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

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9877)

**REVISION OF ANNUAL CAPS UNDER
THE MASTER LEASE AGREEMENT AND
THE MEDICAL DEVICES ACCESSORIES PURCHASE AGREEMENT**

REVISION OF ANNUAL CAPS UNDER THE MASTER LEASE AGREEMENT

Reference is made to the Prospectus in relation to the Master Lease Agreement dated September 16, 2022 entered into by and between the Company and Ningbo Linfeng.

As the actual transaction amount of the transactions in 2023 and 2024 contemplated under the Master Lease Agreement may exceed the annual caps as set out in the Prospectus, the Company proposes to revise the existing annual caps in respect of the two years ending December 31, 2024.

REVISION OF ANNUAL CAPS UNDER THE MEDICAL DEVICES ACCESSORIES PURCHASE AGREEMENT

Reference is made to the Prospectus in relation to the Medical Devices Accessories Purchase Agreement dated September 16, 2022 entered into by and between the Company and Linstant.

As the actual transaction amount of the transactions in 2023 and 2024 contemplated under the Medical Devices Accessories Purchase Agreement may exceed the annual caps as set out in the Prospectus, the Company proposes to revise the existing annual caps in respect of the two years ending December 31, 2024.

LISTING RULES IMPLICATION

As at the date of this announcement, Ningbo Linfeng is owned as to 65% by Shanghai Shidi, which is in turn wholly-owned by Ms. Li, one of the Controlling Shareholders of the Company. Linstant is owned as to 50.94% by Ningbo Linfeng. As such, each of Ningbo Linfeng and Linstant is an associate of the Controlling Shareholders of the Company and hence, a connected person of the Company under Rule 14A.12(c) of the Listing Rules. Therefore, the transactions under each of the Master Lease Agreement and the Medical Devices Accessories Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

At the time of entering into the Master Lease Agreement in September 2022, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules was below 5%, and the annual transaction amount was less than HK\$3 million. The transactions contemplated under the Master Lease Agreement constituted exempt continuing connected transactions for the Company under Rule 14A.76 of the Listing Rules and was not subject to announcement, reporting and independent shareholders' approval requirements.

Based on the information currently available to the Company, the Board anticipates that the transactions contemplated under the Master Lease Agreement for the financial year ending December 31, 2024 would exceed HK\$3 million. The Company is therefore required to comply with the applicable requirements under Chapter 14A of the Listing Rules.

In respect of the Revised Master Lease Caps, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is below 5%, and the total consideration of the Revised Master Lease Cap for the year ending December 31, 2024 is above HK\$3 million, the transactions contemplated under the Master Lease Agreement are only subject to reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the Revised Medical Devices Accessories Purchase Caps, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is above 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Prospectus in relation to the Master Lease Agreement dated September 16, 2022 entered into by and between the Company and Ningbo Linfeng, and the Medical Devices Accessories Purchase Agreement dated September 16, 2022 entered into by and between the Company and Linstant. As the actual transaction amount of the transactions contemplated under the aforementioned agreements may exceed the annual caps as set out in the Prospectus, the Board has resolved to revise the annual caps under the Master Lease Agreement and the Medical Devices Accessories Purchase Agreement on March 28, 2023.

REVISION OF ANNUAL CAPS UNDER THE MASTER LEASE AGREEMENT

The Company has been expanding its business operations by recruiting talented personnels to facilitate the research and development and commercialization of products. In light of the increase in the number of employees, and the business development of the Company, it is expected that the Original Master Lease Caps for the year ending December 31, 2023 will be exceeded. Therefore, the Company proposes to revise the Original Master Lease Caps in respect of the two years ending December 31, 2024.

Save for the revision in the annual caps as described below, the terms of the Master Lease Agreement have not been changed or modified in any way and the major terms were set out in the paragraphs headed “Connected Transactions – Exempt Continuing Connected Transactions – Master Lease Agreement” in the Prospectus.

