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, 2024

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024, together with comparative audited figures for the year ended December 31, 2023. 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,	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**361,565**	336,215
Gross profit	**251,210**	229,931
Loss from operations	**(62,620)**	(313,651)
Loss for the year	**(53,267)**	(471,534)
Loss per share — Basic and diluted *(in RMB)*	**(0.02)**	(0.20)

For the year ended December 31, 2024, the Group recorded revenue of RMB361.6 million, representing an increase of 7.5% compared to RMB336.2 million for the year ended December 31, 2023, primarily attributable to the rapid growth in our overseas revenue of TAVI products, which mainly contributed by the continued advancement of the VitaFlow Liberty® and the Alwide® Plus in terms of global commercialization during the Reporting Period. In addition, AnchorMan® LAAC System and the AnchorMan® LAA Access System independently developed by our subsidiary, MP CardioAdvent, were officially commercialized in the PRC during the Reporting Period, contributing incremental revenue to the Group as well.

Our gross profit increased by 9.3% from RMB229.9 million for the year ended December 31, 2023 to RMB251.2 million for the year ended December 31, 2024, and the gross profit margin increased by 1.1 percentage points from 68.4% for the year ended December 31, 2023 to 69.5% for the year ended December 31, 2024, primarily due to our effective costs reduction and expenditures control measures, together with the economies of scale we achieved in line with our business growth.

The Group recorded loss for the year of RMB53.3 million for the year ended December 31, 2024 as compared to RMB471.5 million for the year ended December 31, 2023. Such decrease was primarily due to (i) an increase of 7.5% in revenue as compared to last year, a reduction in production costs and an increase in gross profit margins; (ii) the Group's endeavors in coordinating internal and external resources, leveraging intensive effect, and enhancing operational efficiency, driving the business to achieve healthy and sustainable growth; and (iii) the reversal of previously recognized impairment loss on the equity investment in 4C Medical. Besides, the Group also recognized gains on changes in the fair value of the convertible instruments issued by 4C Medical.

BUSINESS REVIEW

Overview

In 2024, driven by policy support, market demand and medical insurance access, the China's structural heart diseases industry achieved steady growth, but also faced the challenges from the sophisticated economic environment and intensified competition in the industry. As one of the important means of interventional treatment of structural heart diseases, by virtue of the collaborative endeavors of industry participants in academic exchanges, propaganda and education among doctors and patients, medical insurance coverage and payment support, the number of qualified medical centers of the TAVI procedures has increased, with a further increase in the penetration rate and a steady growth in the industry scale. In addition, as an effective means for stroke prevention in patients with nonvalvular atrial fibrillation, the LAAC has made breakthroughs in several key areas, including evidence-based medical research, clinical application, development of new technologies and updating of guidelines. Meanwhile, with the promotion of the "catheter ablation + LAAC" one-stop procedure, the number of procedures has also increased rapidly.

During the Reporting Period, the Group's TAVI products made significant progress in global commercialization based on their excellent clinical results and high recognition from physicians and patients in real-world applications. In China, new access to more than 80 additional hospitals brought the Company's business coverage to more than 630 hospitals, and maintained stable growth in leading hospitals. In overseas, VitaFlow Liberty® obtained CE Mark in April 2024, becoming the first "China Intelligent Manufacturing" TAVI system to enter the European market, and laying a solid foundation for the rapid growth of our overseas revenue. By the end of the Reporting Period, our TAVI products have entered nearly 100 hospitals in Argentina, Colombia, Thailand, Russia, Italy, Spain, Chile and Switzerland.

During the Reporting Period, we acquired 51% equity interest in MP CardioAdvent, marking the official expansion of the Group's business into stroke prevention in patients with nonvalvular atrial fibrillation, a market segment with high growth potential in the field of structural heart diseases, which will further expand the revenue sources of the Group, and enhance its competitiveness. The self-developed AnchorMan® LAAC System by MP CardioAdvent was approved by the NMPA in January 2024, and received CE Mark in February 2025, making it the only semi-closed type LAAC product approved by the NMPA in China so far, and the only LAAC System certified by both CE and the NMPA in China, while its supporting AnchorMan® LAA Access System has also successively received the NMPA and CE Mark approvals.

As of the date of this announcement, AnchorMan® LAAC System and its access system have achieved over 350 commercial applications in more than 50 medical centers across 15 provinces and cities in China, with no serious complications and a 100% success rate.

Our global registrations were also progressing steadily during the Reporting Period: our third-generation TAVI product, VitaFlow Liberty® Flex, which is equipped with a newly upgraded coaxial steerable delivery system, has received the approval from the NMPA in December 2024, making it the world's only "true" coaxial steerable self-expanding transcatheter aortic heart valve delivery system. As of the date of this announcement, in addition to the CE Mark of VitaFlow Liberty®, AnchorMan® LAAC System and its access system, VitaFlow Liberty® has received registration approval in 18 countries/territories in total. The registrations of VitaFlow Liberty® and Alwide® Plus have also reached milestone achievements in emerging markets such as Brazil, Australia and Mexico; the registration of AnchorMan® LAAC System and AnchorMan® LAA Access System in emerging markets was also under preparation. 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.

