferences and industry exhibitions in the global cardiac and cardiovascular field, continuing to enhance the Group's global visibility and reputation. During the Reporting Period, we continued to jointly organize the third "AP-SHD • China Structural Week • VitaFlow® Classics Competition" with the Youth Club of Asia Pacific Structural Heart Diseases, which has become the most influential competition among young-and-middle-aged physicians in the TAVI field, and thereby continuously cultivating TAVI Independent Physicians and forming a good foundation for accelerating popularization and penetration of the TAVI procedure. In terms of overseas market activities, we participated in well-known international academic conferences such as CSC Conference (Spain), VALVE in Rio, SOLACI/SBHCI, TCT and EuroPCR, shared the latest clinical information of our TAVI products, as well as related device features and procedure skills via introduction of international senior experts in the field of interventional therapy for valvular heart disease, held discussions on typical cases and conducted live case broadcasting, which further increased the influence of the CardioFlow brand in the international academic community.

Significant Investments, Material Acquisitions and Disposals during the Reporting Period

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

Important Events after the Reporting Period

On January 1, 2024, MicroPort Sinica and Shanghai Zuoqing (as the sellers), MP CardioFlow (as the purchaser) and MP CardioAdvent entered into the Equity Transfer Agreement, pursuant to which MP CardioFlow conditionally agreed to acquire, and MicroPort Sinica and Shanghai Zuoqing conditionally agreed to sell, 51% equity interest in MP CardioAdvent. Upon completion of the MP CardioAdvent Acquisition, MP CardioFlow held 51% equity interest in MP CardioAdvent and MP CardioAdvent became a subsidiary of the Company. Please refer to the announcement of the Company dated January 1, 2024 for details.

The MP CardioAdvent Acquisition is expected to enhance synergies among the Company's products and product candidates in the field of structural heart disease, especially in terms of R&D, manufacturing capabilities, distribution channels, therefore enhancing the cost control of our Group. Our Company is a public company facing increasingly fierce competition in the field of valvular heart disease, which falls within the range of structural heart diseases. The MP CardioAdvent Acquisition presents the Company an opportunity to enter new market segments within the field of structural heart diseases with high growth potential, thereby diversifying its revenue streams and expanding its strategic initiatives to deliver state-of-the-art total solutions for treating structural heart diseases so as to further enhance its competitiveness. This also adheres to the Company's mission to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases. With the expected launch of AnchorMan® LAAC in Europe, our Company is expected to broaden our geographic coverage and further enhance our presence in the global market. The MP CardioAdvent Acquisition is also expected to increase the capital investment efficiency of our Company. The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms and are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

On January 5, 2024, MP CardioAdvent received the approval from the NMPA regarding the registration application for the AnchorMan® LAAC System, the self-development product of MP CardioAdvent, which is also the only approved semi-closed type LAAC product in China so far. In addition, it completed the registration application of CE Mark in December 2023. Please refer to the announcement of the Company dated January 7, 2024 for details.

Save as disclosed above, no material events affecting the Group have occurred after the end of the Reporting Period and up to the date of this announcement.

Employees and Remuneration

As of December 31, 2023, our Group had a total of 592 full-time employees (as of December 31, 2022: 558 full-time employees), of which 15% were R&D staff and 33% were marketing and sales staff. We enter into employment contracts with employees in accordance with applicable laws and regulations, and provide them with competitive remuneration package, including wage, allowance, bonus, benefits and long-term incentives.

The Company has adopted the Share Scheme, the Share Award Scheme and Share Option Scheme (terminated on June 27, 2023) to provide incentives for the eligible participants.

Future Development

We intend to capitalize our strengths to pursue our business strategy in the following aspects:

Continue to strengthen our presence in China TAVI market

The China TAVI market is significantly under-penetrated. We intend to further increase our sales of our TAVI products in China through the following:

- **Deepen multi-level hospital coverage and procedure penetration.** With the positive clinical trial results of VitaFlow® and VitaFlow Liberty® and positive feedback from physicians and patients in real-world applications, we will accelerate the penetration of qualified medical centers in China, use layered management onto the hospitals covered according to the volume of TAVI procedures and the number of Independent Physicians, achieve/consolidate advantages by formulating differentiated sales strategies and training programs, and continue to enhance the penetration of TAVI procedures and the market share of our TAVI products.

- **Enhance patient discovery and referral.** We believe that with the deepening of the clinical application of TAVI products, the improvement of physicians' familiarity with devices and their procedure skills, and the expansion of the accessibility of TAVI treatment, there are still mass unmet diagnosis and treatment needs of patients in China (especially in low-tier cities). We will continue to carry out routine patient screening, diagnosis and referral, and carry out the whole-process health management of patients from the very beginning, so as to help more TAVI patients receive timely and reliable treatment.

- **Build academic brand to achieve professional education and promotion.** We fully explore the highlights of differentiated products, develop targeted training programs by discipline, and increase our influence among young-and-middle-aged physicians through academic competition. We have built the KOLs and physician network in the professional field of structural heart diseases and maintained frequent communications with several leading medical associations in these fields to fully build a bright academic brand and achieve professional physician education and product promotion.

- **Conduct long-term postoperative follow-ups and efficacy evaluation.** We continue to conduct follow-up evaluations after TAVI procedures to further monitor the long-term safety and efficacy of VitaFlow® and VitaFlow Liberty®. We believe that we are well-positioned to further boost our product and brand recognition through these valuable long-term clinical data and provide inspiration for the R&D of the next generation of our products.

