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

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

(Stock Code: 2500)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Director(s)**") of Venus Medtech (Hangzhou) Inc. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the "**Group**") for the six months ended June 30, 2025, together with comparative figures for the same period of 2024.

FINANCIAL HIGHLIGHTS

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

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

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

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

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

	Note	For the six months ended 30 June **2025** ***RMB'000*** **(Unaudited)**	 2024 *RMB'000* (Unaudited)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(10,060)**	11,576
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(144,832)**	(197,249)
Loss attributable to:			
Owners of the parent		**(134,772)**	(206,487)
Non-controlling interests		**–**	(2,338)
		(134,772)	(208,825)
Total comprehensive loss attributable to:			
Owners of the parent		**(144,832)**	(195,123)
Non-controlling interests		**–**	(2,126)
		(144,832)	(197,249)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted *(RMB)*	*8*	**(0.31)**	(0.47)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**400,803**	405,372
Right-of-use assets		**100,638**	116,738
Goodwill		**1,035,331**	1,039,641
Other intangible assets		**419,142**	439,718
Investment in a joint venture		**3,725**	3,740
Investments in associates		**55,890**	58,390
Deferred tax assets		**28,411**	24,471
Financial assets at fair value through profit or loss		**336,453**	352,461
Prepayments, other receivables and other assets		**7,000**	6,759
Total non-current assets		**2,387,393**	2,447,290
CURRENT ASSETS			
Inventories		**104,166**	98,061
Trade receivables	*9*	**137,529**	198,567
Prepayments, other receivables and other assets		**72,313**	70,582
Loans to former directors and a former director's controlled entity	*10*	**109,767**	108,567
Pledged deposit		**15,541**	21,001
Short-term bank deposit		**14,311**	7,666
Cash and cash equivalents		**278,995**	298,036
Total current assets		**732,622**	802,480

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
CURRENT LIABILITIES			
Trade payables	*11*	**22,417**	30,229
Lease liabilities		**40,731**	38,591
Other payables and accruals		**174,387**	272,144
Interest-bearing bank borrowings		**6,982**	17,518
Other financial liabilities – convertible bond bridge loan	*12*	**154,151**	–
Government grants		**2,390**	2,560
Contract liabilities		**2,264**	649
Tax payable		**–**	58
Total current liabilities		**403,322**	361,749
NET CURRENT ASSETS		**329,300**	440,731
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,716,693**	2,888,021
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**258,439**	265,455
Other payables and accruals		**356,871**	363,942
Lease liabilities		**33,286**	47,525
Government grants		**1,830**	–
Total non-current liabilities		**650,426**	676,922
Net assets		**2,066,267**	2,211,099
EQUITY			
Share capital		**441,012**	441,012
Reserves		**1,625,255**	1,770,087
Total equity		**2,066,267**	2,211,099

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

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

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

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

2. BASIS OF PREPARATION

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

4. REVENUE

An analysis of revenue is as follows:

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

Disaggregated revenue information for revenue from contracts with customers

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

5. LOSS BEFORE TAX

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

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

6. INCOME TAX

PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Company, since it was recognised as a High and New Technology Enterprise in December 2022, and was entitled to a preferential tax rate of 15% during the period (six months ended 30 June 2024: 15%). Certain subsidiaries of the Group are qualified as small and micro enterprises and are subject to a preferential income tax rate of 20% during the periods with annual taxable income eligible for 75% reduction.

Israel

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

USA

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

Netherlands ("NL")

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

Germany

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

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

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

7. DIVIDEND

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

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

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

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

The calculation of basic loss per share is based on:

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

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

9. TRADE RECEIVABLES

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

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

10. LOANS TO FORMER DIRECTORS AND A FORMER DIRECTOR'S CONTROLLED ENTITY

The Group had following outstanding balances with related parties:

