Jenscare Scientific Co., Ltd.
寧波健世科技股份有限公司

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

(Stock Code: 9877)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2023, together with comparative figures for the year ended 31 December 2022 as follows. The consolidated financial statements of the Group for the Reporting Period have been audited by the Group's auditor, Ernst & Young, and have been reviewed by the management of the Company together with the Audit Committee.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Year-on-year
	2023	2022	change
	RMB'000	*RMB'000*	(%)
Revenue	**–**	–	–
Gross profit	**–**	–	–
Loss before income tax	**(379,096)**	(440,914)	-14.0%
Loss for the year	**(379,096)**	(440,914)	-14.0%
Loss attributable to owners of the parent	**(371,736)**	(439,311)	-15.4%
Loss per Share attributable to ordinary equity holders of the parent			
Basic and diluted	**RMB(0.89)**	RMB(1.20)	-25.8%

BUSINESS HIGHLIGHTS

During the Reporting Period and as at the date of this announcement, we have made the following progress with respect to our product pipeline and business operations:

MAINLAND CHINA

- We published the one-year clinical data on LuX-Valve of the registration clinical trial in China. As of the date of this announcement, we were very recently informed by CMDE that the technical evaluation for LuX-Valve is not accepted at this stage of the registration process. It is highly possible that we will not be able to obtain the registration approval for LuX-Valve as scheduled under the current situation. The final result for the registration of LuX-Valve will further undergo internal consideration and decision by NMPA, which may require additional clinical evidence. The Company is still working on next move to advance the registration for the circulation of LuX-Valve.

- We have completed the confirmatory clinical trial for LuX-Valve Plus and the six-month follow-up for registration clinical trial. We expect to submit the application for registration of LuX-Valve Plus to NMPA for approval in the near future.

- The registration to NMPA for approval of Ken-Valve was already officially accepted by NMPA, and the application was admitted to enter the priority approval process of the NMPA (the "**Priority Approval Process**") for medical devices, making Ken-Valve the first valve product to enter the Priority Approval Process.

- JensClip has completed the enrollment of the trial subjects for the confirmatory clinical trial and the one-month follow-up.

OVERSEAS

- LuX-Valve Plus is about to complete the enrollment of trial subjects for the clinical trial carried out in Europe with the aim of obtaining the CE Certificate. Clinical institutions from countries, such as France, Germany, Spain and Denmark, are actively participating in the clinical trial and LuX-Valve Plus won unanimous acclaim from those participating clinical institutions.

- The pre-submission of the early feasibility study ("**EFS**") of LuX-Valve Plus in the U.S. was officially accepted by the U.S. Food and Drug Administration ("**FDA**"). The preparation of Investigational Device Exemption ("**IDE**") application of LuX-Valve Plus in the U.S. also officially commenced. It was expected that the EFS clinical study would be completed in the fourth quarter of 2024 and enter into pivotal trial preparation.

- LuX-Valve Plus has completed a number of pre-commercial activities in North America and Asia-Pacific regions. In order to meet the substantial and urgent demand from tricuspid regurgitation patients around the world, we plan to carry out pre-commercial activities in phases in different regions globally, in order to further enhance the Company's academic position and commercial influence in the world and lay a solid foundation for the worldwide promotion for commercialization.

- LuX-Valve Plus was selected into FDA's Total Product Life Cycle Advisory Program, which would improve certainty and accelerate the progress of the clinical trial and the commercialization of the product in the U.S.

- LuX-Valve Plus was selected for European Medicines Agency's Expert Panel Scientific Advice Pilot, which would improve the certainty and accelerate the progress of CE clinical trial and the commercialization of the product in Europe and other regions worldwide.

- The one-year clinical data of LuX-Valve was officially published at PCR London Valves 2023 (2023年倫敦心臟瓣膜病介入治療會議). According to the published clinical data, LuX-Valve was not only safe but also able to alleviate tricuspid regurgitation, and improve patients' heart functions and their quality of life.

- The one-month clinical data of LuX-Valve Plus was officially published at Transcatheter Cardiovascular Therapeutics 2023. According to the published clinical data, the success rate for both of the device and the operation reached 96.84%. The 30-day efficacy demonstrated that all patients' tricuspid regurgitation reduced to mild or below, and more than 80% of patients had cardiac function and quality of life improved from NYHA class III/IV before the procedures to class I/II. The safety results showed that the composite event rate was only 6.45%.

- In February 2024, the first clinical implantation of Lux-Valve Plus in Latin America was successfully completed in Brazil.

- We are exploring global business development cooperation and partnership with foreign medical device manufacturers and enterprises in different phases, which can accelerate the global commercialization of the Company's products around the world.

COMMERCIALIZATION

Commercial Team

- We have built a professional and efficient commercial team responsible for the pre-market introduction and education of the Core Products. The Company's clinical medicine team has set up a professional follow-up team with medical literacy and surgical understanding, which has established the global operating standards through high-standard clinical follow-up feedbacks. At the same time, the sales and marketing team has started product admission and the construction of regional distributors' network to enhance the Company's market expansion and marketing capabilities to further enhance commercialization capabilities.

Training of Independent Physicians

- In China, we have trained more than 50 independent physicians and teaching experts of LuX-Valve series products.

- In countries and regions other than China, we have provided training to 24 independent physicians and teaching experts covering regions such as North America, Europe, Asia-Pacific and Latin America.

Targeted Hospitals Coverage

- With respect to LuX-Valve series products, we have expanded to more than 220 hospitals in China with influence in both academia and industry, with presence in more than 30 provinces, municipalities and autonomous regions.