Continue to advance our international strategy

We will continue to collaborate with global enablers, including medical device companies, research institutes, hospitals and distributors, to advance our international strategy. The registration of VitaFlow Liberty® has been approved in Argentina, Colombia, Thailand, Russia and Indonesia and its CE registration application has also entered the final approval process. We have selected European and other emerging markets, especially countries that recognize CE mark or the NMPA approval, as key overseas markets to promote the registration and commercialization of VitaFlow Liberty®, and leverage on the global recognition of the MicroPort® brand and the existing sales network of the MicroPort® Group to advance the overseas coverage of our products.

As part of our international strategy, we will steadily expand our academic coverage into overseas markets. Leveraging on the extensive experience and the expertise of our international scientific advisory board, we intend to participate in more internationally renowned cardiovascular disease conferences, and to introduce our products by organizing presentations, publishing case studies and demonstrating live surgeries, so as to enhance our brand awareness globally.

Rapidly advance the R&D of new products

Capitalizing our market position and extensive know-how in structural heart diseases, and working closely with our international scientific advisory board and KOLs to understand the clinical demands, market trends and technology breakthroughs, we continue our focus on the development of other pipeline products to expand our product portfolio, including TAVI, TMV, TTV, LAAC and next-generation procedural accessories designated to strengthen our leading market position in medical devices for structural heart diseases.

Seek external cooperation to expand product portfolio

We will search for products and technologies with great clinical potential based on our deep and unique understanding and investigation of structural heart diseases, explore opportunities for cooperation and conduct prudent evaluation, in order to expand product portfolios through acquisitions, cooperations or licensing.

Enhance data collection to improve insight and decision making

We fully embrace the digital transformation and take data collection, management, insight and decision support as a key cornerstone of our business. We will continue to enhance the professional education service platform of the Company to enhance the reach and depth of the Company's products and TAVI procedure through digital content distribution and dissemination. We will also explore new ways to help enhance the efficiency of medical treatment and improve diagnosis and treatment process through digital patient management tools.

Strengthen full life cycle management of products, and improve operational efficiency

We will fully initiate the full life cycle management of products by introducing a cross-functional team from the planning and pre-research stage of new products to accelerate the development process of new products through close cooperation with the cross-functional team, to continuously improve the design for assembly (DFA) and design for manufacturability (DFM) during product design, to help achieve the smooth transition between new product R&D and mass production, further improve our production efficiency, and continuously lower the manufacturing costs under the premise of ensuring product quality, so as to cope with increasingly fierce market competition and support the long-term growth of our Company. At the same time, we will also start to introduce advanced information technology systems to further enhance and improve the quality and efficiency of our operations and management.

Focus on costs reduction and expenditures control to accelerate the profitability process

With the robustness of the financial statements as our priority, we will further minimize our losses by focusing on our business, increasing revenues, cutting costs and reducing expenses, and strive to achieve breakeven as soon as possible while maintaining a steady growth in revenues.

FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, our revenue was generated from the sales of our commercialized products, VitaFlow® and VitaFlow Liberty®.

For the year ended December 31, 2023, the Group recorded revenue of RMB336.2 million, representing an increase of 33.9% compared to RMB251.0 million for the year ended December 31, 2022, primarily attributable to the increased sales from our TAVI products in the PRC owing to the rapid increase in the number of procedures brought by the increased hospital penetration of our TAVI products in the PRC. Meanwhile, our revenue from overseas sales of our TAVI products in 2023 increased by 58.9% from previous year, along with the market expansion of our TAVI products overseas in Argentina, Colombia, Thailand and Russia.

Cost of Sales

During the Reporting Period, our cost of sales was related to the manufacturing of VitaFlow® and VitaFlow Liberty®. Our cost of sales increased by 19.6% from RMB88.9 million for the year ended December 31, 2022 to RMB106.3 million for the year ended December 31, 2023, primarily due to the increase of raw materials costs, staff costs and overhead expenses as a result of the enlarged sales volumes of VitaFlow® and VitaFlow Liberty®.

Gross Profit and Gross Profit Margin

Our gross profit increased by 41.8% from RMB162.1 million for the year ended December 31, 2022 to RMB229.9 million for the year ended December 31, 2023, and the gross profit margin increased by 3.8 percentage points from 64.6% for the year ended December 31, 2022 to 68.4% for the year ended December 31, 2023, primarily due to our effective costs reduction and expenditures control measures and the economies of scale we achieved in line with our business growth.

Other Net Income

For the year ended December 31, 2023, we recorded RMB91.8 million in other net income, compared to RMB50.3 million for the year ended December 31, 2022, primarily due to an increase in interest income arising from the bank deposits.

R&D Costs

Our R&D costs increased by 6.1% from RMB223.8 million for the year ended December 31, 2022 to RMB237.3 million for the year ended December 31, 2023, primarily due to our continued investment in our R&D. The following table provides information regarding the breakdown of the R&D costs of the Company for the years indicated:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Staff costs	**80,746**	56,912
Cost of materials and consumables	**60,714**	72,305
Third-party contracting costs	**43,112**	45,880
Depreciation and amortization	**38,967**	40,711
Share-based compensation expenses	**3,949**	3,384
Others	**9,854**	4,592
Total	**237,342**	223,784

Distribution Costs

Our distribution costs increased by 38.7% from RMB160.8 million for the year ended December 31, 2022 to RMB223.0 million for the year ended December 31, 2023, primarily due to the increased staff costs and marketing activities expenses for VitaFlow® and VitaFlow Liberty®.

Administrative Expenses

Our administrative expenses decreased by 2.5% from RMB72.0 million for the year ended December 31, 2022 to RMB70.2 million for the year ended December 31, 2023, primarily due to the Company's efforts in reducing costs and improving efficiency.

Fair Value Changes in Financial Instruments

The loss on fair value changes in financial instruments was RMB50.2 million for the year ended December 31, 2023, compared to RMB35.6 million for the year ended December 31, 2022, which mainly arose from the fair value changes of the Witney Put Option and convertible instruments issued by 4C Medical.