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

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

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

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

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

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

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

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

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

11. TRADE PAYABLES

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

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

12. OTHER FINANCIAL LIABILITIES – CONVERTIBLE BOND BRIDGE LOAN

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

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

I. BUSINESS REVIEW

Overview

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

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

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

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

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

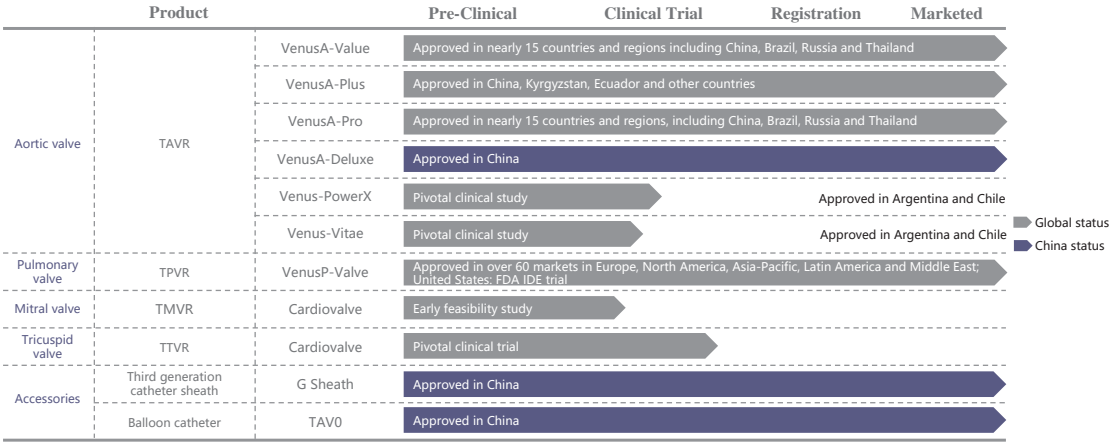
To achieve the Company's strategic objectives, we are committed to enhancing operational efficiency by actively improving internal production systems, refining processes, enhancing quality, and lowering costs. This bolstered the cost competitive advantage of our products. In addition, we continuously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

Our Products and Product Pipeline

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

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

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



VenusA Series – TAVR Products

We currently have four marketed TAVR products, namely, VenusA-Valve, VenusA-Plus, VenusA-Pro and Venus-Deluxe. VenusA-Valve received approval for registration from the NMPA in April 2017, which marked the first transcatheter aortic valve replacement (TAVR) product approved by NMPA for commercialization in China. VenusA-Plus received approval for registration from the NMPA in November 2020, which was the first retrievable TAVR product approved in China. While maintaining the strong radial force of the first generation valve, VenusA-Plus introduces the functions of retrievability and repositioning, which may reduce the complexity of procedures and significantly shorten the learning curve of physicians.

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

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

VenusP-Valve – TPVR Product

VenusP-Valve, our independently developed transcatheter pulmonary valve system, obtained the CE MDR approval for registration in April 2022 and was approved for commercialization. The product is designed to treat patients suffering moderate to severe pulmonary regurgitation with or without RVOT stenosis. It is the first self-expanding TPVR product approved in Europe, and also the first Class III implantable cardiovascular device approved under CE MDR regulations. VenusP-Valve was approved for registration by the NMPA in July 2022 for the treatment of patients with severe pulmonary regurgitation with native RVOT. As the first TPVR product approved in China, VenusP-Valve filled the gap in clinical demands in China.

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

We are steadily expediting US IDE (PROTEUS) pivotal clinical study on VenusP-Valve. This study is a prospective, multi-centered clinical trial targeting patients with RVOTD combined with severe pulmonary valve regurgitation, and is expected to enroll a total of 60 subjects. Previously, the clinical trial gained approval from the Centers for Medicare & Medicaid Services (CMS) for inclusion in the medical insurance program. This means that clinical treatment expenses for patients eligible for the CMS medical insurance plan can be reimbursed through insurance claims, accelerating the progress of clinical trial in various centers. We will actively expedite the approval of VenusP-Valve in the U.S. market.

Venus-PowerX – New Generation TAVR Product

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

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

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

Venus-Vitae – New Generation TAVR Product

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

Venus-Vitae adopted Venus-Endura dry tissue technology, which leverages advanced anti-calcification technology on the valve to improve the durability of the valve, and three-dimensional force controlled dehydration technology without glutaraldehyde for preservation. While enhancing safety, Venus-Vitae also boasts convenience for clinical application, preservation and transportation. In addition, its delivery system is uniquely designed with the patented wire-lock technology, thus locking the valve during transporting and balloon expanding. The wire-lock technology, steerable function, balloon coaxial rotation function and axial fine adjustment function maximize the controllability for physicians, and fill in the gap in the market where similar products are not equipped with a coronary alignment delivery system. It is also equipped with the world's first adaptive, active, anti-PVL skirt Seadapt with high compression ratio, self-expansion and high resilience, which can adjust the skirt thickness adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. Venus-Vitae was approved for marketing and successfully completed commercial sales in Argentina and Chile. We will promote the clinical research of Venus-Vitae, striving for its early approval for marketing in the global market.

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

Cardiovalve – TMVR/TTVR Product

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

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

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

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

R&D Innovation

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

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

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

Intellectual Properties

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

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

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

Manufacturing

We have a clean production zone of approximately 3,500 square meters in Hangzhou for manufacturing our heart valve products and product candidates. Our manufacturing facilities comply with the GMP requirements in the U.S., the EU and the PRC and follow rigorous manufacturing and quality control standards to ensure high product quality and safety standards.

