

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**Shanghai HeartCare Medical Technology
Corporation Limited**

上海心璋醫療科技股份有限公司

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

(Stock Code: 6609)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
CONNECTED TRANSACTION ON ACQUISITION OF THE
MINORITY EQUITY INTERESTS AND
CAPITAL INJECTION IN THE TARGET COMPANY**

Reference is made to the announcement of Shanghai HeartCare Medical Technology Corporation Limited (the “**Company**”) dated February 8, 2022 (the “**Announcement**”) in relation to the connected transaction on acquisition of the minority equity interest and capital injection in the Target Company. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as defined in the Announcement. This announcement is made to provide supplemental information in relation to the transaction under the Announcement.

THE TARGET COMPANY

The Target Company is founded by Mr. Li Feng, its executive director, chief executive officer and largest shareholder. Mr. Li Feng has 24 years of experience in research and development (“**R&D**”) project management and has worked extensively in a number of pharmaceutical companies including Sanofi S.A. Prior to founding the Target Company, he was the chief executive officer of Nanjing Wolfman Medical Technology Co., Ltd. (南京沃福曼醫療科技有限公司). Mr. Li has obtained his master’s in biophysics from the University of Chinese Academy of Sciences, as well as his EMBA from the Wharton School of the University of Pennsylvania and was a PhD candidate with the University of Rochester.

The Target Company currently has 30 employees, among which 25 are R&D related personnel and are led by four members of the R&D management team, each of whom has extensive industry experiences and have worked at a number of reputable pharmaceutical companies. The Target Company currently has five products in its pipeline, with one that has commenced clinical trial, one that has commenced animal trial and three that are in the design phase. It is currently expected that the products will complete their respective trials between 2024 to 2026. The products are primarily designed for transcatheter mitral valve and tricuspid valve repair and replacement.

VALUATION OF THE TARGET COMPANY

As disclosed in the Announcement, the Company has obtained a Valuation Report in relation to the Target Company. The Valuation Report is prepared based on an income approach (using the discounted cash flow method), in estimating the discount rate, the valuer adopted the Weighted Average Cost of Capital Model and compared the Target Company with similar publicly-traded companies on the Stock Exchange. The Valuation Report puts the value of the entire equity interest of the Target Company as of November 30, 2021 at approximately RMB215,500,000. The Board, after reviewing material related to the Target Company's business operations, financial and legal due diligence as well as a confirmation from the Target Company, did not consider there to be any material adverse change to the Target Company since its valuation on November 30, 2021. The valuation was prepared having taken into account the following key assumptions:

1. The Target Company has sufficient funds and capabilities to support the continued R&D of its pipeline products;
2. The Target Company will continue to conduct R&D, clinical trials and apply for and obtain the relevant approvals as planned and on schedule for the pipeline product candidates forecasted in the Valuation Report;
3. There will be no material changes to the existing laws, regulations, guidelines and industry practices in relation to the clinical trial, marketing authorization approval and sales and marketing process for the Target Company's products in the markets which the Target Company currently operates and in the markets that the Target Company is projected to expand into;
4. There will be no material unforeseeable factors and/or events that cause global demographics and prevalence of certain conditions to change materially, that will in turn affect the total addressable market and overall efficacy of the Target Company's products;
5. There will be no material unforeseeable changes to the overall political, economic or social environment that would cause an adverse change in industry demand and/or market conditions; and
6. The historic financial information of the Target Company is accurate.

FURTHER REASONS FOR AND BENEFIT OF THE TRANSACTION

Upon completion of the transaction under the Announcement, the Company will be interested in 44.96% of the Target Company's equity interest and will become the second largest shareholder behind Mr. Li Feng, the founder of the Target Company who will be interested in 46.44% of the Target Company's equity interest immediately after the transactions.

While the Target Company will not become a subsidiary and its financials will not be consolidated into the Company's accounts, the Company will benefit from its financial results after the Target Company successfully commercializes its products.

As part of the Company's business strategies, the Company has and will continue to seek collaboration opportunities worldwide and may consider investment in promising R&D projects and smaller companies that are complementary to the Company's existing product pipeline. The Company hopes that through this transaction, the Company will be able to achieve the synergistic effect with our other products including cardiac medical devices such as left atrial appendage occluder, cryoablation equipment and consumables, and further strengthen the Company's competitive advantages in the field of cardiovascular interventional therapy.

By order of the Board
Shanghai HeartCare Medical Technology Corporation Limited
Wang Guohui
Chairman of the Board

Shanghai, February 22, 2022

As at the date of this announcement, the executive Directors are Mr. Wang Guohui and Ms. Zhang Kun; the non-executive Directors are Mr. Ding Kui, Mr. Chen Gang and Mr. Ouyang Xiangyu; and the independent non-executive Directors are Mr. Guo Shaomu, Mr. Feng Xiangqian and Mr. Gong Ping.