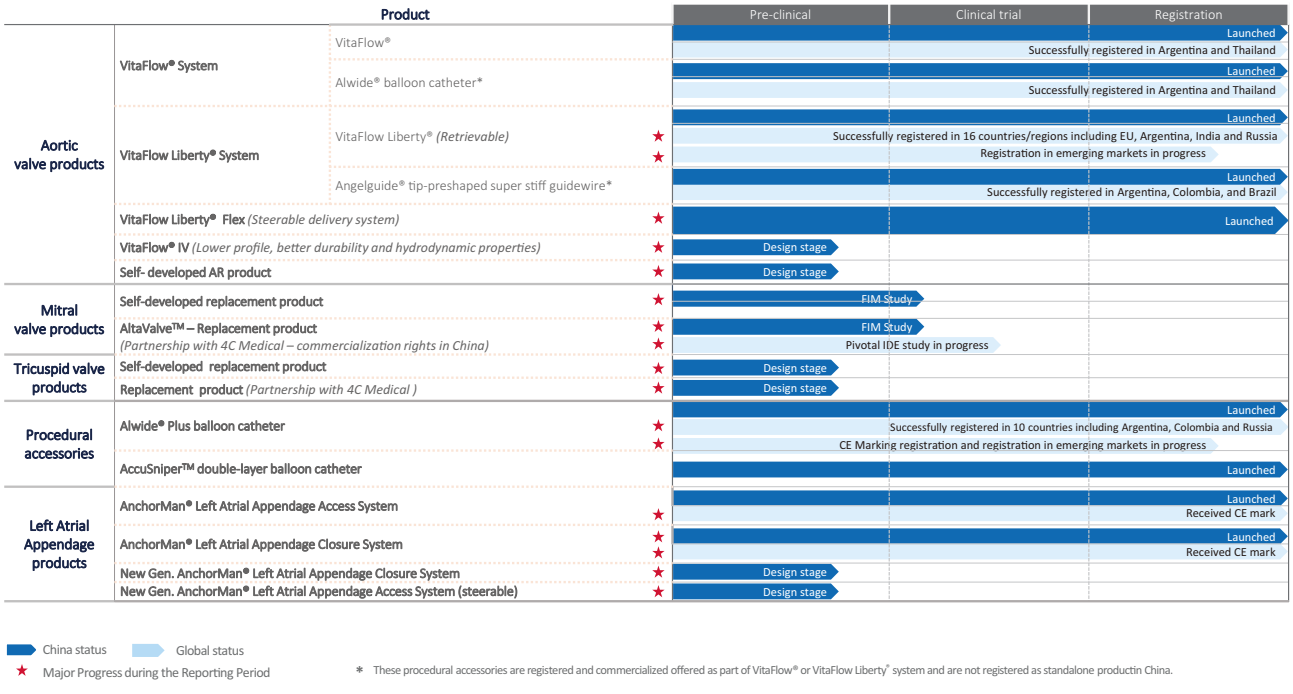
While accelerating the pace of commercialization, we have continued to carry out the strategic R&D roadmap to provide trustworthy and universal access to state-of-the-art total solutions to treat structural heart diseases in an orderly and efficient manner, providing continuous momentum for the Group's rapid and healthy development. During the Reporting Period, adhering to the principle of intensification, we have consolidated resources for projects candidates, and planned progress of projects reasonably, thereby more efficiently advancing the R&D process of products that can quickly generate revenues, and orderly promoting the medium-and long-term projects to achieve the R&D milestones. Our self-developed four-generation TAVI product, VitaFlow® IV, is in rigorous engineering and design process, while our self-developed TMVR product has completed multiple human applications, and successfully completed the postoperative follow-ups of relevant patients for up to two years with an inspiring result.

In addition to self-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™, a TMVR product in collaboration with our business partners, was granted two breakthrough device designations by the FDA for the treatment of (a) moderate-to-severe or severe MR, and (b) moderate-to-severe or severe MR with moderate/severe mitral annular calcification, which fully demonstrated the innovative results and leading position of the AltaValve™ system in the field of mitral regurgitation interventional therapy. As of the date of this announcement, AltaValve™ has conducted pivotal clinical study based on the investigational device exemptions (IDE) approved by the FDA.

Our Pipeline

As of the date of this announcement, our in-house developed product portfolio consists of seven registered products — VitaFlow®, VitaFlow Liberty® (including procedural accessories as supporting supply), VitaFlow Liberty® Flex, 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 end of the Reporting Period:



* These procedural accessories are registered and commercialized offered as part of VitaFlow® or VitaFlow Liberty® system and are not registered as standalone productin 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 8-year follow-up results of the clinical trial were released, in which the all-cause mortality rate at 8-year follow-up was 39.1%, and the cardiac mortality rate was only 20.6%. 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.

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 received CE-MDR certification in April 2024. In addition, as of the date of this announcement, VitaFlow Liberty® was successively registered in 17 overseas countries/ territories, such as Argentina, Colombia, Thailand and Russia, etc.. We are also in the process of registering VitaFlow Liberty® in emerging markets, such as Australia and Mexico, etc..

VitaFlow Liberty® Flex

VitaFlow Liberty® Flex is our third-generation TAVI product, which has received the approval from the NMPA in December 2024, making it the world's only "true" coaxial steerable self-expanding transcatheter aortic heart valve delivery system. It inherits all the advantages of VitaFlow Liberty®, and innovatively adds a 3D spatial steerable function. Its unique Capsule segment internal control steerable technology allows the valve to remain coaxial during release, resulting in a more stable and precise implantation as well as a smoother and safer over-arching and trans-valve. In addition, the system realizes junctional alignment during valve release, protecting the coronary artery pathway and reserving space for future coronary artery interventions. VitaFlow Liberty® Flex will provide physicians with more excellent ease-of-use that will benefit more patients. As of the date of this announcement, VitaFlow Liberty® Flex has realized commercialization and its results of several early exploratory clinical implantations have been announced, with excellent immediate surgical outcomes, significant improvement in relevant indicators of patients at 30-day follow-up compared to pre-surgery, and good health recovery in patients whose postoperative follow-ups for up to one year.

AnchorMan® LAAC System and AnchorMan® LAA Access System

The Group's self-developed AnchorMan® LAAC System and AnchorMan® LAA Access System are interventional medical solutions for stroke prevention in nonvalvular atrial fibrillation. Compared to traditional open and closed LAAC, AnchorMan® LAAC System combines their merits. Through the semi-closed structure formed by the 12 "3D folding" units and the frame, it solves the clinical pain point that the access sheath of the traditional plug-in closure device must deep into the atrial appendage, and achieves stable anchoring; its rounded and soft distal end could reduce damage to the atrial appendage tissue; the dense NiTi alloy frame design allows very tight conformity to the anatomy of atrial appendage and achieves better sealing performance; in addition, two deployment models of advancement and unsheathe are available to provide more options for physicians. AnchorMan® LAA Access System is compatible with AnchorMan® LAAC System to provide the femoral venous and trans-atrial septal access.

VitaFlow® IV

We are developing the fourth-generation product of the VitaFlow series, which will continue the technical features of this series, such as controllable bending and strong support. At the same time, we are continuously focusing on enhancing safety and effectiveness, and 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.

TMVR Product

We are developing a TMVR product for the treatment of patients with MR, which is featured with large orifice, low subvalvular height and dry tissue technology, and its operation is simple and physician-friendly. We have now completed multiple human applications of the TMVR product and postoperative follow-ups of relevant patients for up to two years and are 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 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 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 protections such as patent application, trademark registration, business secret control, etc., while devoting ourselves to technological innovation.

In January 2024, the Company acquired 51% equity in MP CardioAdvent, which then owned 16 Chinese patents, 22 pending Chinese patent applications, 3 overseas patents, 23 pending overseas patent applications, and 19 approved trademarks worldwide.