Quality system

The Company has established an international quality management system in accordance with ISO13485, GMP of NMPA in China, QSR of the FDA in the U.S., MDR of the EU, RDC of ANVISA in Brazil, MDSAP, ISO/IEC17025 and other regulations and standards. As of the date of this announcement, the Company has obtained an ISO13485 system certificate, an MDR system certificate of the EU, an MDSAP quality system certificate (covering the regulatory requirements of quality systems of the U.S., Japan, Canada, Australia and Brazil), a China production license, a Brazil BGMP certificate, a CNAS laboratory accreditation certificate, and is also a training base unit for medical device inspectors in Hangzhou. Leveraging the establishment and maintenance of a high-standard and strict quality management system, the Company imposes quality control on products throughout the life cycle, from R&D to marketing and sales, so as to ensure the quality of products. In addition, the Company has also established a digital and refined quality management system through proactively participating in and completing the safety intelligence supervision "black box" project of Zhejiang Medical Products Administration, the management intelligence supervision platform of Hangzhou Market Supervision Administration, and the key transcatheter replacement system for the "14th Five-year" period and other intelligence regulation projects. Currently, information systems such as PLM (Product Lifecycle Management System), EBS (Enterprise Business Suite), WMS (Warehouse Management System), LIMS (Laboratory Information Management System), MES (Manufacturing Execution System), and ECS (Supplier/Customer Management) have been established.

Commercialization

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

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

II. FINANCIAL REVIEW

Overview

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

Revenue

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

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

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

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

Cost of Sales

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

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

Gross Profit and Gross Profit Margin

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

Other Income and Gains

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

Selling and Distribution Expenses

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

R&D Costs

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

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

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

Administrative Expenses

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

Other Expenses

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

Impairment of Goodwill and Intangible Assets

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

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

Finance Costs

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

Impairment Losses on Financial Assets, Net

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

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

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

Income Tax

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

Non-IFRS measures

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

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before tax	**(138,564)**	(213,581)
Finance costs	**7,172**	9,805
Depreciation and amortization	**49,368**	58,490
Non-IFRS EBITDA[1]	**(82,024)**	(145,286)

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

	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**187,137**	230,720
Cost of sales	**(49,149)**	(48,960)
Gross profit	**137,988**	181,760
Add/(less):		
Selling and distribution expenses	**(100,459)**	(130,989)
Other expenses		
Including: charitable donations	**(7,166)**	(16,640)
Non-IFRS commercialization profit[2]	**30,363**	34,131
Non-IFRS commercialization profit margin[3]	**16.2%**	14.8%

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

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

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

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

Capital Management

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

Liquidity and Financial Resources

The Group's cash and cash equivalents as at June 30, 2025 were RMB279.0 million, representing a decrease of 6.4% compared to RMB298.0 million as at December 31, 2024.

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

Borrowings and Gearing Ratio

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

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

Net Current Assets

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

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are dominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

Significant Investments

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

Material Acquisitions and Disposals

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

Capital Expenditure

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

Indebtedness and Charge on Assets

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

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

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

Contingent Liabilities

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

Employees and Remuneration Policies

As of June 30, 2025, we had 605 employees in total (June 30, 2024: 778), of whom 524 are stationed in China, and 81 are stationed overseas primarily in the Israel, U.S. and Europe. During the Reporting Period, the total employee benefit expenses of the Group amounted to approximately RMB129.1 million (six months ended June 30, 2024: RMB153.0 million), comprising (i) wages, salaries and bonuses; (ii) social security costs and housing benefits; (iii) employee welfare and (iv) share-based compensation expenses. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three to five years.

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

Future Investment Plans and Expected Funding

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

Other Significant Events

(1) Resumption of trading

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

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

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

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

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

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

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

(3) Proposed issue of convertible bonds

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

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

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

The completion of issuance and subscription of the convertible bonds are subject to the fulfillment and/or waiver of the conditions precedent set forth in the subscription agreement. For further details, please refer to the announcement of the Company dated March 20, 2025. As of the date of this announcement, the conditions precedent set forth in the subscription agreement have not yet been fulfilled.

III. PROSPECTS

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

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

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

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim Dividend

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

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

The Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury Shares (as defined under the Listing Rules)) during the six months ended June 30, 2025.

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

Subsequent Events

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

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Specific enquiries have been made to all the Directors and Supervisors, and they have confirmed that they have complied with the Company's code of conduct regarding Directors' and Supervisors' securities transactions during the six months ended June 30, 2025.

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 for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company during the six months ended June 30, 2025.

Compliance with the Corporate Governance Code

The Company has adopted and applied the principles and code provisions as set out in the Corporate Governance Code. During the six months ended June 30, 2025, the Company has complied with the applicable code provisions in the Corporate Governance Code.