- We have completed implantation procedures or treatment promotions for LuX-Valve Plus in nearly 50 hospitals worldwide (excluding China), covering hospitals with regional influence in, among others, North America, Europe, Asia-Pacific and Latin America.

Expanding Product Influence through Academic Conferences and Events

- We have participated in both domestic and overseas high-quality academic conferences in the field of structural heart diseases, including industry conferences, associations, and annual meetings, which helps to promote brand awareness and to increase the market visibility of the Company's products. Through academic conferences and events, our products have been widely accepted globally, enabling us to access resources such as hospitals, physicians, sales networks, supply chains, and potential partners for our current and future global commercial promotion.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December, 2023

	Notes	**2023** ***RMB'000***	2022 *RMB'000*
Other income and gains	*4*	**43,828**	54,424
Research and development expenses		**(288,151)**	(291,580)
Administrative expenses		**(150,309)**	(219,697)
Other expenses		**(592)**	(117)
Finance costs	*6*	**(142)**	(113)
Share of profit of an associate		**18,952**	16,169
Loss on disposal of an associate		**(2,682)**	–
LOSS BEFORE TAX	*5*	**(379,096)**	(440,914)
Income tax expenses	*7*	**–**	–
LOSS FOR THE YEAR		**(379,096)**	(440,914)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**8,082**	8,285
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**8,082**	8,285
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(371,014)**	(432,629)

	Notes	2023 *RMB'000*	2022 *RMB'000*
Loss attributable to:			
Owners of the parent		**(371,736)**	(439,311)
Non-controlling interests		**(7,360)**	(1,603)
		(379,096)	(440,914)
Total comprehensive loss attributable to:			
Owners of the parent		**(363,654)**	(431,026)
Non-controlling interests		**(7,360)**	(1,603)
		(371,014)	(432,629)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted			
– For loss for the year (in RMB per share)		**(0.89)**	(1.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December, 2023

	Notes	31 December 2023 RMB'000	31 December 2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**110,178**	42,681
Other intangible assets		**4,140**	4,194
Right-of-use assets		**28,371**	29,204
Investment in an associate		**–**	483,730
Other non-current assets		**29,490**	16,161
Total non-current assets		**172,179**	575,970
CURRENT ASSETS			
Inventories		**28,126**	9,893
Prepayments, other receivables and other assets		**32,523**	20,356
Financial assets at fair value through profit or loss		**166,438**	97,746
Cash and cash equivalents		**927,826**	727,364
Total current assets		**1,154,913**	855,359
CURRENT LIABILITIES			
Trade payables	*10*	**16,332**	10,950
Other payables and accruals		**40,431**	43,481
Lease liabilities		**1,918**	2,305
Total current liabilities		**58,681**	56,736
NET CURRENT ASSETS		**1,096,232**	798,623
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,268,411**	1,374,593
NON-CURRENT LIABILITIES			
Lease liabilities		**1,411**	1,566
Interest-bearing bank and other borrowings		**40,746**	–
Total non-current liabilities		**42,157**	1,566
Net assets		**1,226,254**	1,373,027
EQUITY			
Equity attributable to owners of the parent			
Share capital	*11*	**417,167**	417,167
Treasury shares		**(5,038)**	–
Reserves		**820,744**	956,119
		1,232,873	1,373,286
Non-controlling interests		**(6,619)**	(259)
Total equity		**1,226,254**	1,373,027

1. CORPORATE AND GROUP INFORMATION

Jenscare Scientific Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on 8 November 2011 as a limited liability company. On 23 March 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at No.777 Binhai Forth Road, Hangzhou Bay New District, Ningbo, Zhejiang, the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 October 2022.

During the year, the Company and its subsidiaries (the "Group") were mainly engaged in the research and development of interventional products for the treatment of structural heart diseases and other related medical products.

2.1 BASIS OF PREPARATION

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback* [1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")* [1]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")* [1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements* [1]
Amendments to IAS 21	*Lack of Exchangeability* [2]

[1] Effective for annual periods beginning on or after 1 January 2024
[2] Effective for annual periods beginning on or after 1 January 2025
[3] No mandatory effective date yet determined but available for adoption

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the 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

Since nearly all of the Group's non-current assets were located in Mainland China during the reporting period, no further geographical information is presented.

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Other income		
Government grants	**17,177**	10,702
Bank interest income	**19,326**	8,360
Others	**1,642**	21
Total other income	**38,145**	19,083
Gains		
Foreign exchange differences, net	**3,169**	34,622
Gain on financial assets at fair value through profit or loss	**2,514**	719
Total gains	**5,683**	35,341
Total other income and gains	**43,828**	54,424

5. LOSS BEFORE TAX

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

	2023	2022
	RMB'000	*RMB'000*
Depreciation of items of property, plant and equipment	**8,783**	6,457
Amortisation of intangible assets	**488**	342
Depreciation of right-of-use assets	**2,789**	2,400
Research and development expenses	**288,151**	291,580
Loss on disposal of items of property, plant and equipment	**11**	9
Impairment of other receivables	**534**	106
Auditor's remuneration	**2,300**	2,000
Government grants	**(17,177)**	(10,702)
Bank interest income	**(19,326)**	(8,360)
Lease payments not included in the measurement of lease liabilities	**1,661**	1,372
Fair value gains, net:		
Financial assets at fair value through profit or loss	**(2,514)**	(719)
Foreign exchange differences, net	**(3,169)**	(34,622)
Loss on disposal of an associate	**2,682**	–
Staff cost (excluding directors' and chief executive's remuneration):		
Wages and salaries	**65,967**	50,716
Pension scheme contributions	**16,254**	11,474
Staff welfare expenses	**2,564**	2,447
Share-based arrangement	**154,121**	79,236
Total	**238,906**	143,873

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on bank loans	**411**	–
Interest on lease liabilities	**142**	113
Total interest expense	**553**	
Less: Interest capitalised	**(411)**	–
Total	**142**	113

7. INCOME TAX

The Group's principal applicable tax and tax rate are as follows:

(a) Pursuant to the Corporate Income Tax Law of the PRC (the "CIT Law") and the respective regulations, the applicable tax rate of the Company and its subsidiaries in mainland China is 25%. No provision for Mainland China income tax was made as the Group's entities in the PRC had no estimated assessable profits during the year.