During the Reporting Period, we newly registered 39 patents and submitted 29 pending patent applications in China. Meanwhile, we added a total of 17 patents in South Korea, Japan, Australia, America and Europe. As of the end of the Reporting Period, we owned 231 patents in China, including 67 invention patents, 153 utility models and 11 industry designs, and 145 pending patent applications, including 139 invention patents and 6 utility models. To drive our internationalization strategy, as of the end of the Reporting Period, we also owned 129 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 12 newly registered ones, the total number of our approved trademarks worldwide reached 120.

Supply Chain

Our production plant with a total GFA of approximately 14,000 sq.m. in Shanghai is able to provide an annual production capacity of 25,000 sets of TAVI products and 6,000 sets of LAAC products, providing a solid supply guarantee for the continuous improvement on sales and supporting our Group's rapid development in the future. Our production facilities and equipment follow the GMP of the European Union and China. During the Reporting Period, we completed the acquisition of 100% equity in Shanghai Xinyong. Shanghai Xinyong holds the state-owned land use right for a high-tech designated land parcel in Shanghai with an area of 13,320 sq.m, as well as buildings on the target land with a total GFA of nearly 9,000 sq.m. We plan to develop this site as the Group's global headquarters for the expansion of our business operations in R&D, production, and office purposes, as well as establish it as a R&D and production base for LAA medical devices. This addresses the anticipated near-term shortage of R&D and production space across several business lines of the Group, particularly to timely meet the capacity expansion demands for LAA medical devices.

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. We have also achieved in-house production of certain key 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 excellent operation, and continued to strengthen the construction of the manufacturing system to realize the continuous improvement on production efficiency.

Commercialization

As of the date of this announcement, we had commercialized our TAVI products in 18 countries, including China, Argentina, Colombia, Thailand, Russia, Chili and Switzerland through over 650 domestic hospitals and nearly 100 overseas hospitals. The Independent Physicians of our TAVI products are over 450 in China and nearly 50 overseas. Our LAAC products have been adopted in over 50 domestic hospitals, completed over 400 commercial applications and cultivated nearly 50 Independent Physicians.

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, including TAVI and LAAC. As of the end of the Reporting Period, our Total Solutions Team had over 160 full-time employees. We leverage on the resources and advantages of MicroPort® Group in the field of cardiac and cardiovascular disease treatment, which brought 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 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 are 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 strong supplement of 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 influence within the international academic circle of structural heart diseases. During the Reporting Period, we participated in well-known international academic conferences such as Hangzhou Valves, Annual Meeting of the Asian Society for Cardiovascular and Thoracic Surgery (ASCVTS), 2024 West China Atrial Fibrillation Week, the Oriental Congress of Cardiology and the World Congress of Cardiology (OCC-WCC 2024), Beijing Valves, Chinese Heart Rhythm Society Scientific Sessions (CHRS 2024), EuroPCR, Italian Society of Interventional Cardiology National Congress, Coronary and Structural Course and London Valves, 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.

Employees and Remuneration

As of December 31, 2024, our Group had a total of 430 full-time employees (as of December 31, 2023: 592 full-time employees), of which 10.70% were R&D staff and 36.74% 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 and the Share Award Scheme and Share Option Scheme (terminated on June 27, 2023) to provide incentives for the eligible participants.

Significant Investments, Material Acquisitions and Disposals during 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 MP CardioAdvent 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 at a consideration of approximately RMB141,316,920. Upon completion, 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.

On August 22, 2024, MP CardioFlow and Shanghai MicroPort Medical entered into the Shanghai Xinyong Equity Transfer Agreement, pursuant to which MP CardioFlow has conditionally agreed to acquire, and the Shanghai MicroPort Medical has conditionally to sell, the entire equity interest in Shanghai Xinyong at a consideration not exceeding RMB380.0 million. Upon completion, Shanghai Xinyong become a subsidiary of our Company. Such transaction was approved by the Shareholders on September 30, 2024. Please refer to the Company's circular dated August 29, 2024 and announcements dated August 22, 2024 and September 20, 2024, for further details.

Save as disclosed above, we did not make any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Important Events after the Reporting Period

On March 5, 2025, an associate of the Group, 4C Medical, has closed its series D financing round, raising gross proceeds of up to US$175.0 million.

With effect from March 27, 2025, Mr. Jeffrey R Lindstrom resigned as an executive Director, President of the Company, and a director and the general manager of MP CardioFlow and Mr. Zhang Ruinian (張瑞年) has been appointed as an executive Director and President of the Company, and a director and the general manager of MP CardioFlow. For further details, please refer to the Company's announcement dated March 27, 2025.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2024 and up to the date of this announcement.

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 the 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.

Strengthen promotion of LAAC products to improve its market share in China

Based on the excellent clinical results of our LAAC products and our years of experience and resources in the field of structural heart disease, we will strengthen the promotion of LAAC products and strive to rapidly increase its market share in China.

By collaborating with electrophysiology manufacturers to promote the "catheter ablation + LAAC" one-stop procedure, we are accelerating the commercialization of LAAC.

Continue to advance our international strategy

VitaFlow Liberty® has received the CE Mark and registration approval in 17 overseas countries and territories, AnchorMan® LAAC System and AnchorMan® LAA Access System have received the CE Mark, and Alwide® Plus has entered the key stages of CE Mark registration, which lays a good foundation for 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.

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®, AnchorMan® LAAC System and AnchorMan® LAA Access System, 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.

Orderly 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.

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 and design for manufacturability 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 apply 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®,VitaFlow Liberty®, AnchorMan® LAA Access System and AnchorMan® LAAC System.

For the year ended December 31, 2024, the Group recorded revenue of RMB361.6 million, representing an increase of 7.5% compared to RMB336.2 million for the year ended December 31, 2023, primarily attributable to the rapid growth in our overseas revenue of TAVI products, which mainly contributed by the continued advancement of the VitaFlow Liberty® and the Alwide® Plus in terms of global commercialization during the Reporting Period. In addition, the AnchorMan® LAA Access System and AnchorMan® LAAC System independently developed by our subsidiary, MP CardioAdvent, were officially commercialized in the PRC during the Reporting Period, contributing incremental revenue to the Group as well.

Cost of Sales

During the Reporting Period, our cost of sales was related to the manufacturing of VitaFlow®,VitaFlow Liberty®, AnchorMan® LAA Access System and AnchorMan® LAAC System. Our cost of sales increased by 3.8% from RMB106.3 million for the year ended December 31, 2023 to RMB110.4 million for the year ended December 31, 2024, primarily due to the increase of raw materials costs, staff costs and manufacturing expenses as a result of the increased sales volumes.