Audit Committee

The Audit committee has three members comprising independent non-executive Directors, being Mr. Chi Wai Suen (chairman), Mr. Ting Yuk Anthony Wu and Mr. John Junhua Gu, with terms of reference in compliance with Rule 3.21 of the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit Committee considers that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

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

Publication of Interim Results Announcement and Interim Report

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

The interim report containing all the information required by Appendix D2 to the Listing Rules will be despatched to the Shareholders, if necessary, and published on the websites of the Stock Exchange and the Company in due course, respectively.

"ANVISA"	Brazil's National Health Surveillance Agency
"Audit Committee"	the audit committee of the Board
"BGMP"	Brazil Good Manufacture Practice
"Board"	the board of directors of the Company
"Cardiovalve"	Cardiovalve Ltd. (formerly known as Mitraltech Ltd.), a private company incorporated under the laws of Israel, which is a wholly-owned subsidiary of the Target Company
"CE MDR"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CE MDR Marking"	a mark of CE MDR
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Company"	Venus Medtech (Hangzhou) Inc. (杭州啓明醫療器械股份有限公司), a limited liability company incorporated in the PRC on July 3, 2009 and converted into a joint stock limited liability company incorporated in the PRC on November 29, 2018, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 2500)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"EU"	the European Union
"FDA"	U.S. Food and Drug Administration
"Forensic Investigation"	has the meaning ascribed to it in the Forensic Investigation announcement of the Company published on February 25, 2024 in relation to, among others, the key findings of the Forensic Investigation

"GMP"	good manufacturing practices, the aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
"Group" or "we/our/us"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
"Hangzhou Kuntai"	Hangzhou Kuntai Biotechnology Co., Ltd., a company controlled by Mr. Zi
"Hangzhou Qijin"	Hangzhou Qijin Equity Investment Co., Ltd., a wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IDE"	Investigation Device Exemption
"IFRS"	International Financial Reporting Standards
"Jiangsu Wuzhong"	Jiangsu Wuzhong Real Estate Group Co., Ltd.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LVOT"	left ventricular outflow tract, the anatomic structure through which the left ventricular stroke volume passes towards the aorta
"Main Board"	the Main Board of the Stock Exchange
"MDR"	Regulation (EU) 2017/745
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Zi"	Mr. Zhenjun Zi (訾振軍), a former executive Director
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"R&D"	research and development

"Reporting Period"	the six months period from January 1, 2025 to June 30, 2025
"Resumption Guidance"	the guidance for the resumption of trading in the shares of the Company set forth by the Stock Exchange in its letters of December 20, 2023 and February 9, 2024, as disclosed in the announcements of the Company dated December 27, 2023 and February 16, 2024, respectively
"RMB"	Renminbi Yuan, the lawful currency of China
"RVOT"	right ventricular outflow tract, an infundibular extension of the ventricular cavity which connects to the pulmonary artery
"RVOTD"	the dysfunction of RVOT
"Shareholder(s)"	holder(s) of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Target Company"	Mitraltech Holdings Ltd., a private company incorporated under the laws of Israel
"TAV0"	TAV0 Balloon Aortic Valvuloplasty Catheter, one of our balloon transluminal aortic valvuloplasty catheter system products
"TAVR"	transcatheter aortic heart valve replacement, a catheter-based technique to implant a new aortic valve in a minimally invasive procedure that does not involve open-chest surgery to correct severe aortic stenosis
"TMVR"	transcatheter mitral valve replacement, catheter-based technique to implant a new mitral valve in a minimally invasive procedure that does not involve open-chest surgery
"TPVR"	transcatheter pulmonary valve replacement, a catheter-based technique to implant a new pulmonary valve in a minimally invasive procedure that does not involve open-chest surgery
"TTVR"	transcatheter tricuspid valve replacement, a catheter-based technique to implant a new tricuspid valve in a minimally invasive procedure that does not involve open-chest surgery

"U.S." or "USA"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"UK"	the United Kingdom
"Unauthorized Transactions"	has the meaning ascribed to it in the section headed "Scope of the Forensic Investigation" in the forensic investigation announcement of the Company dated February 23, 2024
"Venus Hong Kong"	Venus Medtech (Hong Kong) Limited, a wholly-owned subsidiary of the Company
"Venus-PowerX"	Venus PowerX Valve, one of our TAVR product candidates
"Venus-Vitae"	Venus Vitae Valve, one of our TAVR product candidates
"VenusA-Plus"	VenusA-Plus System, one of our TAVR products
"VenusA-Pro"	VenusA-Pro System, one of our TAVR products
"VenusA-Valve"	VenusA-Valve System, one of our TAVR product
"VenusP-Valve"	VenusP-Valve System, one of our TPVR product
"Xin Nuo Tong"	Xin Nuo Tong Investment Limited, a company controlled by Mr. Zi

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

Hangzhou, August 28, 2025

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