Other Operating Costs

Our other operating costs increased from RMB47.8 million for the year ended December 31, 2022 to RMB54.6 million for the year ended December 31, 2023, which was primarily due to the increase in donations we made during the Reporting Period.

Finance Costs

Our finance costs decreased from RMB5.4 million for the year ended December 31, 2022 to RMB4.1 million for the year ended December 31, 2023, which was primarily attributable to a decrease in interests of lease liabilities.

Share of Losses of Associates

Our share of losses of associates slightly increased from RMB48.2 million for the year ended December 31, 2022 to RMB49.7 million for the year ended December 31, 2023, which was primarily attributable to the losses incurred by 4C Medical under the equity method during the Reporting Period.

Share of Losses of a Joint Venture

Our share of losses of a joint venture decreased from RMB21.1 million for the year ended December 31, 2022 to RMB14.7 million for the year ended December 31, 2023, which was primarily attributable to the fair value changes from the financial assets measured at fair value through profit or loss recorded by Rose Emblem.

Impairment Loss on Investment in an Associate

The impairment loss on investment in an associate was RMB81.3 million for the year ended December 31, 2023 (2022: nil), representing the impairment loss for our investment on 4C Medical.

Inventories

Our inventories increased from RMB114.1 million as of December 31, 2022 to RMB122.9 million as of December 31, 2023, reflecting our preparation for anticipated future production demands.

Trade and Other Receivables

Our trade and other receivables primarily consist of (i) trade receivables; (ii) value-added tax recoverable, representing value-added taxes paid with respect to our procurement that can be credited against future value-added tax payables; (iii) interest receivables; (iv) prepayments to suppliers and services providers; and (v) deposits and other debtors.

Our trade and other receivables increased from RMB82.1 million as of December 31, 2022 to RMB144.8 million as of December 31, 2023, which was primarily due to an increase in trade receivables and interests receivables from banks.

Interests in Associates

Our interest in associates decreased from RMB271.2 million as of December 31, 2022 to RMB143.1 million as of December 31, 2023, mainly due to the losses recognized from 4C Medical under equity method as well as the impairment losses of our investment in 4C Medical.

Other Financial Assets

Our financial assets increased from RMB12.5 million as of December 31, 2022 to RMB27.5 million as of December 31, 2023, mainly due to the investment in the convertible instruments issued by 4C Medical during the Reporting Period.

Trade and Other Payables

Our trade and other payables primarily consist of (i) trade payables due to third party suppliers and related parties; (ii) accrued payroll; and (iii) other payables and accrued charges.

Our trade and other payables increased from RMB115.6 million as of December 31, 2022 to RMB152.9 million as of December 31, 2023, primarily due to an increase in the accrued payroll and other payables and accrued charges.

Derivative Financial Liabilities

Our derivative financial liabilities decreased from RMB22.7 million as of December 31, 2022 to nil as of December 31, 2023, primarily due to the exercise of the Witney Put Option.

Capital Expenditure

Our capital expenditure amounted to RMB14.1 million during the 2023, reflecting an increase of property, plant, equipment and software.

Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries. As of December 31, 2023, a portion of the Group's bank balances was denominated in U.S. dollars. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances, trade and other receivables, trade and other payables, and other denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as of December 31, 2023.

Contingent Liabilities

As of December 31, 2023, we did not have any contingent liabilities.

Capital Management

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher Shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and make adjustments to the capital structure in light of changes in economic conditions.

Liquidity and Financial Resources

Our cash, cash equivalents and time deposits decreased from RMB2,075.6 million as of December 31, 2022 to RMB1,773.7 million as of December 31, 2023, primarily attributable to continuous expansion of the business scale of the Group. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Borrowings and Gearing Ratio

We did not have any borrowings as of December 31, 2023 and 2022. As of December 31, 2023, the gearing ratio of the Group (calculated as total lease liabilities divided by total equity as of the same date) decreased to 3.0%, compared to 3.5% as of December 31, 2022, which was mainly due to a decrease in lease liabilities.

Net Current Assets

The Group's net current assets as of December 31, 2023 were RMB1,847.8 million, as compared to the net current assets of RMB2,094.5 million as of December 31, 2022. Such decrease was mainly attributable to a decrease in cash and cash equivalents.

Charge on Asset

As of December 31, 2023, there was no charge on assets of the Group.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	For the year ended December 31, 2023 RMB'000	2022 RMB'000
Revenue	4	**336,215**	251,026
Cost of sales		**(106,284)**	(88,896)
Gross profit		**229,931**	162,130
Other net income	5	**91,755**	50,329
R&D costs		**(237,342)**	(223,784)
Distribution costs		**(223,006)**	(160,775)
Administrative expenses		**(70,219)**	(71,992)
Fair value changes in financial instruments		**(50,181)**	(35,605)
Impairment losses on intangible assets		**—**	(49,103)
Other operating costs	6(c)	**(54,589)**	(47,779)
Loss from operations		**(313,651)**	(376,579)
Finance costs	6(a)	**(4,147)**	(5,411)
Share of losses of associates		**(49,720)**	(48,190)
Share of losses of a joint venture		**(14,737)**	(21,119)
Impairment loss on investment in an associate	9	**(81,327)**	—
Loss before taxation	6	**(463,582)**	(451,299)
Income tax	7(a)	**(7,952)**	(3,096)
Loss for the year and attributable to equity shareholders of the Company		**(471,534)**	(454,395)
Loss per share	8		
Basic and diluted (RMB)		**(0.20)**	(0.19)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(471,534)**	(454,395)
Other comprehensive income for the year, net of nil tax		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	**58,766**	303,219
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**(21,888)**	(102,895)
Other comprehensive income for the year	**36,878**	200,324
Total comprehensive income for the year and attributable to equity shareholders of the Company	**(434,656)**	(254,071)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As of December 31, 2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		**196,973**	241,715
Intangible assets		**143,881**	163,119
Interest in a joint venture		**—**	14,520
Interests in associates	9	**143,089**	271,161
Other financial assets		**24,282**	12,490
Other non-current assets	10	**27,547**	26,488
		535,772	729,493
Current assets			
Inventories		**122,871**	114,115
Trade and other receivables	11	**144,785**	82,071
Pledged and time deposits		**708,595**	209,263
Cash and cash equivalents		**1,065,085**	1,866,319
		2,041,336	2,271,768
Current liabilities			
Trade and other payables	12	**152,864**	115,609
Contract liabilities		**4,937**	6,087
Lease liabilities		**28,568**	31,041
Income tax payable		**7,214**	1,773
Derivative financial instruments		**—**	22,719
		193,583	177,229
Net current assets		**1,847,753**	2,094,539
Total assets less current liabilities		**2,383,525**	2,824,032
Non-current liabilities			
Lease liabilities		**41,912**	64,427
Deferred income		**6,750**	5,890
		48,662	70,317
NET ASSETS		**2,334,863**	2,753,715
CAPITAL AND RESERVES			
Share capital	14	**83**	83
Reserves		**2,334,780**	2,753,632
TOTAL EQUITY		**2,334,863**	2,753,715