Gross Profit and Gross Profit Margin

Our gross profit increased by 9.3% from RMB229.9 million for the year ended December 31, 2023 to RMB251.2 million for the year ended December 31, 2024, and the gross profit margin increased by 1.1 percentage points from 68.4% for the year ended December 31, 2023 to 69.5% for the year ended December 31, 2024, 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, 2024, we recorded RMB84.3 million in other net income, compared to RMB91.8 million for the year ended December 31, 2023, primarily due to the decrease in interest income arising from time deposits during the Reporting Period.

R&D Costs

Our R&D costs decreased by 35.4% from RMB237.3 million for the year ended December 31, 2023 to RMB153.4 million for the year ended December 31, 2024, primarily attributable to the adjustments in the priority and resource investment of projects based on the prevailing market outlook and the efficiency analysis on input-output in a prudent manner. 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,	
	2024	2023
	RMB'000	*RMB'000*
Staff costs	**48,280**	80,746
Depreciation and amortization	**43,840**	38,967
Third-party contracting costs	**35,104**	43,112
Cost of materials and consumables	**19,221**	60,714
Share-based compensation expenses	**2,547**	3,949
Others	**4,417**	9,854
Total	**153,409**	237,342

Distribution Costs

Our distribution costs decreased by 26.1% from RMB223.0 million for the year ended December 31, 2023 to RMB164.8 million for the year ended December 31, 2024, primarily attributable to the effort to strengthen the synergies and interconnections of sales channels while expanding our sales, and the improvement of operational efficiency.

Administrative Expenses

Our administrative expenses decreased by 18.0% from RMB70.2 million for the year ended December 31, 2023 to RMB57.6 million for the year ended December 31, 2024, primarily attributable to the Company's stringent control and reduction of administrative expenses to further enhance the operational efficiency.

Fair Value Changes in Financial Instruments

The gain on fair value changes in financial instruments was RMB21.7 million for the year ended December 31, 2024 (a loss on fair value changes for the year ended December 31, 2023 of RMB50.2 million), which mainly arose from the fair value changes of the convertible instruments issued by 4C Medical.

Other Operating Costs

Our other operating costs decreased from RMB54.6 million for the year ended December 31, 2023 to RMB44.0 million for the year ended December 31, 2024, primarily due to the decrease in donations made during the Reporting Period.

Finance Costs

Our finance costs decreased from RMB4.1 million for the year ended December 31, 2023 to RMB4.0 million for the year ended December 31, 2024, primarily attributable to a decrease in interest expense on lease liabilities.

Share of Losses of Associates

Our share of losses of associates increased from RMB49.7 million for the year ended December 31, 2023 to RMB61.7 million for the year ended December 31, 2024, 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

For the year ended December 31, 2024, we did not record any share of losses of a joint venture (as of December 31, 2023: RMB14.7 milion), primarily since our Group has obtained the control of Rose Emblem Ltd. (a former joint venture of the Group) in November 2023.

Impairment Loss on Investment in an Associate

The reversal of impairment loss on investment in an associate was RMB82.0 million for the year ended December 31, 2024, compared to a provision of RMB81.3 million for impairment loss on investment in an associate for the year ended December 31, 2023, which was primarily attributable to the reversal of impairment loss previously recognized for the equity investment in 4C Medical.

Inventories

Our inventories increased from RMB122.9 million as of December 31, 2023 to RMB135.4 million as of December 31, 2024, which was primarily attributable to the stock built up for the newly launched LAA products and TAVI products in various overseas markets.

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 and (iii) interest receivables; (iv) prepayments to suppliers and service providers; and (v) deposits and other debtors.

Our trade and other receivables increased from RMB144.8 million as of December 31, 2023 to RMB180.0 million as of December 31, 2024, primarily attributable to the increased revenue.

Interests in Associates

Our interest in associates increased from RMB143.1 million as of December 31, 2023 to RMB165.8 million as of December 31, 2024, mainly attributable to the reversal of impairment loss on the equity investment in 4C Medical partially offset by the losses recognized under equity method.

Other Financial Assets

Our financial assets increased from RMB24.3 million as of December 31, 2023 to RMB92.6 million as of December 31, 2024, mainly attributable to the newly acquired convertible instruments issued by 4C Medical and the gain on fair value changes therein 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 RMB152.9 million as of December 31, 2023 to RMB358.6 million as of December 31, 2024, primarily due to consideration payables in connection with the acquisition of Shanghai Xinyong, during the Reporting Period.

Capital Expenditure

Our capital expenditure amounted to RMB158.4 million during the Reporting Period (RMB14.1 million during 2023), which was used for acquiring (i) properties; and (ii) equipment, machinery 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, 2024, 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, 2024.

Contingent Liabilities

As of December 31, 2024, 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 and cash equivalents decreased from RMB1,773.7 million as of December 31, 2023 to RMB1,359.1 million as of December 31, 2024, 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

Our Group's total borrowings as of December 31, 2024 were RMB41.5 million (as of December 31, 2023: nil). As of December 31, 2024, the gearing ratio of our Group (calculated as total interest-bearing borrowings and lease liabilities divided by total equity as of the same date) increased to 3.5%, compared to 3.0% as of December 31, 2023, which was mainly due to the borrowings of our subsidiary, MP CardioAdvent.

Net Current Assets

The Group's net current assets as of December 31, 2024 were RMB1,240.6 million, as compared to the net current assets of RMB1,847.8 million as of December 31, 2023. Such decrease was mainly attributable to a decrease in cash and cash equivalents.