Historical amounts

The table below sets out the historical amounts incurred by the Company under the Master Lease Agreement during the periods indicated below:

	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2022	For the two months ended February 28, 2023
Actual transaction amounts	<u>RMB2,019,426</u>	<u>RMB1,055,667</u>	<u>RMB1,886,098</u>	<u>RMB245,167</u>

Original and Revised Master Lease Caps

The Company proposes that the below Revised Master Lease Caps be set for the transactions with Ningbo Linfeng under the Master Lease Agreement in respect of the two years ending December 31, 2024:

	For the year ending December 31, 2023	For the year ending December 31, 2024
Original Master Lease Cap	RMB2,260,745	RMB2,438,420
Revised Master Lease Cap	RMB2,520,000 (approximately HK\$2,877,369*)	RMB2,798,000 (approximately HK\$3,184,684*)

*Note**: the translations between RMB and HK\$ were made at the rate of RMB0.8758 to HK\$1.00 as at the date of this announcement (<https://www.safe.gov.cn/safe/rmbhlzjj/index.html>).

The Company confirms that as at the date of this announcement, the transaction amounts under the Master Lease Agreement has not exceeded the respective Original Master Lease Caps. The Company also confirms that the actual transaction amounts under the Master Lease Agreement for the year ended December 31, 2022 did not exceed its estimated annual cap.

Basis of determination of the Revised Master Lease Caps

In determining the Revised Master Lease Caps, the Directors have considered:

- (i) the historical transaction amounts under the Master Lease Agreement;
- (ii) the prevailing market rates of similar properties located in the vicinity and the term of the lease; and
- (iii) the Company's future demand for property leasing in Hangzhou Bay, Ningbo.

Reasons for and benefits of the Revised Master Lease Cap

With the expansion of the business operations of the Group, the leased area in the Linfeng Medical Technology Campus by the Group has increased to accommodate the upcoming research and development plans of various products, leading to an increase in short-term lease payments to Ningbo Linfeng. In addition, the Group has recruited talented personnels to facilitate the research and development and commercialization of products, with around 50 new employees hired since September 2022. As a result, the transactions contemplated under the Master Lease Agreement have proportionally increased. With the forthcoming expansions and increasing recruitments, it is expected that there will be an increase in the demand for plants and staff quarters in the Linfeng Medical Technology Campus, hence, an increase in the amount of transactions with Ningbo Linfeng under the Master Lease Agreement.

The Company started to lease and use the Linfeng Medical Technology Campus for its business operations prior to 2019. Any relocation for a larger or separate plants and staff quarters may cause unnecessary disruption to the business operations of the Group and incur unnecessary costs. As such, the Directors are of the view that such arrangement is in the best interest of the Group and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) considered the Revised Master Lease Caps is on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REVISION OF ANNUAL CAPS UNDER THE MEDICAL DEVICES ACCESSORIES PURCHASE AGREEMENT

Due to the increase in demand for polymer accessories used in our daily business operations such as sheaths, it is expected that the Original Medical Devices Accessories Purchase Caps for the year ending December 31, 2023 will be exceeded. Therefore, the Company proposes to revise the Original Medical Devices Accessories Purchase Caps in respect of the two years ending December 31, 2024.

Save for the revision in the annual caps as described below, the terms of the Medical Devices Accessories Purchase Agreement have not been changed or modified in any way and the major terms were set out in the paragraphs headed “Connected Transactions – Partially-exempt Continuing Connected Transactions – Medical Devices Accessories Purchase Agreement” in the Prospectus.