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2 Basis of Preparation of the Financial Statement

The consolidated financial statements for the year ended December 31, 2023 comprise the Company and its subsidiaries and the Group's interest in a joint venture and associates.

As the Group's operation are primarily located in the mainland China and most of the Group's transactions are conducted and denominated in RMB, which is the functional currency of MP CardioFlow, the consolidated financial statements are presented in RMB, rounded to the nearest thousand, unless otherwise stated. The functional currency of the Company is United States dollars other than RMB.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— others investments in debt and equity securities; and

— derivative financial instruments

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3 Changes in Accounting Policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*

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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and Segment Reporting

(a) Revenue

The Group derives revenue principally from the sales of medical devices through appointed distributors.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and the timing of revenue recognition is as follows:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of medical devices — point in time	**336,215**	251,026

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Customer A	**81,826**	87,875
Customer B	**77,261**	66,902
Customer C	**72,876**	12,202
Customer D	**64,276**	63,527

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts for medical devices such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) Segment reporting

(i) Segment information

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

(ii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and interest in a joint venture and associates ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interest in a joint venture and an associate.

Revenue from external customers

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
The PRC (place of domicile)	**324,894**	243,901
Other countries	**11,321**	7,125
	336,215	251,026

Specified non-current assets

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
The PRC (place of domicile)	**342,744**	410,440
North America	**141,199**	265,555
Asia (excluding the PRC)	**—**	14,520
	483,943	690,515

5 Other Net Income

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Government grants *(Note)*	**3,585**	10,322
Interest income on bank deposits	**85,262**	37,217
Interest income on other financial assets measured at amortized cost	**1,282**	1,425
Net loss on disposal of property, plant and equipment	**65**	(31)
Net foreign exchange gain/(loss)	**1,580**	(250)
Others	**(19)**	1,646
	91,755	50,329

Note: Majority of the government grants are subsidies from government for encouragement of R&D projects.

6 Loss before Taxation

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Interest on lease liabilities	**3,915**	5,188
Total interest expense on financial liabilities not at fair value through profit or loss	**3,915**	5,188
Others	**232**	223
	4,147	5,411

(b) Staff costs#

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Total equity-settled share-based payment cost	**10,144**	13,244
Less: capitalized into cost of inventories	**(171)**	(286)
Equity-settled share-based payment expenses recognized in consolidated statement of profit or loss	**9,973**	12,958
Defined contribution retirement plans *(Note)*	**15,983**	12,836
Salaries, wages and other benefits	**191,513**	133,852
	217,469	159,646

Note: As stipulated by the labour regulations of the PRC, the Group also participates in various defined contribution retirement plans organized by local governments for its employees. The Group is required to make contributions to the retirement plans at the specified proportion of the eligible employees' salaries. The Group's contributions made to the plans are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the plans.

(c) Other operating costs

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Donation *(Note)*	**53,540**	47,778
Others	**1,049**	1
	54,589	47,779

Note: During the year ended December 31, 2023, the Group made charitable and other donations to the third-party charitable organisation amounted to RMB53,540,000 (2022: RMB47,778,000).

(d) Other items

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Amortisation of intangible assets	**21,832**	28,811
Depreciation charge[#]		
— owned property, plant and equipment	**24,550**	17,926
— right-of-use assets	**27,236**	31,478
	51,786	49,404
	73,618	78,215
R&D expenditure	**237,342**	223,784
Less: Amortisation of capitalized development costs	**(20,483)**	(28,200)
	216,859	195,584
Cost of inventories[#]	**193,482**	185,953
Impairment loss on other receivables	**867**	—
Auditors' remuneration		
— audit services	**1,960**	1,726
— other service fee	**1,076**	524

[#] Cost of inventories includes RMB40,528,000 (2022: RMB31,409,000) relating to staff costs and depreciation charges, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses for the year ended December 31, 2023.

7 Income Tax in the Consolidated Statements of Profit or Loss

(a) Taxation in the consolidated statement of profit or loss represents:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Current tax — PRC Corporate Income Tax ("CIT")		
Provision for the year	**7,952**	3,096

Pursuant to the CIT Law of the PRC, all of the Company's PRC subsidiaries are liable to PRC CIT at a rate of 25%, except for Shanghai MicroPort CardioFlow Medtech Co., Ltd. ("**MP CardioFlow**"), which is entitled to a preferential income tax rate of 15% as it is certified as "High and New Technology Enterprise" ("**HNTE**") in 2020. According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate during the certified period.