Charge on Asset

As of December 31, 2024, there was no charge on assets of the Group.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	*4*	**361,565**	336,215
Cost of sales		**(110,355)**	(106,284)
Gross profit		**251,210**	229,931
Other net income	*5*	**84,343**	91,755
Research and development costs		**(153,409)**	(237,342)
Distribution costs		**(164,830)**	(223,006)
Administrative expenses		**(57,614)**	(70,219)
Fair value changes in financial instruments		**21,653**	(50,181)
Other operating costs	*6(c)*	**(43,973)**	(54,589)
Loss from operations		**(62,620)**	(313,651)
Finance costs	*6(a)*	**(4,002)**	(4,147)
Share of losses of associates		**(61,669)**	(49,720)
Share of losses of a joint venture		**—**	(14,737)
Reversal of/(provision for) impairment loss on investment in an associate	*9*	**82,029**	(81,327)
Loss before taxation		**(46,262)**	(463,582)
Income tax	*7*	**(7,005)**	(7,952)
Loss for the year		**(53,267)**	(471,534)
Attributable to:			
Equity shareholders of the company		**(49,446)**	(471,534)
Non-controlling interests		**(3,821)**	—
Loss per share	*8*		
Basic and diluted *(RMB)*		**(0.02)**	(0.20)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(53,267)**	(471,534)
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	**43,024**	58,766
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**(14,394)**	(21,888)
Other comprehensive income for the year	**28,630**	36,878
Total comprehensive income for the year	**(24,637)**	(434,656)
Attributable to:		
Equity shareholders of the company	**(20,816)**	(434,656)
Non-controlling interests	**(3,821)**	—
Total comprehensive income for the year	**(24,637)**	(434,656)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	*9*	**505,964**	196,973
Intangible assets		**192,282**	143,881
Interests in associates	*10*	**165,762**	143,089
Other financial assets		**92,616**	24,282
Other non-current assets		**44,655**	27,547
		1,001,279	535,772
Current assets			
Inventories		**135,381**	122,871
Trade and other receivables	*11*	**179,966**	144,785
Time deposits		**1,250,782**	708,270
Pledged deposits		**325**	325
Cash and cash equivalents		**108,029**	1,065,085
		1,674,483	2,041,336
Current liabilities			
Trade and other payables	*12*	**358,569**	152,864
Contract liabilities		**5,309**	4,937
Interest-bearing borrowings	*13*	**37,500**	—
Lease liabilities		**25,576**	28,568
Income tax payable		**6,937**	7,214
		433,891	193,583
Net current assets		**1,240,592**	1,847,753
Total assets less current liabilities		**2,241,871**	2,383,525

	Note	As of December 31, 2024	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Interest-bearing borrowings	*13*	**4,000**	—
Lease liabilities		**9,782**	41,912
Deferred income		**6,400**	6,750
		20,182	48,662
NET ASSETS		**2,221,689**	2,334,863
CAPITAL AND RESERVES			
Share capital	*16*	**83**	83
Reserves		**2,187,129**	2,334,780
Total equity attributable to equity shareholders of the Company		**2,187,212**	2,334,863
Non-controlling interests		**34,477**	—
TOTAL EQUITY		**2,221,689**	2,334,863

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable 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, 2024 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 other investments in debt and equity securities are stated at their fair value.

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:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

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:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of medical devices — point in time	**361,565**	336,215

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

	2024	2023
	RMB'000	*RMB'000*
Customer A	**95,260**	72,876
Customer B	**74,594**	81,826
Customer C	**57,263**	64,276
Customer D	**45,657**	77,261
Customer E	**39,808**	N/A*

* Less than 10% of the Group's revenue in the respective year

(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.

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.

(iii) 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

	2024	2023
	RMB'000	*RMB'000*
The PRC (place of domicile)	**337,980**	324,894
Other countries	**23,585**	11,321
	361,565	336,215

Specified non-current assets

	2024	2023
	RMB'000	*RMB'000*
The PRC (place of domicile)	**700,017**	342,744
North America	**163,991**	141,199
	864,008	483,943

5. OTHER NET INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants *(Note)*	**8,944**	3,585
Interest income on bank deposits	**74,413**	85,262
Interest income on other financial assets measured at amortized cost	**1,496**	1,282
Net (loss)/gain on disposal of property, plant and equipment	**(686)**	65
Net foreign exchange gain	**24**	1,580
Others	**152**	(19)
	84,343	91,755

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

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**2,905**	3,915
Interest on interest-bearing borrowings	**870**	—
Total interest expense on financial liabilities not at fair value through profit or loss	**3,775**	3,915
Others	**227**	232
	4,002	4,147

(b) Staff costs

	2024	2023
	RMB'000	*RMB'000*
Total equity-settled share-based payment cost	**8,590**	10,144
Less: capitalized into cost of inventories	**(83)**	(171)
Equity-settled share-based payment expenses recognized in consolidated statement of profit or loss	**8,507**	9,973
Defined contribution retirement plans *(Note)*	**14,455**	15,983
Salaries, wages and other benefits	**136,814**	191,513
	159,776	217,469

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

	2024	2023
	RMB'000	*RMB'000*
Donation *(Note)*	**38,000**	53,540
Others	**5,973**	1,049
	43,973	54,589

Note: During the year ended December 31, 2024, the Group made charitable and other donations to the third-party charitable organization amounted to RMB38,000,000 (2023: RMB53,540,000).

(d) Other items

	2024 *RMB'000*	2023 *RMB'000*
Amortisation of intangible assets	**29,338**	21,832
Depreciation charge		
— owned property, plant and equipment	**29,124**	24,550
— right-of-use assets	**28,879**	27,236
	58,003	51,786
	87,341	73,618
Research and development expenditure	**153,409**	237,342
Less: Amortisation of capitalized development costs	**(27,654)**	(20,483)
	125,755	216,859
Cost of inventories	**143,646**	193,482
Impairment loss on other receivables	**—**	867
Auditors' remuneration		
— audit services	**1,966**	1,960
— other service fee	**600**	1,076

Cost of inventories includes RMB50,512,000 (2023: RMB40,528,000) 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, 2024.

7. INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	2024 *RMB'000*	2023 *RMB'000*
Current tax — PRC Corporate Income Tax ("CIT")		
Provision for the year	**7,005**	7,952

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 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 2023. 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, 2024 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:

	2024	2023
	RMB'000	*RMB'000*
Loss before taxation	**(46,262)**	(463,582)
Notional tax on loss before taxation, calculated at the rates applicable to profit in the countries and districts concerned	**(10,676)**	(43,260)
Effect of other non-deductible expenses	**12,632**	9,163
Effect of deductible temporary differences not recognized, net of utilisation of deductible temporary differences not recognized in prior years	**9,912**	(3,139)
Effect of additional deduction on research and development expenses	**(12,007)**	(16,567)
Effect of deduction on share-based payment transactions upon the exercise	**(2)**	(502)
Effect of tax losses not recognized	**12,412**	68,097
Effect of non-taxable revenue	**(12,271)**	(13,792)
PRC withholding tax *(note 7(a))*	**7,005**	7,952
Actual tax expenses	**7,005**	7,952