Historical amounts

The table below sets out the historical amounts incurred by the Company under the Medical Devices Accessories Purchase Agreement during the periods indicated below:

	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2022	For the two months ended February 28, 2023
Actual transaction amounts	<u>RMB115,690</u>	<u>RMB2,211,070</u>	<u>RMB2,326,738</u>	<u>RMB376,939</u>

Original and Revised Medical Devices Accessories Purchase Caps

The Company proposes that the below Revised Medical Devices Accessories Purchase Caps be set for the transactions with Linstant under the Medical Devices Accessories Purchase Agreement in respect of the two years ending December 31, 2024:

	For the year ending December 31, 2023	For the year ending December 31, 2024
Original Medical Devices Accessories Purchase Cap	RMB5,781,992.50	RMB6,162,434.75
Revised Medical Devices Accessories Purchase Cap	<u>RMB6,576,000.00</u>	<u>RMB7,038,000.00</u>

The Company confirms that as at the date of this announcement, the transaction amounts under the Medical Devices Accessories Purchase Agreement has not exceeded the respective Original Medical Devices Accessories Purchase Caps. The Company also confirms that the actual transaction amounts under the Medical Devices Accessories Purchase Agreement for the year ended December 31, 2022 did not exceed its estimated annual cap.

Basis of determination of the Revised Medical Devices Accessories Purchase Caps

In determining the Revised Medical Devices Accessories Purchase Caps, the Directors have considered:

- (i) the historical transaction amounts paid by the Group to Linstant for the polymer accessories i.e., the sheaths;
- (ii) the expected demand for polymer accessories to be used for the research and development and clinical trials of our products in accordance with the schedule of the Company;
- (iii) the quality, payment, flexibility and after-sales services of Linstant and other suppliers in the market; and
- (iv) market development and the price trend of polymer accessories.

Reasons for and benefits of the Revised Medical Devices Accessories Purchase Cap

The Group has been procuring polymer accessories such as sheaths from Linstant, as polymer accessories are required for the research and development activities of the Group. With an increase in research and development activities and the number of clinical trials, the Company is expected to continue to procure such medical device accessories from Linstant as Linstant has been providing the Group with such products with standard and quality commensurate with the requisite safety and quality standard.

The Group believes that there are Independent Third Parties providing identical or similar polymer accessories on similar terms in the PRC, but such procurement from Independent Third Parties would not be as efficient from a cost perspective or operation perspective as compared with the current purchase arrangements with Linstant, given the long standing relationship and Linstant's familiarity with the safety and quality standard of the Group. The Group believes Linstant will be able to satisfy the increasing demand efficiently and reliably with minimal disruption to the operations and internal procedures of the Group while keeping the quality of the products consistent.

The Directors (including the independent non-executive Directors) considered the Revised Medical Devices Accessories Purchase Caps is on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Company is a medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. Established in 2011, it has developed a series of treatment solutions targeting different types of structural heart diseases, including tricuspid valve diseases, aortic valve diseases, mitral valve diseases and heart failure.

INFORMATION ABOUT NINGBO LINFENG AND LINSTANT

Ningbo Linfeng is an investment platform covering potential investments in healthcare and technology industries. Linstant is a medical devices accessories company based in the PRC principally engaged in the manufacturing of polymer accessories for medical devices.

Ningbo Linfeng is owned as to 65% by Shanghai Shidi, which is in turn wholly-owned by Ms. Li, one of the Controlling Shareholders of the Company. Linstant is owned as to 50.94% by Ningbo Linfeng. As such, each of Ningbo Linfeng and Linstant is an associate of the Controlling Shareholders of the Company and hence, a connected person of the Company under Rule 14A.12(c) of the Listing Rules. Therefore, the transactions under each of the Master Lease Agreement and the Medical Devices Accessories Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Linfeng is owned as to 65% by Shanghai Shidi, which is in turn wholly-owned by Ms. Li, one of the Controlling Shareholders of the Company. Linstant is owned as to 50.94% by Ningbo Linfeng. As such, each of Ningbo Linfeng and Linstant is an associate of the Controlling Shareholders of the Company and hence, a connected person of the Company under Rule 14A.12(c) of the Listing Rules. Therefore, the transactions under each of the Master Lease Agreement and the Medical Devices Accessories Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

At the time of entering into the Master Lease Agreement in September 2022, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules was below 5%, and the annual transaction amount was less than HK\$3 million. The transactions contemplated under the Master Lease Agreement constituted exempt continuing connected transactions for the Company under Rule 14A.76 of the Listing Rules and was not subject to announcement, reporting and independent shareholders' approval requirements.