The current tax expenses during the year ended December 31, 2023 arose from the interest income on cash deposits in non-resident accounts of the subsidiaries of the Group that were domiciled outside the PRC, which is subject to a PRC withholding tax at a rate of 10%.

Taxation for other entities of the Group is charged at their respective applicable income tax rates ruling in the relevant jurisdictions.

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss before taxation	**(463,582)**	(451,299)
Notional tax on loss before taxation, calculated at the rates applicable to profit in the countries and districts concerned	**(43,260)**	(57,274)
Effect of other non-deductible expenses	**9,163**	9,958
Effect of deductible temporary differences not recognized, net of utilisation of deductible temporary differences not recognized in prior years	**(3,139)**	12,392
Effect of additional deduction on R&D expenses	**(16,567)**	(18,248)
Effect of deduction on share-based payment transactions upon the exercise	**(502)**	(1,105)
Effect of tax losses not recognized	**68,097**	60,268
Effect of non-taxable revenue	**(13,792)**	(5,991)
PRC withholding tax *(note7(a))*	**7,952**	3,096
Actual tax expenses	**7,952**	3,096

8 Loss per Share

The calculation of the basic loss per share during the year ended December 31, 2023 is based on the loss attributable to equity shareholders of the Company of RMB471,534,000 (2022: RMB454,395,000) and the weighted average number of ordinary shares of 2,362,906,000 shares (2022: 2,365,637,000 shares) in issue during the year.

The basic loss per share is calculated as follows:

(i) Loss for the year attributable to equity shareholders of the Company

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year attributable to equity shareholders of the Company	**(471,534)**	(454,395)

(ii) Weighted average number of shares

	For the year ended December 31,	
	2023	2022
	'000	*'000*
Issued shares at the beginning of the year for the purposes of basic loss per share:		
Number of ordinary shares for the purposes of basic loss per share	**2,409,385**	2,403,564
Effect of share options exercised	**1,932**	2,238
Effect of treasury shares held	**(48,411)**	(40,165)
Weighted average number of shares at the end of the year for the purposes of basic loss per share	**2,362,906**	2,365,637

9 Interest in Associates

The following list contains only the particulars of a material associate, which is unlisted corporate entity whose quoted market price is not available:

				Proportion of ownership interest			
Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
4C Medical	Incorporated	United States	4,723,122 ordinary shares and 35,171,147 preferred shares	29.6%	21.3%	8.3%	R&D of medical devices treating mitral valve diseases

4C Medical

During 2018 to 2022, the Group entered into subscription and shareholders agreements with 4C Medical, purchasing series A preferred shares, series B preferred shares and series C preferred shares of 4C Medical. As of December 31, 2023, these investments in 4C Medical were recognized as the investment in associates.

Impairment test

Considering the current market condition, the Group has engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an external valuer to perform valuation assessments for its investment in 4C Medical.

Based on the result of impairment test, the carrying amount of investment in 4C Medical was written down to the recoverable amount of RMB141,199,000. Accordingly, an impairment loss of RMB81,327,000 was recognized in profit or loss. The recoverable amount were based on the FVLCD, using the event analysis and equity allocation model.

The associates of the Group are accounted for using the equity method in the consolidated financial statements.

Summarized financial information of the material associate, adjusted by any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Gross amounts of 4C Medical		
Non-current assets	**8,368**	12,434
Current assets	**29,216**	91,807
Non-current liabilities	**(1,974)**	(5,167)
Current liabilities	**(109,488)**	(20,625)
Equity	**(73,878)**	78,449
Loss for the year and total comprehensive income	**(159,088)**	(137,156)
Reconciled to the Group's interests in 4C Medical		
Gross amounts of 4C Medical's net assets	**(73,878)**	78,449
Group's effective interest	**29.6%**	29.6%
Group's share of 4C Medical's net assets	**(21,843)**	23,194
Goodwill (less cumulative impairment)	**164,834**	242,361
Dilution effect of share-based payments arrangement of an equity-accounted investee	**(1,792)**	—
Carrying amount of the Group's interest in 4C Medical	**141,199**	265,555

10 Other Non-current Assets

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Lease deposits *(Note)*	**27,547**	26,488

Note: Lease deposits are typically paid for leased properties, which are refundable after the expiry of the leases and carried at amortized cost. During the year ended December 31, 2021, the Group entered into a 5-year lease agreement (the "**Lease Agreement**") with Shanghai Huiqingcheng Investment Management Co., Ltd. ("**Huiqingcheng**") in respect of certain leasehold properties for use of manufacturing facilities, warehouses and office buildings. As of December 31, 2023, the carrying amount of lease deposits paid to Huiqingcheng is RMB27,447,000 (2022: RMB26,165,000).

11 Trade and Other Receivables

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**100,997**	49,775
Value-added tax recoverable	**57**	2,961
Interest receivables	**31,473**	1,691
Prepayments	**9,916**	23,844
Deposits and other debtors	**2,342**	3,800
	144,785	82,071

All of the current trade and other receivables are expected to be recovered or recognized as expense within one year.

Aging analysis

As of the end of the reporting period, the aging analysis of trade debtors based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**37,895**	10,276
1 to 3 months	**63,102**	39,499
	100,997	49,775

12 Trade and Other Payables

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade payables due to		
— third party suppliers	**39,425**	43,809
— related parties	**13,825**	3,881
	53,250	47,690
Accrued payroll	**37,669**	28,431
Other payables and accrued charges	**61,945**	39,488
	152,864	115,609

All of the above balances classified as current liabilities are expected to be settled within one year.