(b) No provision for Hong Kong income tax was made at a rate of 16.5% (2022: 16.5%) as the Group's entity in Hong Kong had no estimated assessable profits during the year.

(c) No provision for Netherlands income tax was made at a rate of 25.8% (2022: 25.8%) as the Group's entity in the Netherlands had no estimated assessable profits during the year.

8. DIVIDENDS

No dividend was paid or declared by the Company during the year.

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

The calculation of the basic loss per share amount is based on the loss attributable to owners of the parent, and the weighted average number of ordinary shares of 417,166,000 (2022: 365,375,000) in issue during the year.

The Group had potential dilutive shares throughout the year related to the shares held for the share compensation plan. Due to the Group's negative financial results during the year, shares held for the share compensation plan have an anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

In December 2023, the Company started to purchase its shares on the Hong Kong Stock Exchange, as further detailed in note 11. Since then, the weighted average number of such shares considered as treasury shares has been included in the calculation of basic loss per share.

10. TRADE PAYABLES

The trade payables are non-interest-bearing and are normally settled within two months.

	2023	2022
	RMB'000	*RMB'000*
Trade payables		
Within 1 year	**16,303**	10,928
Over 1 year	**29**	22
Total	**16,332**	10,950

Included in the trade payables were an amount due to related parties of RMB2,711,000 as at 31 December 2023 (2022: RMB52,000), which was repayable within 60 days, representing credit terms similar to those offered by the related party to its major customers.

11. SHARE CAPITAL/TREASURY SHARES

A summary of movements in the Company's share capital is as follows:

	Share Capital Total *RMB'000*	**Treasury Shares Total** *RMB'000*
Issued and fully paid as at 1 January 2022	409,091	–
Issue of shares from initial public offering *(a)*	8,076	–
As at 31 December 2022	417,167	–
Issued and fully paid as at 1 January 2023	417,167	–
Shares repurchased *(b)*	–	(5,038)
As at 31 December 2023	417,167	(5,038)

(a) On 10 October 2022, the Company successfully completed the IPO on Hong Kong Stock Exchange. The Company issued 8,076,400 ordinary shares at the offering price of HKD 27.80 per share.

(b) In December 2023, the Company started to purchase its shares on the Hong Kong Stock Exchange at a total consideration of HK$5,449,000 (equivalent to approximately RMB5,038,000). The purchased shares will be used as award shares for the selected participants of a share award scheme.

I. BUSINESS REVIEW

Overview

We are an international medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. Our Company was established in the PRC in November 2011. Since then we have developed a series of treatment solutions targeting different types of structural heart diseases, including tricuspid valve diseases, aortic valve diseases, mitral valve diseases, heart failure and cardiogenic stroke.

Products and Pipeline

As of the date of this announcement, we have a portfolio of seven product candidates in various stages of development. In order to minimize the operating risks of the Company so as to ensure the Company's long-term sustainable development and bring stable returns for the shareholders, the management and the Board of Directors of the Company, after prudent consideration, decided to further optimize the Company's product pipeline, strategically concentrate its resources on key core products, and accelerate the Company's global commercialization process with a view to achieving breakeven and high profit growth as soon as practicable.

Our recent business focus will still be on the global promotion of the LuX-Valve series, our transcatheter tricuspid valve replacement ("**TTVR**") products, and target to lay a foundation for global commercialization of this product series through various means such as conducting clinical trial for registration and obtaining approval, expanding regional business development, establishing strategic cooperation and other diversified ways in multiple countries and regions globally which will also provide support for other key products in the future.

The following diagram summarizes the status of our product candidates under development as of the date of this announcement:

Product Candidates	Product Categories	Pre-Clinical	Clinical Stage Note 1	Registration	Upcoming Milestones	Expected Commercialization Note 2
Valvular Heart Diseases Product Candidates						
LuX-Valve Note 4 ★	Transcatheter tricuspid valve replacement (TTVR) system	NMPA approval: Submission for registration and obtain acceptance			Note 5	Note 5
LuX-Valve Plus ★	Transcatheter tricuspid valve replacement (TTVR) system	NMPA approval: Completed the confirmatory clinical trial			Submission for NMPA approval (2024Q2)	2025H1
	Transcatheter tricuspid valve replacement (TTVR) system	CE Marking: In the process of registration clinical trial			Completion of the subject enrollments for the registration clinical trial (2024Q2)	2025H2
	Transcatheter tricuspid valve replacement (TTVR) system	FDA Marking: Preparing to initiate EFS clinical trial			Completion of EFS clinical trial (2024Q4)	2027H1
Ken-Valve Note 4 ★	Transcatheter aortic valve replacement (TAVR) system	NMPA approval: Completed the confirmatory clinical trial			Obtained the NMPA approval (2024Q4)	2024Q4
JensClip ★	Transcatheter mitral valve repair (TMVr) system	NMPA approval: Completed the subject enrollments for the confirmatory clinical trial			Submission for NMPA approval (2025Q2)	2026H1
JensRelive Note 3	Transcatheter mitral valve replacement (TMVR) system	NMPA approval: In the process of conducting animal trials			Initiation of the feasibility clinical trial (2024Q4)	2027H1
Other Structural Heart Diseases Product Candidates						
MicroFlux	Atrial septostomy stent & delivery system	NMPA approval: In the process of confirmatory clinical trial			Completion of confirmatory clinical trial (2025H1)	2026H2
SimuLock	Biomimetic left atrial appendage occluder system	NMPA approval: In the process of confirmatory clinical trial			Completion of confirmatory clinical trial (2025H1)	2026H2

Note 1: Entering clinical stage is marked by the completion of first human trial.