Based on the information currently available to the Company, the Board anticipates that the transactions contemplated under the Master Lease Agreement for the financial year ending December 31, 2024 would exceed HK\$3 million. The Company is therefore required to re-comply with the applicable requirements under Chapter 14A of the Listing Rules.

In respect of the Revised Master Lease Caps, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is below 5%, and the total consideration of the Revised Master Lease Cap for the year ending December 31, 2024 is above HK\$3 million, the transactions contemplated under the Master Lease Agreement are only subject to reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the Revised Medical Devices Accessories Purchase Caps, each of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules is above 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to a concert party agreement dated March 16, 2021, Mr. Lv, an executive Director and one of the Controlling Shareholders, and Ms. Li, one of the Controlling Shareholders, confirmed that they have been acting in concert in the management and operation of the Group since January 1, 2018. As at the date of this announcement, the Controlling Shareholders hold approximately 50.53% of the total issued shares of the Company. As Mr. Lv is one of the Controlling Shareholders and has a material interest in the Revised Master Lease Caps and the Revised Medical Devices Accessories Purchase Caps through his concert party arrangement with Ms. Li, he has been abstained from voting on the board resolutions of the Company in relation to the revision of annual caps.

As a Directors nominated by Ningbo Linfeng, Ms. XIE Youpei, a non-executive Director, has a material interest in the Revised Master Lease Caps and the Revised Medical Devices Accessories Purchase Caps. She has abstained from voting on the board resolutions of the Company in relation to the revision of annual caps.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on March 23, 2021, or, where the context requires (as the case may be), its predecessor Ningbo Jenscare Biotechnology Co., Ltd. (寧波健世生物科技有限公司), a limited liability company established in the PRC on November 8, 2011
“Concert Parties”	refer to Mr. Lv and Ms. Li and “Concert Party” means any one of them
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and in this context, refer to the Concert Parties, Mr. Lv and Ms. Li
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Linstant”	Ningbo Linstant Polymer Materials Co., Ltd. (寧波琳盛高分子材料有限公司) a limited company established in the PRC on April 15, 2014
“Master Lease Agreement”	the master lease agreement dated September 16, 2022 entered into by and between the Company and Ningbo Linfeng

“Medical Devices Accessories Purchase Agreement”	the medical devices accessories purchase agreement dated September 16, 2022 entered into by and between the Company and Linstant
“Mr. Lv”	Mr. LV Shiwen (呂世文), the chairman of the Board, an executive Director, the chief executive officer and the chief technology officer of our Company, and one of the Controlling Shareholders
“Ms. Li”	Ms. LI Hui (李輝), one of the Controlling Shareholders of the Company
“Ningbo Linfeng”	Ningbo Linfeng Biotechnology Co., Ltd. (寧波麟澧生物科技有限公司), a limited company established in the PRC on November 8, 2011
“Original Master Lease Caps”	the original total amounts under the Master Lease Agreement for the years ending December 31, 2023 and 2024 of RMB2,260,745 and RMB2,438,420, respectively
“Original Medical Devices Accessories Purchase Caps”	the original total amounts under the Medical Devices Accessories Purchase Agreement for the years ending December 31, 2023 and 2024 of RMB5,781,992.50 and RMB6,162,434.75, respectively
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated September 23, 2022
“Revised Master Lease Caps”	the revised total amounts under the Master Lease Agreement for the years ending December 31, 2023 and 2024 of RMB2,520,000 and RMB2,798,000, respectively
“Revised Medical Devices Accessories Purchase Caps”	the revised total amounts under the Medical Devices Accessories Purchase Agreement for the years ending December 31, 2023 and 2024 of RMB6,576,000 and RMB7,038,000, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Shidi”	Shanghai Shidi Industrial Development Co., Ltd. (上海仕地實業發展有限公司), formerly known as Shanghai Shidi Investment Management Co., Ltd. (上海仕地投資管理有限公司), a limited company established in the PRC on September 29, 2007

“Share(s)”	the shares of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, March 28, 2023

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