As of the end of the reporting period, the aging analysis of the trade payables based on the invoice date is as follows:

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**37,844**	14,523
Over 1 month but within 3 months	**11,817**	6,553
Over 3 months but within 6 months	**2,495**	4,766
Over 6 months but within 1 year	**760**	17,397
Over 1 year	**334**	4,451
	53,250	47,690

13 Dividends

The directors of the Company did not propose the payment of any dividend during the year ended December 31, 2023 (2022: nil).

14 Share Capital

Authorized

As of January 1, 2021, the authorized share capital of the Company was US$50,000 divided into 500,000,000 shares with par value of US$0.0001 each.

On January 15, 2021, a share subdivision was approved by the shareholders of the Company, pursuant to which, each issued and unissued share capital was subdivided to twenty shares of the corresponding class with par value of US$0.000005 each.

Issued and fully paid

	Ordinary share	
	No. of share '000	*RMB'000*
Balance at January 1, 2022	2,403,564	83
Share issued under the share option scheme	5,821	—
Balance at December 31, 2022 and January 1, 2023	2,409,385	83
Share issued under the share option scheme	3,093	—
Balance at December 31, 2023	**2,412,478**	**83**

(i) Purchase of own shares

For the year ended December 31, 2023, the Company did not purchase any shares (2022: 44,098,000 shares), the Company purchased its own ordinary shares through the designated trustee under the share award scheme as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregated consideration paid** *RMB'000*
January 2022	13,410,000	3.95	3.38	40,616
April 2022	26,904,000	2.92	2.48	61,741
May 2022	3,784,000	2.60	2.18	7,461
Total	44,098,000			109,818

(ii) Shares issued under share option scheme

During the year ended December 31, 2023, options were exercised to subscribed for 3,093,000 ordinary shares (2022: 5,821,000) in the Company at a total consideration of RMB3,443,000 (2022: RMB6,280,000), of which nil and RMB3,443,000 was credited to share capital and share premium (2022: nil and RMB6,280,000), respectively. RMB3,734,000 (2022: RMB6,933,000) was transferred from the capital reserve to the share premium account.

OTHER INFORMATION

Corporate Governance Practices

Our Company had adopted and applied the principles and code provisions as set out in the Corporate Governance Code. During the Reporting Period, our Company have complied with the mandatory Code Provisions.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company to safeguard the interests of our Shareholders and to enhance corporate value and accountability.

Full details of the Company's corporate governance practices will be set out in the forthcoming Company's annual report for the year ended December 31, 2023.

Compliance with the Model Code

The Company has adopted the Model Code as the basis of its code of conduct regarding Directors' securities transactions.

Specific enquiry has been made of all the Directors and all Directors confirmed that they have complied with the Model Code for transactions in the Company's securities 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. The Company was not aware of any incident of non-compliance with the Model Code by the employees during the Reporting Period.

Company's Compliance with relevant Laws and Regulations

During the Reporting Period and up to the date of this announcement, the Group had complied with the applicable laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Hong Kong Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance.

Use of Proceeds from the Global Offering

The Company's Shares were listed on the Stock Exchange on February 4, 2021. The net proceeds from the Global Offering amounted to approximately HK$2,717.2 million. On December 29, 2023, the Board resolved to reallocate of unutilized net proceeds ("**Change of Use of Net Proceeds**") based on the reasons disclosed in the section headed "Reasons for the Change of Use of Net Proceeds from the Global Offering" below. The table below sets out the actual use of the net proceeds and the revised allocation of the unutilized net proceeds:

	Amount of net proceeds for the relevant use *HK$ million*	Percentage of total net proceeds as disclosed in the Prospectus (before Change of Use of Net Proceeds)	Actual amount of proceeds utilized as of January 1, 2023 *HK$ million*	Actual amount of proceeds utilized as of December 15, 2023[1] *HK$ million*	Amount of proceeds unutilized as of December 15, 2023[1] *HK$ million*	Use of proceeds after reallocation *HK$ million*	Revised percentage of unutilized net proceeds	Actual amount of proceeds utilized as of December 31, 2023 *HK$ million*	Amount of proceeds unutilized as of December 31, 2023 *HK$ million*	Percentage of proceeds from the Global Offering expected to be used by December 31, 2024	Expected timeframe for unutilized net proceeds
VitaFlow Liberty®											
– the ongoing R&D activities, clinical trial and product registration of VitaFlow Liberty®	423.9	15.6%	151.0	173.7	250.2	50.2	3.52%	175.0	48.9		2025
– the ongoing sales and marketing activities of VitaFlow Liberty® in China and overseas	391.3	14.4%	131.2	236.4	154.9	104.9	7.36%	252.7	88.6		2025
Subtotal	**815.2**	**30.0%**	**282.2**	**410.1**	**405.1**	**155.1**	**10.89%**	**427.7**	**137.5**	**17.2%–17.7%**	
VitaFlow®	**92.4**	**3.4%**	**42.3**	**73.2**	**19.2**	**19.2**	**1.35%**	**75.5**	**16.9**	**2.9%–3.0%**	**2024**
The remaining products											
– fund the research, preclinical, clinical trial and commercialization of VitaFlow™ III and VitaFlow® Balloon Expandable	190.2	7.0%	59.9	91.7	98.5	98.5	6.91%	95.7	94.5		2025
– the ongoing and planned R&D of our TMV product candidates	312.5	11.5%	60.3	109.7	202.8	202.8	14.24%	116.2	196.3		2025
– the ongoing and planned R&D of our TTVR product candidates, surgical valves and procedural accessories	163.0	6.0%	25.8	35.9	127.1	75.0	5.27%	37.5	73.4		2025
– fund the planned commercialization activities after receiving the relevant regulatory approvals	67.9	2.5%	–	–	67.9	–	–				
Subtotal	**733.6**	**27.0%**	**146.0**	**237.3**	**496.3**	**376.3**	**26.42%**	**249.4**	**364.2**	**13.7%–13.9%**	
Fund the expansion of our product portfolio through collaboration with global enabler	**407.6**	**15.0%**	**314.1**	**354.4**	**53.2**	**523.2**	**36.73%**	**354.4**	**523.2**	**16.5%–17.0%**	**2025**
Expand our production capacity and strengthen our manufacturing capabilities for VitaFlow® and VitaFlow Liberty®	**396.7**	**14.6%**	**70.9**	**97.5**	**299.2**	**299.2**	**21.00%**	**99.2**	**297.5**	**4.7%–4.8%**	**2025**
Working capital and general corporate purposes	**271.7**	**10.0%**	**90.9**	**120.2**	**151.5**	**51.5**	**3.62%**	**127.2**	**44.5**	**5.4%–5.7%**	**2025**
Total	**2,717.2**	**100.0%**	**946.4**	**1,292.7**	**1,424.5**	**1,424.5**	**100.0%**	**1,333.4**	**1,383.8**	**60.4%–62.1%**	