Note 2: The point in time of expected commercialization is based on the obtaining of product registration certificate.

Note 3: The original name of JensRelive is "AnchorValve".

Note 4: The Company's Core Products.

Note 5: We were very recently informed by CMDE that the technical evaluation of registration for LuX-Valve is not accepted at this stage of the registration process. It is highly possible that we will not be able to obtain the registration approval for LuX-Valve as scheduled under the current situation. The final result for the registration of LuX-Valve will further undergo internal consideration and decision by NMPA, which may require additional clinical evidence. The Company is still working on next move to advance the registration for the circulation of LuX-Valve.

★ : Products with ★ are core technology products of the Company, which refer to the products entering confirmatory clinical trial stage based on the application of the Company's core technology and the R&D progress achieving certain stages.

Our Products and Product Candidates

Tricuspid Valve Product Candidates

LuX-Valve, our Core Product and our proprietary first-generation TTVR system, is designed to treat patients with both severe tricuspid regurgitation and high surgical risk. LuX-Valve works by replacing the function of a patient's dysfunctional native tricuspid valve with a prosthetic valve implanted through a minimally invasive intervention without the need for conventional open-heart surgery. LuX-Valve is a Class III medical device under the classification criteria of the NMPA. As of the date of this announcement, we held 16 patents and 20 patent applications in relation to LuX-Valve. LuX-Valve was admitted into the Special Examination for Innovative Medical Devices (the "**Green Path**") by the NMPA in January 2019, and therefore is eligible for an expedited approval process in China in accordance with the Special Procedures for Examination and Approval of Innovative Medical Devices (創新醫療器械特別審批程序). In November 2023, the one-year results of the confirmatory clinical trial of LuX-Valve was reported at the PCR London Valves 2023 (2023年倫敦心臟瓣膜病介入治療會議). For details, please refer to the announcement of the Company dated 27 November 2023. As of the date of this announcement, LuX-Valve has entered into the registration and review stage. The registration and supplementary materials have been submitted to the NMPA. As of the date of this announcement, we were very recently informed by CMDE that the technical evaluation of registration for LuX-Valve is not accepted at this stage of the registration process. It is highly possible that we will not be able to obtain the registration approval for LuX-Valve as scheduled under the current situation. The final result for the registration of LuX-Valve will further undergo internal consideration and decision by NMPA, which may require additional clinical evidence. The Company is still working on next move to advance the registration for the circulation of LuX-Valve.

LuX-Valve Plus, our proprietary second-generation TTVR system, is designed for patients with severe tricuspid regurgitation and high surgical risk. LuX-Valve Plus works by functionally replacing the patient's dysfunctional native tricuspid valve with a prosthetic valve implanted through a minimally invasive intervention without the need for conventional open-heart surgery. LuX-Valve Plus is a Class III medical device under the classification criteria of the NMPA. In comparison to LuX-Valve, LuX-Valve Plus uses a transvascular delivery system through transjugular approach. We expect the transvascular access path not only to effectively simplify the operation procedure with shorter device procedure time, smaller incisions, and less damage to the heart tissue, but also to be used in a wider range of situations such as rare and complex anatomical structures. In addition, the delivery system of LuX-Valve Plus is multi-angle adjustable and steerable, allowing physicians to more conveniently adjust the release position and angle, and thereby further increasing the product's safety profile. LuX-Valve Plus is about to complete the enrollment trial subjects for the clinical trial carried out in Europe with the aim of obtaining the CE Certificate. Clinical institutions from countries, such as France, Germany, Spain and Denmark, actively participating in the clinical trial and LuX-Valve Plus won unanimous acclaim from those participating clinical institutions. In October 2023, LuX-Valve Plus was selected for the Expert Panel Scientific Advice Pilot of the European Medicines Agency, and it is expected that the clinical development and clinical research of Lux-Valve Plus will be guided by the expert panels, which will further accelerate the clinical development and registration progress for CE Certificate in Europe, expand the global reach and facilitate the internationalization progress of the product.

The pre-submission of the EFS of LuX-Valve Plus in the U.S. was officially accepted by FDA. The preparation of IDE application of LuX-Valve Plus in the United States also officially commenced. It was expected that the EFS clinical study would be completed in the fourth quarter of 2024 and then enter pivotal trial preparation. It is expected to officially enter into the EFS and IDE clinical trial stage in the near future and mark a significant progress made by LuX-Valve Plus in the U.S. clinical trial registration process and in overseas business expansion. In September 2023, LuX-Valve Plus was enrolled in the Total Product Life Cycle Advisory Program ("**TAP**") pilot of the FDA. In October 2023, Professor Ge Junbo, a fellow of Zhongshan Hospital affiliated to Fudan University (復旦大學附屬中山醫院) and his team gave a report on the results of the multicenter clinical trial of LuX-Valve Plus at the 2023 Transcatheter Cardiovascular Therapeutics conference ("**TCT**") in the U.S.