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share during the year ended December 31, 2024 is based on the loss attributable to equity shareholders of the Company of RMB49,446,000 (2023: RMB471,534,000) and the weighted average number of ordinary shares of 2,338,907,000 shares (2023: 2,362,906,000 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

	2024	2023
	RMB'000	*RMB'000*
Loss for the year attributable to equity shareholders of the Company	**(49,446)**	(471,534)

(ii) Weighted average number of shares

	2024	2023
	'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	**2,412,478**	2,409,385
Effect of share options exercised	**97**	1,932
Effect of treasury shares held	**(73,668)**	(48,411)
Weighted average number of shares at the end of the year for the purposes of basic loss per share	**2,338,907**	2,362,906

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The calculation of diluted loss per share amount for the year ended December 31, 2024 has not included the potential effects of share options granted by the Company, as they had anti-dilutive effects on the basic loss per share amount for the respective year. Accordingly, diluted loss per share for the years ended December 31, 2024 are the same as basic loss per share of the respective year.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Ownership interests in land and buildings held for own use	Leasehold improvements *RMB'000*	Equipment and machinery *RMB'000*	Office equipment, furniture and fixtures *RMB'000*	Right-of-use assets *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:							
At January 1, 2023	—	86,570	73,757	12,010	150,844	6,143	329,324
Transfer from construction in progress	—	1,944	10,532	956	—	(13,432)	—
Additions	—	—	—	—	873	10,664	11,537
Disposals	—	(8,893)	(239)	(641)	(223)	—	(9,996)
At December 31, 2023 and January 1, 2024	—	79,621	84,050	12,325	151,494	3,375	330,865
Acquisitions of subsidiaries *(note 15)*	—	6,603	8,267	35	5,037	150	20,092
Transfer from construction in progress	—	1,479	2,757	199	—	(4,435)	—
Additions *(note 9(c))*	184,815	173	269	—	175,185	2,550	362,992
Disposals	—	—	(444)	(179)	(1,124)	(1,118)	(2,865)
Modification of lease terms	—	—	—	—	(11,481)	—	(11,481)
At December 31, 2024	184,815	87,876	94,899	12,380	319,111	522	699,603
Accumulated depreciation and amortisation:							
At January 1, 2023	—	13,490	16,501	2,987	54,631	—	87,609
Charge for the year	—	15,538	7,769	1,243	27,236	—	51,786
Written back on disposals	—	(4,684)	(117)	(479)	(223)	—	(5,503)
At December 31, 2023 and January 1, 2024	—	24,344	24,153	3,751	81,644	—	133,892
Acquisitions of subsidiaries *(note 15)*	—	512	2,688	26	—	—	3,226
Charge for the year	—	17,884	8,875	2,365	28,879	—	58,003
Written back on disposals	—	—	(192)	(166)	(1,124)	—	(1,482)
At December 31, 2024	—	42,740	35,524	5,976	109,399	—	193,639
Net book value:							
At December 31, 2024	184,815	45,136	59,375	6,404	209,712	522	505,964
At December 31, 2023	—	55,277	59,897	8,574	69,850	3,375	196,973

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2024	2023
	RMB'000	*RMB'000*
Properties leased for own use, carried at depreciated cost	**34,527**	69,850
Land use rights, carried at depreciated cost	**175,185**	—
	209,712	69,850

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	2024	2023
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	**28,879**	27,236
Interest on lease liabilities *(note 6(a))*	**2,905**	3,915

(i) Land use rights

The Group has obtained land use rights in the PRC where certain manufacturing facilities are located through an assets acquisition (see note 9(c)). Land use rights are originally granted for 50 years, on the expiry of which the land reverts to the government, and the remaining useful life is 25 years after acquisition.

(ii) Properties leased for own use

The Group leases manufacturing plants, warehouses and office buildings under leases expiring in no more than five years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

(c) Acquisition of a subsidiary that do not constitute a business

On August 22, 2024, the Group and Shanghai MicroPort Medical entered into an equity transfer agreement to acquire the entire equity interest in Shanghai Xinyong Medical Technology Co., Ltd. ("**Shanghai Xinyong Medical**") which serves as a vehicle for holding the land use rights and buildings from Shanghai MicroPort Medical with a total consideration of RMB377 million.

As at December 31, 2024, Shanghai Xinyong Medical has not carried out any business and its identifiable assets are mainly the property and land use rights located in Shanghai. The transaction was completed in December 2024 and was recognized as an acquisition of assets, given that the group of assets acquired did not constitute a business.

As at December 31, 2024, the Group has outstanding consideration payables of RMB226,560,000, which is expected to be settled within 12 months.

The recognized amounts of assets acquired and liabilities upon the closing comprise the following:

	Shanghai Xinyong Medical *RMB'000*
Property, plant and equipment	184,815
Right-of-use assets	175,185
Other non-current assets	18,000
Cash and cash equivalents	122
Trade and other payables	(522)
Total identifiable net assets	377,600

An analysis of the cash flows in respect of the acquisition of Shanghai Xinyong Medical is as follows:

	RMB'000
Total consideration	377,600
Less: Consideration payables	(226,560)
Less: Cash and cash equivalents acquired	(122)
Net cash outflow arising from the acquisition of a subsidiary	150,918

10. 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:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest: 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 at December 31, 2024, these investments in 4C Medical were recognized as the investment in associates.

Impairment test and subsequent reversal

Impairment test in 2023

During the year ended December 31, 2023, considering the market condition and the financing difficulty of 4C Medical, the Group concluded that there was indication of impairment and 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 the impairment test, the carrying amount of investment in 4C Medical was written down to their recoverable amount of US$19,936,000 (equivalent to RMB141,199,000) and an impairment loss of US$11,526,000 (equivalent to RMB81,327,000) was recognized in profit or loss in 2023. The recoverable amount was based on the fair value less costs of disposal, using the event analysis and equity allocation model.

The key assumptions used in estimating the recoverable amount in 2023 are as follows:

	2023
Probability of next round financing	60%
Volatility	30%

Impairment test in 2024

As at 31 December 2024, the recoverable amount of investment in 4C Medical has increased due to the fact that it has recently closed its Series D financing round and resolved its liquidity issue. The management of the Group considered that the indication of the impairment loss has reduced and conducted an impairment assessment on recoverable amount of its investment in 4C Medical.

For investment in 4C Medical, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of share of losses of associate recognized, if no impairment loss had been recognized.

The Group has engaged Anderson (Shanghai) Advisory Services Limited, an external valuer to assist with the determination of the recoverable amount of investment in 4C Medical, with the result of reversal of impairment losses of USD11,526,000 (equivalent to RMB82,029,000) in 2024.