Note:

(1) December 15, 2023, being the latest available date for calculating the use of net proceeds from the Global Offering prior to the Change of Use of Net Proceeds.

Before the Change of Use of Net Proceeds, the net proceeds from the Global Offering have been used in a manner consistent with the disclosure in the Prospectus. Going forward, the net proceeds will be applied in the manner as set out in the announcement of the Company dated January 1, 2024. As of the date of this annual results announcement, saved as disclosed above, the Company does not anticipate any change to its plan on the use of proceeds. The Company expects that approximately HK$1,643.9 million to HK$1,689.3 million, accounting for approximately 60.4% to 62.1% of the net proceeds of the Global Offering, will be utilized by December 31, 2024 and plans to utilize the balance of net proceeds of the Global Offering by the end of 2025. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimation of future market conditions made by the Company and subject to changes in accordance with our actual business operation.

Reasons for the Change of Use of Net Proceeds from the Global Offering

Our Company is a public company facing increasingly fierce competition in the field of valvular heart disease, which is one of the structural heart diseases. Therefore, the Group will continue the development of medical devices and/or seek for new investment opportunities in the field of structural heart diseases with high growth potential, thereby diversifying its revenue streams and expanding its strategic initiatives to deliver state-of-the-art total solutions for treating structural heart diseases to further enhance its competitiveness. The Board, after careful consideration of the above and detailed evaluation of the Company's operations and business strategy, taking into account the reasons in relation to the MP CardioAdvent Acquisition set out in the section headed "Important Events after the Reporting Period" above, has therefore resolved to reallocate more unutilized net proceeds from the Global offering to fund the expansion of our product portfolio through collaboration with global enablers, including medical device companies and research institutes through merger and acquisition, in-licensing or equity investments, among others.

The Board considered that the development direction of the Group is still in line with the disclosures in the Prospectus in spite of the Change of Use of Net Proceeds. The Board is not aware that there are material changes in the nature of the businesses of the Group. The Board is of the view that the Change of Use of Net Proceeds is fair and reasonable as this would allow the Group to deploy its financial resources more effectively to expand the product portfolio of the Group. Such change would not have any material adverse effect on the existing business and operations of the Group. It is therefore in the best interests of the Group and the Shareholders as a whole. The Board will constantly evaluate the Group's business objective and may change or modify plans against the changing market conditions to ascertain the business growth of the Group. The Board will also take a cautious approach continually when considering using the net proceeds from the Global Offering, and closely monitor the changes of the market conditions from time to time.

Where the net proceeds from the Global Offering are not immediately applied to the above-mentioned purposes and to the extent permitted by the relevant law and regulations, so long as they are deemed to be in the best interests of our Company, we may hold such funds in short-term deposits with licensed banks or authorized financial institutions in Hong Kong.

Final Dividends

The Directors do not recommend a final dividend for the Reporting Period (2022: nil).

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of our Company during the period for the year ended December 31, 2023.

Scope of Work of KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out herein have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Jonathan H. Chou, Dr. Ding Jiandong and Ms. Sun Zhixiang. Mr. Jonathan H. Chou, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

The Audit Committee has reviewed together with the management and external auditor of the Company, KPMG, the accounting principles and policies adopted by the Company and the annual results and the audited consolidated financial statements for the year ended December 31, 2023.

AGM

The AGM of the Company will be held on Wednesday, June 26, 2024. The circular (including notice of the AGM) will be published and dispatched to the Shareholders at least 21 days before the AGM.

Closure of Register of Members

For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Friday, June 21, 2024 to Wednesday, June 26, 2024, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, June 20, 2024.

Publication of Annual Results Announcement and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cardioflowmedtech.com). The annual report for the year ended December 31, 2023 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

"4C Medical"	4C Medical Technologies, Inc., a company incorporated under the laws of the State of Delaware and mainly engaged in the R&D of mitral and tricuspid valve devices
"AccuSniper™"	AccuSniper™ double-layer balloon catheter
"AGM"	the annual general meeting to be held on Wednesday, June 26, 2024 at No. 1661 Zhangdong Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, China or any adjournment thereof
"AltaValve™"	AltaValve™ mitral valve replacement medical device product
"Alwide®"	Alwide® balloon catheter
"Alwide® Plus"	Alwide® Plus balloon catheter
"AnchorMan® LAA Access System"	AnchorMan® left atrial appendage Access system
"AnchorMan® LAAC System"	AnchorMan® left atrial appendage closure system
"Angelguide®"	our first-generation tip-preshaped super stiff guidewire
"aortic valve"	the valve that prevents blood flowing back from aorta to left ventricle
"associate(s)"	has the meaning as defined in the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"CE Mark"	a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended from time to time
"Code Provision(s)"	the principles and code provisions set out in the CG Code