The Company has completed dozens of clinical implantations in North America, including the U.S. and Canada, and will continuously promote the clinical and commercialization process of LuX-Valve Plus in North America. In August 2023, the Company and LifeTech Scientific Corporation (a company whose shares are listed on the Stock Exchange (stock code: 1302)) collaborated to conduct pre-commercial activities in Asia-Pacific area. We subsequently plan to commence more pre-commercial activities in phases in different regions globally, including but not limited to in North America and Asia-Pacific regions, to meet the substantial and urgent demand from tricuspid regurgitation patients around the world and to further enhance the Company's status in academic community and influence in the markets.

Aortic Valve Product Candidates

Ken-Valve, our Core Product and our proprietary first-generation transcatheter aortic valve replacement ("**TAVR**") system, is designed for the treatment of patients with severe aortic regurgitation or combined with aortic stenosis. Ken-Valve is a Class III medical device under the classification criteria of the NMPA. As of the date of this announcement, we held seven patents in relation to Ken-Valve. In June 2019, we successfully enrolled the first trial subject for the feasibility clinical trial of Ken Valve. After the completion of the one-year follow up work of the confirmatory clinical trial in May 2023, the registration application for Ken-Valve was accepted by the NMPA in October 2023 and it is expected that we shall obtain the NMPA approval for the commercialization of Ken-Valve in the second half of 2024. In October 2023, the registration application for Ken-Valve was accepted in the priority approval process of the NMPA for medical devices. For details, please refer to the announcement of the Company dated 30 October 2023.

Mitral Valve Product Candidates

JensClip, our proprietary clip-based transcatheter mitral valve repair ("**TMVr**") system, is designed to treat patients with severe mitral regurgitation. It works by clipping together a small area of the mitral valve leaflets, which continue to open and close on either side of the clip. This allows blood to flow on both sides while reducing the flow of blood in the wrong direction. In addition, JensClip utilizes a claw wall and a locking mechanism, with a simple structure design that can grasp the valve leaflets bilaterally and is easy to use with good flexibility. In addition, during the procedure, the delivery system of JensClip is designed to enable physicians to maneuver the device in a 360-degree fashion. JensClip is a Class III medical device under the classification criteria of the NMPA. The subject enrollment of the feasibility clinical trial of JensClip in China was completed in December 2022, and as at the date of this announcement, all of the subject enrollments for the confirmatory clinical trial and the one-month follow-up were completed.

JensRelive, our proprietary transcatheter mitral valve replacement ("**TMVR**") (transfemoral) system, is designed to treat patients with severe mitral regurgitation. It works by replacing the function of a patient's dysfunctional native mitral valve without the need for conventional open-heart surgery. JensRelive consists of a prosthetic mitral valve, a delivery catheter system, and a loading system. Our JensRelive uses a special anchoring design, and such design helps the fixation while preventing displacement. In addition, JensRelive is also equipped with retrievable and steerable functions, which are expected to improve the valve positioning accuracy and stability during deployment. As at the date of this announcement, we are in the process of conducting animal trials for JensRelive.

Other Structural Heart Diseases Product Candidates

MicroFlux, is our proprietary first-generation transcatheter device for the treatment of heart failure with pressured ejection fraction. It works by creating a small opening in the atrial septum, and once MicroFlux is deployed, it forms a passage between the left and right atrium that enables the left atrium to decompress at rest and physical activity, with the aim of lowering left atrial pressure. MicroFlux's delivery catheter system is retrievable at all times during the procedure or right after the procedure, thereby increasing the safety of the procedure. As at the date of this announcement, we are in the process of conducting the confirmatory clinical trial in China.

SimuLock, our product candidate for cardiogenic stroke prevention, is our proprietary bionics left atrial appendage occluder system. The three-dimensional sealing and controllable differential endothelial coating design of this product helps to prevent the thromboembolism of left auricle and lower the risk of fatal bleeding for nonvalvular atrial fibrillation patients who are suitable for anticoagulation treatment or have contraindications to anticoagulation treatment. SimuLock adopts a unique design of bionics anchoring, which helps to reduce safety risks. In addition, SimuLock can be modularly assembled as required to cover extensive patients with atrial fibrillation featuring significant differences in anatomical structure of the left atrial appendage. In the third quarter of 2023, we commenced the feasibility clinical trial. In November 2023, we completed the subject enrollment for the first confirmatory clinical trial and clinical implantation of SimuLock. For details, please refer to the announcement of the Company dated 13 November 2023.

For details of our products and product candidates, please refer to our Prospectus.

Cautionary Statement as required by Rule 18A.08(3) of the Listing Rules: There is no assurance that we will ultimately develop, market and/or commercialize our Core Products or any other product candidates successfully.

Research and Development

Our R&D team self-develops interventional medical device products focusing on the treatment of structural heart diseases. We intend to expand and improve our product portfolio by strengthening our R&D of new products, expanding our product pipeline and improving our existing product candidates.

As of the date of this announcement, we had:

- two Core Products, as well as five other product candidates in various stages of development; and

- 169 issued patents and 229 patent applications in more than ten countries or regions.

Manufacturing

We have full manufacturing capabilities, including production lines for stents, valves, and delivery systems, respectively. In anticipation of forthcoming product launches, we have completed the expansion of our annual manufacturing capacity from 3,500 sets to approximately 4,000 to 5,000 sets in 2021, and expect to continue to expand our manufacturing capacity and reaching approximately 10,000 sets by the end of 2024. Additionally, we procured equipment and machinery from reputable suppliers and completed comprehensive commissioning and qualification steps to verify that the equipment and programs are installed according to the requisite specifications. We believe our manufacturing capability will give us an edge in clinical trials and future commercialization.