The recoverable amount of 4C Medical is determined using equity allocation model by reference to recent transaction prices.

The key assumptions used in estimating the recoverable amount in 2024 are as follows:

	2024
Event probability	70%
Volatility	33%

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:

	2024	2023
	RMB'000	*RMB'000*
Gross amounts of 4C Medical		
Non-current assets	**4,533**	8,368
Current assets	**28,128**	29,216
Non-current liabilities	**—**	(1,974)
Current liabilities	**(315,057)**	(109,488)
Equity	**282,396**	73,878
Loss for the year and total comprehensive income	**(208,153)**	(159,088)
Reconciled to the Group's interests in 4C Medical		
Gross amounts of 4C Medical's net assets	**(282,396)**	(73,878)
Group's effective interest	**29.6%**	29.6%
Group's share of 4C Medical's net assets	**(83,504)**	(21,843)
Goodwill (less cumulative impairment)	**250,149**	164,834
Dilution effect of share-based payments arrangement of an equity-accounted investee	**(2,654)**	(1,792)
Carrying amount of the Group's interest in 4C Medical	**163,991**	141,199

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**136,591**	100,997
Bills receivable	**19,175**	—
Trade and bill receivables	**155,766**	100,997
Value-added tax recoverable	**660**	57
Interest receivables	**14,562**	31,473
Prepayments	**7,737**	9,916
Deposits and other debtors	**1,241**	2,342
	179,966	144,785

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:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**143,808**	100,997
Over 3 months but within 6 months	**8,205**	—
Over 6 months but within 9 months	**2,242**	—
Over 9 months but within 1 year	**438**	—
Over 1 year	**1,073**	—
	155,766	100,997

Trade receivables are generally due within 60 to 180 days from the date of billing.

12. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**39,793**	53,250
Accrued payroll	**28,922**	37,669
Consideration payables in connection with the acquisition of a subsidiary *(note 9(c))*	**226,560**	—
Other payables and accrued charges	**63,294**	61,945
	358,569	152,864

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**30,876**	37,844
Over 1 month but within 3 months	**7,195**	11,817
Over 3 months but within 6 months	**241**	2,495
Over 6 months but within 1 year	**221**	760
Over 1 year	**1,260**	334
	39,793	53,250

13. INTEREST-BEARING BORROWINGS

(a) The analysis of the repayment schedule of Interest-bearing borrowings is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year or on demand	**37,500**	—
After 1 year but within 2 years	**4,000**	—
	41,500	—

(b) The analysis of the carrying amount of Interest-bearing borrowings is as follows:

	2024	2023
	RMB'000	*RMB'000*
Unsecured bank loans	**41,500**	—

As of December 31, 2024, unsecured bank loans of RMB25,500,000 and RMB16,000,000 were guaranteed by the ultimate holding company MPSC and a subsidiary of the Group respectively, with interest ranging from 3.10% to 3.30% per annum.

14. DIVIDENDS

The directors of the Company did not propose the payment of any dividend during the year ended December 31, 2024 (2023: nil).

15. BUSINESS COMBINATION UNDER COMMON CONTROL

On January 1, 2024, the Group entered into an equity transfer agreement with MicroPort Sinica Co., Ltd. and Shanghai Zuoqing Enterprise Management Consulting Service Centre (Limited Partnership), pursuant to which the Group agreed to acquire 51% equity interests in CardioAdvent, at a total cash consideration of RMB141,317,000. The transaction was completed on January 31, 2024.

As the Group and CardioAdvent are under the common control of MicroPort® before and after the acquisition and the control is not transitory, the business combination has been accounted for in the consolidated financial statements of the Group as a business combination under common control based on the principles of book value accounting. The difference between the total consideration of RMB141,317,000 and 51% of the book value of CardioAdvent's net assets of RMB39,832,000 under the ultimate controlling party MPSC amounted to RMB101,485,000 was recognized in the capital reserve.

The following table shows the amount of net identifiable assets and liabilities of CardioAdvent as at the date when CardioAdvent first came under the control of the Company on January 31, 2024:

	Book value at January 31, 2024
	RMB'000
Property, plant and equipment	16,866
Intangible assets	77,576
Inventories	2,289
Trade and other receivables	3,365
Cash and cash equivalents	16,863
Interest-bearing borrowings	(28,500)
Trade and other payables	(4,140)
Lease liabilities	(5,617)
Deferred income	(600)
Total identifiable net assets at book value	78,102

Pre-acquisition carrying amounts were determined based on the book value under the ultimate controlling party, MicroPort®.

Capital reserves arising from the acquisition has been recognized as follows:

	RMB'000
Total consideration	141,317
Less: Book value of identifiable net assets	(78,102)
Add: Non-controlling interest	38,270
Capital reserve	101,485

An analysis of the cash flows in respect of the acquisition of CardioAdvent is as follows:

	RMB'000
Total consideration	141,317
Less: Cash and cash equivalents acquired	(16,863)
Net cash outflow in acquisition	124,454

For the period from the date of acquisition to December 31, 2024, CardioAdvent contributed RMB30,280,000 to the Group's revenue and incurred a loss of RMB7,789,000 to the consolidated loss for the period. Had the acquisition occurred on January 1, 2024, management estimated that consolidated revenue would have been RMB361,565,000, and consolidated loss for the year ended December 31, 2024 would have been RMB54,919,000.

16. 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, 2023	2,409,385	83
Share issued under the share option scheme	3,093	—
Balance at December 31, 2023 and January 1, 2024	2,412,478	83
Share issued under the share option scheme	115	—
Balance at December 31,2024	2,412,593	83

(i) Purchase of own shares

During the year ended December 31, 2024, 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 2024	17,514,000	1.56	1.18	21,404
March 2024	5,800,000	1.16	1.06	5,925
May 2024	2,840,000	1.08	1.01	2,672
June 2024	7,854,000	0.91	0.83	6,146
July 2024	3,974,000	0.86	0.78	2,977
Total	37,982,000			39,124

(ii) Shares issued under share option scheme

During the year ended December 31, 2024, options were exercised to subscribed for 115,000 ordinary shares (2023: 3,093,000) in the Company at a total consideration of RMB129,000 (2023: RMB3,443,000), of which nil and RMB129,000 was credited to share capital and share premium (2023: nil and RMB3,443,000), respectively. RMB138,000 (2023: RMB3,734,000) 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, 2024.