"China", "mainland China", or "PRC"	People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement do not apply to Hong Kong, Macau and Taiwan
"Company" or "our Company"	MicroPort CardioFlow Medtech Corporation (微创心通医疗科技有限公司), a company with limited liability incorporated under the laws of the Cayman Islands on January 10, 2019
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to MicroPort® and/or Shanghai MicroPort
"Director(s)" or "our Director(s)"	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
"Equity Transfer Agreement"	the equity transfer agreement dated January 1, 2024 in respect of the MP CardioAdvent Acquisition
"FDA"	U.S. Food and Drug Administration
"GFA"	gross floor area
"Global Offering"	the Hong Kong Public Offering and the International Offering (including the Preferential Offering)
"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", "our Group", "we", "us", or "our"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the present subsidiaries of our Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"IDE"	investigational device exemptions
"Independent Physicians"	physicians who can perform TAVI with our products independently
"KOL(s)"	doctors that influence their peers' medical practice, including but not limited to prescribing behavior
"LAA"	left atrial appendage
"LAAC"	left atrial appendage closure
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
"MicroPort®"	MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00853)
"MicroPort® Group"	MicroPort® and all of its subsidiaries
"MicroPort Sinica"	MicroPort Sinica Co., Ltd. (微創投資控股有限公司), (formerly known as MicroPort Group Co., Ltd. (上海微創投資控股有限公司)), a limited liability company established in the PRC on April 9, 2013 and a wholly-owned subsidiary of MicroPort®
"mitral valve"	the valve that prevents the blood in left ventricle from flowing back to left atrium
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"MP CardioAdvent"	Shanghai MicroPort CardioAdvent Co., Ltd, (上海佐心醫療科技有限公司), a limited liability company established in the PRC on September 10, 2019

"MP CardioAdvent Acquisition"	the acquisition of the equity interest in MP CardioAdvent under the Equity Transfer Agreement
"MP CardioFlow"	Shanghai MicroPort CardioFlow Medtech Co., Ltd. (上海微創心通醫療科技有限公司), a limited liability company established in the PRC on May 21, 2015 and a wholly-owned subsidiary of our Company
"nitinol"	nickel titanium, a metal alloy of nickel and titanium, where the two elements are present in roughly equal atomic percentages
"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), including its sub-division, such as the Center for Medical Device Evaluation (國家藥品監督管理局醫療器械技術審評中心)
"PAV"	prosthetic aortic valve, the artificial valve of our TAVI products
"PET"	polyethylene terephthalate
"Prospectus"	the prospectus issued by the Company on January 26, 2021
"PVL"	paravalvular leakage, a complication associated with the implantation of a prosthetic heart valve through TAVI or surgical aortic valve replacement
"R&D"	research and development
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2023
"Rose Emblem"	Rose Emblem Ltd.
"Shanghai Zuoqing"	Shanghai Zuoqing Enterprise Management Consulting Service Centre (Limited Partnership) (上海佐擎企業管理諮詢服務中心(有限合夥)), a limited partnership established in the PRC on May 12, 2020 and an employee shareholding platform of MP CardioAdvent

"Share(s)"	ordinary share(s) in the share capital of our Company of US$0.000005 each
"Shareholder(s)"	holder(s) of our Share(s)
"Share Award Scheme"	the share award scheme adopted by our Company on March 30, 2021, as amended from time to time
"Share Option Scheme"	the share option scheme adopted by our Company on March 13, 2020 and terminated and replaced by the Share Scheme on June 27, 2023
"Share Scheme"	the share scheme adopted by our Company on June 27, 2023, as amended from time to time
"sq.m"	square meter, a unit of area
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"STS Score"	Society of Thoracic Surgery risk score or percentage point, a validated risk-prediction model for open surgery, the higher value of which indicates the higher risk of patients to conduct a surgery
"TAVI"	transcatheter aortic heart valve implantation, 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
"TMV"	transcatheter mitral valve, which refers to treatment methods for mitral valve diseases through transcatheter approach
"TMVR"	transcatheter mitral valve replacement, a catheter-based technique to implant a new mitral valve in an interventional procedure that does not involve open-chest surgery
"TMVr"	transcatheter mitral valve repair, a catheter-based technique to repair the mitral valve in an interventional procedure that does not involve open-chest surgery

"TTV"	transcatheter tricuspid valve, which refers to treatment methods for tricuspid valve diseases through transcatheter approach
"TTVR"	transcatheter tricuspid valve repair, a catheter-based technique to implant a new tricuspid valve in an interventional procedure that does not involve open-chest surgery
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"VitaFlow®"	unless the context indicates otherwise, "VitaFlow®" refers to the VitaFlow® transcatheter aortic valve implantation system, which comprises of a PAV, a motorized delivery system and certain procedural accessories
"VitaFlow Liberty®"	unless the context indicates otherwise, "VitaFlow Liberty®" refers to the VitaFlow Liberty® transcatheter aortic valve implantation system, which comprises of a PAV, a motorized delivery system and the tip-preshaped super stiff guidewire Angelguide®
"Witney Put Option"	the put option granted to Witney Global Limited
"%"	per cent

By Order of the Board
MicroPort CardioFlow Medtech Corporation
Chen Guoming
Chairman

Shanghai, PRC, March 27, 2024

As of the date of this announcement, the executive Directors are Mr. Jeffrey R Lindstrom, Mr. Zhao Liang and Ms. Yan Luying, the non-executive Directors are Mr. Chen Guoming, Mr. Zhang Junjie and Ms. Wu Xia, and the independent non-executive Directors are Mr. Jonathan H. Chou, Dr. Ding Jiandong and Ms. Sun Zhixiang.