Our manufacturing facility is located in Ningbo, Zhejiang, and along with two adjacent properties occupy approximately 7,000 sq.m.. It is designed and built for manufacturing medical devices in compliance with GMP requirements with full manufacturing capability and ready for commercial-scale production. Our manufacturing facility has several production lines, including production lines for stents, valves, and delivery systems, respectively.

Commercialization

Commercialization of our product candidates is critical to our future growth and success. To drive our product launch and bring our product candidates to market, we are assembling our core commercial leadership team in anticipation of product launch.

As of the date of this announcement, we have built a commercial team with more than 60 members. The commercial team, comprising of sales and marketing team and clinical medicine team, is responsible for the pre-market introduction and education of the Core Products. The Company's clinical medicine team has set up a professional follow-up team with medical literacy and surgical understanding, which has established the global operating standards through high-standard clinical follow-up feedbacks.

The sales and marketing team has started product admission as well as the construction of regional distributors' network to enhance the Company's market expansion and marketing capabilities to further enhance commercialization capabilities. As of the date of this announcement, we have expanded to more than 220 hospitals in China with influence in both academia and industry, with presence in more than 30 provinces, municipalities and autonomous regions. We have completed the training of more than 50 independent physicians and more than 15 teaching experts in 2023. We plan to scale up our commercial team to cover the increasing number of hospitals for the upcoming product launch.

In countries and regions other than China, we have provided training to 24 independent physicians and teaching experts covering regions such as North America, Europe, Asia-Pacific and Latin America, and have completed implantation procedures or treatment promotions in nearly 50 hospitals.

We have participated in both domestic and overseas high-quality academic conferences in the field of structural heart diseases, including industry conferences, associations, and annual meetings, such as PCR London Valves 2023 (2023年倫敦心臟瓣膜病介入治療會議), Transcatheter Cardiovascular Therapeutics 2023 (2023年美國經導管心血管治療大會), Strait Cardiovascular Interventional Symposium* (海峽兩岸心血管介入治療研討會), PCR-CIT China Chengdu Valves 2023* (2023成都國際心臟瓣膜病介入治療會議), the Hangzhou Valve Seminar* (杭州瓣膜會), and the Western Valve Forum* (西部瓣膜論壇). These events allow us to increase the market visibility of our product candidates, share our clinical results and enhance experts' awareness of clinical benefits of our product candidates. Going forward, we plan to organize and participate in more academic conferences of the aforementioned kinds on a yearly basis.

We are exploring global business development cooperation and partnership with foreign medical device manufacturers and enterprises in different phases, which would accelerate the global commercialization of the Company's products around the world.

* *For identification purposes only*

Future Development

Our vision is to become a global leading medical device platform with a comprehensive offering of innovative products for the treatment of structural heart diseases. We plan to implement the following strategies to achieve our goal:

- expedite the commercialization of our product candidates, especially our Core Products, in order to enjoy the first-mover advantage in the underpenetrated and fast-growing TTVR market;

- specialize in structural heart diseases and build upon our R&D capabilities and seek strategic collaborations to optimize our product portfolio; and

- expand our footprint to become an industry leader.

II. FINANCIAL REVIEW

Other Income and Gains

Our other income and gains primarily consist of (i) interest income from bank deposits; (ii) government grants, primarily including subsidies received from the local governments to support our R&D activities and business operations; (iii) net foreign exchange gains in connection with bank balance and cash denominated in U.S. dollars; and (iv) gains on financial assets at fair value through profit or loss, representing the realized and unrealized gains from wealth management products we purchased. Our other income and gains decreased from RMB54.4 million in 2022 to RMB43.8 million in 2023. The decrease was primarily attributable to the decline in foreign exchange gains.

Research and Development Expenses

Our R&D expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for R&D personnel; (iii) costs of raw materials and consumables used for R&D of our product candidates; (iv) third-party contracting costs, primarily including payments to contract research organizations, clinical trial sites, and other medical institutions and testing fees incurred for pre-clinical studies and clinical trials.

Our R&D expenses has slightly decreased from RMB291.6 million in 2022 to RMB288.2 million during the Reporting Period. The decrease was primarily attributable to the reduction in share-based compensation expenses incurred for R&D personnel, partially offset by the rise in staff costs, costs of material and consumables used, and third-party contracting costs arising from our continuous R&D efforts.

The following table sets forth a breakdown of our R&D expenses in absolute amounts for the periods indicated:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Share-based compensation expenses	**125,073**	170,474
Staff costs	**62,392**	51,983
Costs of raw materials and consumables used	**32,733**	27,574
Third-party contracting costs	**39,713**	26,103
Depreciation and amortization expenses	**6,965**	4,298
Others	**21,275**	11,148
Total	**288,151**	291,580

Administrative Expenses

Our administrative expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for administrative personnel; (iii) professional service fees incurred primarily in relation to recruitment, legal and accounting services; (iv) depreciation and amortization; and (v) travelling and transportation expenses. In 2022 and 2023, we recorded share-based compensation expenses of RMB147.4 million and RMB80.3 million respectively, under our administrative expenses.

Our administrative expenses decreased from RMB219.7 million in 2022 to RMB150.3 million in 2023. The decrease was primarily attributable to the reduction in share-based compensation expenses incurred for administrative personnel and a decrease in professional service fees.

The following table sets forth a breakdown of our administrative expenses in absolute amounts for the periods indicated:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Share-based compensation expenses	**80,315**	147,401
Staff costs	**29,258**	17,771
Professional service fees	**19,808**	40,645
Depreciation and amortization expenses	**5,095**	4,901
Traveling and transportation expenses	**4,790**	1,388
Utilities and office expenses	**844**	1,126
Others	**10,199**	6,465
Total	**150,309**	219,697

Other Expenses

Our other expenses mainly consist of disposals of property, plant and equipment, impairment of other receivables and others.