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 has resolved to reallocate of unutilized net proceeds ("**Change of Use of Net Proceeds**"). For further details of the Change of Use of Net Proceeds, please refer to the Company's announcement dated January 1, 2024. The table below sets out the actual use of the net proceeds and the revised allocation of the unutilized net proceeds. As of December 31, 2024, our Company had used the net proceeds from the Global Offering for the following purposes:

	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)	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	Utilized amount during the Reporting Period *HK$ million*	Actual amount of proceeds utilized as of December 31, 2024 *HK$ million*	Amount of proceeds unutilized as of December 31, 2024 *HK$ million*	Expected timeframe for unutilized net proceeds To add disclosure if any delay of UoP
VitaFlow Liberty®									
– the ongoing R&D activities, clinical trial and product registration of VitaFlow Liberty®	423.9	15.6%	250.2	50.2	3.52%	28.6	203.6	20.3	2025
– the ongoing sales and marketing activities of VitaFlow Liberty® in China and overseas	391.3	14.4%	154.9	104.9	7.36%	78.6	331.3	10.0	2025
Subtotal	**815.2**	**30.0%**	**405.1**	**155.1**	**10.89%**	**107.2**	**534.9**	**30.3**	
VitaFlow®	**92.4**	**3.4%**	**19.2**	**19.2**	**1.35%**	**16.9**	**92.4**	**–**	**2024**
The remaining products									
– fund the research, preclinical, clinical trial and commercialization of VitaFlow™ III, and VitaFlow® Balloon Expandable,	190.2	7.0%	98.5	98.5	6.91%	28.1	123.8	66.4	2025
– the ongoing and planned R&D of our TMV product candidates	312.5	11.5%	202.8	202.8	14.24%	30.8	147.0	165.5	2025
– the ongoing and planned R&D of our TTVR product candidates, surgical valves and procedural accessories	163.0	6.0%	127.1	75.0	5.27%	8.1	45.6	65.3	2025
– fund the planned commercialization activities after receiving the relevant regulatory approvals	67.9	2.5%	67.9	–	–	–	–	–	–
Subtotal	733.6	27.0%	496.3	376.3	26.42%	67.1	316.5	297.1	
Fund the expansion of our product portfolio through collaboration with global enabler	**407.6**	**15.0%**	**53.2**	**523.2**	**36.73%**	**197.1**	**551.5**	**326.1**	**2025**
Expand our production capacity and strengthen our manufacturing capabilities for VitaFlow® and VitaFlow Liberty®	**396.7**	**14.6%**	**299.2**	**299.2**	**21.00%**	**45.3**	**144.5**	**252.2**	**2025**
Working capital and general corporate purposes	**271.7**	**10.0%**	**151.5**	**51.5**	**3.62%**	**27.0**	**154.2**	**17.5**	**2025**
Total	**2,717.2**	**100.0%**	**1,424.5**	**1,424.5**	**100.0%**	**460.6**	**1,794.0**	**923.2**	

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 had been used in a manner consistent with the disclosure in the Prospectus. Since the Change of Use of Net Proceeds, the net proceeds from the Global Offering has been used in a manner consistent with the disclosure in the announcement of the Company dated January 1, 2024. As of the date of this announcement, saved as disclosed above, the Company does not anticipate any change to its plan on the use of proceeds. The Company expects that all the net proceeds from the Global Offering will be utilized in accordance with the intended uses disclosed in the announcement of the Company dated January 1, 2024 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.

Final Dividends

The Directors do not recommend a final dividend for the Reporting Period (2023: nil).

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

Save for the 37,982,000 Shares of our Company purchased through the trustee of the Share Award Scheme at cash consideration of HK$43 million on the Stock Exchange for the Share Award Scheme, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury Shares) of our Company during the Reporting Period. As of December 31, 2024, the Company did not hold any treasury Shares.

Scope of Work of KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed 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. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

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 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 of the Company for the year ended December 31, 2024.

AGM

The AGM of the Company will be held on Friday, June 27, 2025. The circular (including notice of the AGM) will be published on the respective websites of the Stock Exchange and the Company and despatched (if applicable) 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 Tuesday, June 24, 2025 to Friday, June 27, 2025, 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 Monday, June 23, 2025.

Publication of Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.cardioflowmedtech.com). The annual report for the year ended December 31, 2024 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders (if applicable) 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.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"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 Friday, June 27, 2025 at No. 1661 Zhangdong Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, China or any adjournment thereof
"AltaValve™"	AltaValve™ human 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" or "CE Certification"	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
"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
"Code Provision(s)"	the principles and code provisions set out in the CG Code
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"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
"FDA"	U.S. Food and Drug Administration
"GFA"	gross floor area
"Global Offering"	the offer of the Shares for subscription as described in the Prospectus
"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
"HKFRSs"	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 Equity Transfer Agreement"	the equity transfer agreement dated January 1, 2024 among MicroPort Sinica, Shanghai Zuoqing, MP CardioAdvent and MP CardioFlow in respect of the acquisition of 51% entire equity interest in MP CardioAdvent
"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
"MR"	mitral regurgitation
"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, 2024
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai MicroPort"	Shanghai MicroPort Limited, a company incorporated in the BVI with limited liability on January 8, 2019, a wholly-owned subsidiary of MicroPort® and one of our Controlling Shareholders
"Shanghai MicroPort Medical"	Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械（集團）有限公司), a limited liability company established in the PRC on May 15, 1998 and a wholly owned subsidiary of MicroPort®
"Shanghai Xinyong"	Shanghai Xinyong Medical Technology Co., Ltd. (上海心永醫療科技有限公司), a limited liability company established in the PRC on June 21, 2024, whose establishment is solely for the purpose of being used as a vehicle to acquire and hold the target property from Shanghai MicroPort Medical
"Shanghai Xinyong Equity Transfer Agreement"	The equity transfer agreement dated August 22, 2024, pursuant to which MP CardioFlow, as the purchaser, has conditionally agreed to acquire, and Shanghai MicroPort Medical, as the vendor, has conditionally to sell, the entire equity interest in Shanghai Xinyong
"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
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"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

"U.S. dollar(s)" or "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® IV"	the Company's fourth generation self-developed TAVI product
"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®
"VitaFlow Liberty® Flex"	VitaFlow Liberty® Flex transcatheter aortic valve implantation system, an upgrade to VitaFlow Liberty® delivery system, designed to work with the Group's approved aortic valve products
"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, 2025

As of the date of this announcement, the executive Directors are Mr. Zhang Ruinian, 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.