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Peijia Medical Limited

沛嘉醫療有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9996)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2021 ANNUAL REPORT AND THE 2022 INTERIM REPORT

Reference is made to the annual report for the year ended December 31, 2021 (the “**2021 Annual Report**”) and the interim report for the six months ended June 30, 2022 (the “**2022 Interim Report**”) of Peijia Medical Limited (the “**Company**”). Terms used herein shall have the same meanings as defined in the 2021 Annual Report and the 2022 Interim Report unless otherwise stated.

SUPPLEMENTAL INFORMATION ON THE 2021 ANNUAL REPORT IN RELATION TO THE USE OF PROCEEDS FROM THE GLOBAL OFFERING AND THE PLACING

In addition to the disclosures under the section headed “Use of proceeds from the Global Offering” and “Placing of new Shares under general mandate” in the Management Discussion and Analysis as set out in the 2021 Annual Report, the Company would like to provide the following additional information in relation to the use of proceeds pursuant to paragraph 11(8) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The table below sets forth the amount of net proceeds from the Global Offering utilized during the year ended December 31, 2021:

Business objective as stated in the Prospectus	Utilized amount during the year ended December 31, 2021 <i>HK\$ million</i>
Development and commercialization of Core Product and other major product candidates	145.02
Ongoing pre-clinical studies and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of other product candidates in the pipeline	155.00
Strengthen the research and development capabilities to enrich the product pipeline	27.98
Expand product portfolio or intellectual property portfolio through potential strategic acquisitions, investments, partnerships and licensing opportunities	157.97
Working capital and other general corporate purposes	89.18
Total	<u><u>575.15</u></u>

The table below sets forth the utilization of the net proceeds from the Placing and the unused amount as at December 31, 2021:

Business objective as stated in the announcement of the Company dated January 22, 2021	Percentage to total amount %	Net proceeds HK\$ million	Utilized	Utilized	Unutilized	Expected timeline for unutilized amount
			amount during the year ended December 31, 2021 HK\$ million	amount as at December 31, 2021 HK\$ million	amount as at December 31, 2021 HK\$ million	
To fund potential product licensing and possible merger and acquisition opportunities in the area of mitral valve replacement and repair treatment, including a collaboration and license agreement for transeptal mitral valve replacement with HighLife SAS dated December 18, 2020 (for further details, please refer to the voluntary announcement of the Company, published on December 21, 2020)	30	291.44	252.92	252.92	38.52	Yr2025
To fund potential product licensing and possible merger and acquisition opportunities in other areas including tricuspid valve replacement and repair treatment	40	388.59	269.95	269.95	118.64	Yr2025
To fund ongoing technology transfer, product development, and research and development, across the Group	25	242.87	87.34	87.34	155.53	Yr2025
For other general corporate purposes	5	48.58	0	0	48.58	Yr2025
Total	100	971.48	610.21	610.21	361.27	

SUPPLEMENTAL INFORMATION ON THE 2021 ANNUAL REPORT AND THE 2022 INTERIM REPORT IN RELATION TO THE SHARE OPTION SCHEME

In addition to the disclosures under the section headed “Share Option Scheme” in the Report of the Directors and note 25 to the consolidated financial statements as set out in the 2021 Annual Report, and the disclosures under the section headed “Share Option Scheme” in Supplementary Information as set out in the 2022 Interim Report, the Company would like to provide the following additional information in relation to the Share Option Scheme pursuant to Rules 17.07, 17.08 and 17.09 of the Listing Rules.

On December 7, 2021 (the “**Date of Grant**”), the Company granted a total of 7,801,386 options under the Share Option Scheme to certain employees of the Group. The fair value of the share options granted under the Share Option Scheme to the eligible participants on the Date of Grant were approximately HK\$53,117,000. The closing price of the Shares of the Company immediately before the Date of Grant was HK\$15.26. The exercise price of the options granted on the Date of Grant was HK\$15.97.

As of the date of the 2021 Annual Report, assuming that all outstanding options to subscribe for aggregate of 7,801,386 Shares are exercised, the remaining total number of Shares available for issue under the Share Option Scheme is 53,202,814 Shares, representing approximately 7.86% of the issued share capital of the Company. The Share Option Scheme will remain in force for a period of 10 years commencing on April 28, 2020, as such, the remaining life of the Share Option Scheme is approximately eight years as of the date of the 2021 Annual Report. The amount payable on application or acceptance of the underlying options under the Share Option Scheme is HK\$1.00, and the period within which payments must be made is five business days from the date on which the letter containing the offer to the underlying options under the Share Option Scheme is delivered to the eligible participant.

The above supplemental information does not affect other information contained in the 2021 Annual Report and the 2022 Interim Report. Save as disclosed above, all other information in the 2021 Annual Report and the 2022 Interim Report remains unchanged.

By order of the Board
Peijia Medical Limited
Dr. Yi Zhang
Chairman and Executive Director

Hong Kong, October 27, 2022

As of the date of this announcement, the Board comprises Dr. Yi Zhang, Mrs. Ping Ye Zhang and Ms. Hong Ye as executive Directors, Dr. Zhiyun Yu, Mr. Jifeng Guan, Mr. Fei Chen, Mr. Jun Yang as non-executive Directors, and Dr. Stephen Newman Oesterle, Mr. Robert Ralph Parks, Mr. Wai Ming Yip and Mr. Huacheng Wei as independent non-executive Directors.