Our other expenses increased from RMB0.1 million in 2022 to RMB0.6 million in 2023. The increase was primarily attributable to the increase in impairment of other receivables.

Finance Costs

Our finance costs mainly consist of lease liabilities.

Our finance costs remained relatively stable, increasing slightly from RMB113,000 for the year ended 31 December 2022 to RMB142,000 for the year ended 31 December 2023.

Income Tax Expenses

We did not incur any income tax expenses during the Reporting Period.

Loss for the Year

Based on the factors described above, our net losses amounted to RMB379.1 million and RMB440.9 million for the years ended 31 December 2023 and 2022, respectively.

Working Capital

Our primary uses of cash relate to the R&D of our product candidates and capital expenditures. Our net cash used in operating activities was RMB222.4 million for the year ended 31 December 2023, primarily due to the significant R&D expenses and administrative expenses we incurred during the Reporting Period. Our operating cash flow will continue to be affected by our R&D expenses. During the Reporting Period, we primarily funded our working capital requirements through capital contributions from our Shareholders. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Going forward, we believe our liquidity requirements for conducting our R&D activities and realizing the commercialization of our product candidates, as well as supporting our future expansion plans will be satisfied by using funds from a combination of our cash and bank balances and other funding sources as we believe appropriate.

Our net cash generated from investing activities was RMB358.1 million for the year ended 31 December 2023, primarily due to the proceeds from the disposal of our equity interest in Starway Medical Technology, Inc. For details, please refer to the announcement of the Company dated 28 November 2023.

Our net cash generated from financing activities was RMB56.4 million for the year ended 31 December 2023, primarily due to the contribution by our Shareholders and new bank loans during the Reporting Period.

As of 31 December 2023, we had cash and cash equivalents of RMB927.8 million, representing an increase of 27.6% compared to RMB727.4 million as of 31 December 2022.

Our net current assets increased from RMB798.6 million as of 31 December 2022 to RMB1,096.2 million as of 31 December 2023, primarily because of an increase in the cash and cash equivalents of the Group as a result of the net proceeds we received from the disposal of an investment in associate.

Capital Expenditure

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on machinery and office equipment, as well as leasehold improvements. We expect our main sources of funding for capital expenditure in 2024 to be bank loans, net proceeds from the Global Offering, and capital contributions from our Shareholders.

Our capital expenditures increased from RMB49.6 million for the year ended 31 December 2022 to RMB78.6 million for the year ended 31 December 2023. Our capital expenditures were primarily attributable to the purchase of property, plant and equipment.

Key Financial Ratios

The following tables sets forth the key financial ratios as at the dates indicated:

	As of 31 December	
	2023	2022
Current ratio[(1)]	**19.7**	15.1
Quick ratio[(2)]	**19.2**	14.9
Gearing ratio[(3)]	**7.6%**	4.1%

Notes:

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(3) Gearing ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.

Indebtedness

As of 31 December 2023, we had total bank borrowings of RMB40.7 million denominated in RMB at floating interest rates, of which RMB15.8 million is secured, as compared to nil bank borrowings as of 31 December 2022.

Our lease liabilities decreased from RMB3.9 million as of 31 December 2022 to RMB3.3 million as of 31 December 2023, primarily because of the repayment of lease liabilities.

Pledge of Assets

As of 31 December 2023, certain leasehold land with a carrying amount of RMB24.8 million was pledged to secure the bank borrowings of RMB15.8 million.

Contingent Liabilities

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

Significant Investments, Material Acquisitions and Disposals

As disclosed in the announcement of the Company dated 28 November 2023, the Group entered into an equity transfer agreement in relation to the disposal of the entire equity interest in Starway Medical Technology, Inc. (北京華醫聖傑科技有限公司) ("**Starway**"), representing approximately 22.48% of the entire issued share capital of Starway, for a consideration of RMB500 million (equivalent to HK$547.47 million).

For further details, please refer to the announcement of the Company dated 28 November 2023 and the circular of the Company dated 29 November 2023. The transaction of the Company's equity interest in Starway was completed in December 2023.

Save as disclosed in this announcement, the Group did not make any material acquisitions or disposals of subsidiaries, associated companies or joint ventures and significant investment during the Reporting Period, and does not have any specific plan on material investments or capital assets as of the date of this announcement.

Foreign Exchange Exposure

During the Reporting Period, we mainly operated in China and a majority of our transactions were settled in Renminbi, the functional currency of our Company. We are exposed to foreign currency risk mainly arising from exchange rate fluctuations of U.S. dollars against RMB. 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.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as of 31 December 2023.

HUMAN RESOURCES

As of 31 December 2023, the Group has 376 employees (as of 31 December 2022: 292 employees) in total. In compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In addition, we are required under PRC law to make contributions to statutory employee benefit plans (including pension plans, medical insurance and housing funds) at a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government.

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant position. We invest in continuing education programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salaries, promotion and career development.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 10 October 2022, the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering (after deducting underwriting fees and relevant expenses) amounted to approximately HK$206.4 million. The Company will apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the Global Offering and actual usage as at 31 December 2023:

Use of proceeds	Percentage of total net proceeds	Allocation of net proceeds *(HK$ million)*	Unutilized net proceeds as of 31 December 2022 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Unutilized net proceeds as of 31 December 2023 *(HK$ million)*	Expected timeline for utilization of unutilized net proceeds
To fund the research and development, manufacturing and commercialization of our Core Products, namely, LuX-Valve and Ken-Valve	65.0%	134.1	134.1	8.4	125.7	31 December 2026
To fund the research and development, clinical trials and product registration of other product candidates in our pipeline, including LuX-Valve Plus, KenFlex and mitral valve products	25.0%	51.6	51.6	18.7	32.9	31 December 2026
Working capital and general corporate purposes	10.0%	20.7	20.7	10.3	10.4	31 December 2024
Total	100%	206.4	206.4	37.4	169.0	

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.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company completed the conversion of 178,715,577 Unlisted Shares into H Shares and the listing thereof on 25 March 2024 (the "**Conversion and Listing**"). The Company received the Notice of the Full Circulation Registration of the Domestic Unlisted Shares of Jenscare Scientific Co., Ltd. (關於寧波健世科技股份有限公司境內未上市股份"全流通"備案通知書) from the CSRC on 7 March 2024 and the Listing Approval from the Stock Exchange on 15 March 2024 in respect of the Conversion and Listing. The listing of the converted H Shares on the Stock Exchange has commenced at 9:00 a.m. on 25 March 2024 as scheduled. For details, please refer to the announcements of the Company dated 11 March 2024 and 25 March 2024.

Save as disclosed above, there are no material subsequent events undertaken by the Company or by the Group after the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

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

GRANT OF REPURCHASE MANDATE AND ADOPTION OF H SHARE SCHEME

On 28 November 2023, the Board has resolved to propose including, among others (i) the granting of the repurchase mandate to the Board; (ii) the adoption of the H Share Scheme; and (iii) the authorization to the Board and/or the delegatee(s) to handle matters pertaining to the H Share Scheme. The grant of repurchase mandate to the Board, the adoption of the H Share Scheme and such authorization to the Board were duly approved by the Shareholders at the 2023 second extraordinary general meeting of the Company held on 15 December 2023. For further details, please refer to the announcements of the Company dated 28 November 2023, 29 December 2023 and 25 January 2024 respectively, and the circular of the Company dated 29 November 2023.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 31 May 2024. Notice of the AGM and all other relevant documents will be published and despatched to Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 27 May 2024.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation from code provision C.2.1 of the CG Code.

Under paragraph C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although such the appointment is not consistent with such paragraph C.2.1, Mr. Lv is our chairman of the Board and the chief executive officer of our Company. With extensive experience in the medical devices industry and having served in our Company since January 2013, Mr. Lv is in charge of the overall management of business operation, strategy and corporate development of our Group. Our Board considers that vesting the roles of chairman and general manager in the same person is beneficial to the management of our Group.

The balance of power and authority is ensured by the operation of our Board, our Supervisors and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises two executive Directors (including Mr. Lv), four non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman and the chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, each of them has confirmed that he/she has complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Ms. Du Jiliu, Dr. Lin Shoukang and Dr. Mei Lehe. Ms. Du Jiliu serves as the chairperson of the Audit Committee, who has the professional qualifications and experience in financial matters in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to provide an independent view of the Company's financial reporting process, internal control and risk management systems, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management and external auditor of the Company, has reviewed the annual results and the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2023) of the Group. The Audit Committee is of the view that the annual results of the Group for the year ended 31 December 2023 is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2023, but represents an extract from the consolidated financial statements for the year ended 31 December 2023 which have been audited by the auditor of the Company, Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE ANNUAL RESULTS AND 2023 ANNUAL REPORT

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

DEFINITIONS

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

"AGM"	the 2024 annual general meeting of the Company to be held on Friday, 31 May 2024
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"CE Certificate"	Conformité Européenne, an administrative marking that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA)
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
"CMDE"	Center for Medical Device Evaluation of NMPA (國家藥品監督管理局醫療器械技術評審中心)
"Company" or "our Company"	Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on 23 March 2021, or, where the context requires (as the case may be), its predecessor Ningbo Jenscare Biotechnology Co., Ltd. (寧波健世生物科技有限公司), a limited liability company established in the PRC on 8 November 2011
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and in this context, refer to the concert parties, Mr. Lv and Ms. Li Hui
"Core Product(s)"	LuX-Valve and KenValve, the designated "core products" as defined under Chapter 18A of the Listing Rules
"Directors"	the directors of the Company or any one of them
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange

"Global Offering"	the global offering of the H Shares, details of which are set forth in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Shares"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and which are listed on the Stock Exchange
"H Share Scheme"	the H Share award and trust scheme approved and adopted by the Shareholders at the extraordinary general meeting held on 15 December 2023
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange on 10 October 2022
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Mr. Lv"	Mr. LV Shiwen (呂世文), the chairman of the Board, an executive Director, the chief executive officer and the chief technology officer of our Company, and one of our Controlling Shareholders
"NMPA"	the National Medical Product Administration of the PRC* (中國國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)

"Prospectus"	the prospectus of the Company dated 23 September 2022
"R&D"	research and development
"Reporting Period"	the year ended 31 December 2023
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisors"	the member(s) of the Company's board of supervisors
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction, any State of the United States, and the District of Columbia
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and are not listed on the Stock Exchange
"Unlisted Share(s)"	Domestic Shares and Unlisted Foreign Shares
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

By order of the Board
Jenscare Scientific Co., Ltd.
Mr. LV Shiwen
Chairman and Executive Director

Hong Kong, March 27, 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. LV Shiwen and Mr. PAN Fei, as executive Directors; Mr. TAN Ching, Mr. ZHENG Jiaqi, Ms. XIE Youpei and Mr. CHEN Xinxing, as non-executive Directors; and Dr. LIN Shoukang, Ms. DU Jiliu and Dr. MEI Lehe, as independent non-executive Directors.