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LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

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

(Stock code: 2291)

**(1) DISCLOSEABLE TRANSACTIONS
THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS;
AND
(2) LATEST STATUS OF REMEDIAL ACTIONS**

THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS

On May 4, 2023, (i) SciencTech Beijing, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement I with China Merchants Bank (Beijing branch), pursuant to which, SciencTech Beijing agreed to subscribe the Structured Deposit Product I of RMB90 million from China Merchants Bank (Beijing branch).

On May 6, 2023, (ii) the Company entered into the Structured Deposit Product Agreement II with China Merchants Bank (Shanghai branch), pursuant to which, the Company agreed to subscribe the Structured Deposit Product II of RMB333 million from China Merchants Bank (Shanghai branch).

LISTING RULES IMPLICATIONS

The subscription of the Structured Deposit Product I, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the structured deposits subscribed by SciencTech Beijing and the Company under the Structured Deposit Product Agreement I and the Structured Deposit Product Agreement II were offered by the same bank within a 12 month-period and were of similar nature, such Subscriptions would be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregated basis, as calculated under Rule 14.07 of the Listing Rules is more than 5% but not more than 25%, the Subscriptions constitute discloseable transactions of the Company which would be subject to the announcement requirement but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

(1) THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS

Structured Deposit Product Agreement I

On May 4, 2023, ScienTech Beijing, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement I with China Merchants Bank (Beijing branch), pursuant to which, ScienTech Beijing agreed to subscribe the Structured Deposit Product I of RMB90 million from China Merchants Bank (Beijing branch). The key terms of the Structured Deposit Product I are set out in the table below.

(1) Date of the Subscription:	May 4, 2023
(2) Name of product:	Gold-linked Series Bearish three-tier 94-day Structured Deposits of China Merchants Bank (招商銀行點金系列看跌三層區間94天結構性存款)
(3) Parties:	(i) China Merchants Bank (Beijing branch)
	(ii) ScienTech Beijing
(4) Type of product:	principal-guaranteed with floating interest rate
(5) Risk level of product (internal risk rating by the bank):	R1 (cautious)
(6) Principal amount of the Subscription:	RMB90 million
(7) Term of investment:	94 days
(8) Value date:	May 5, 2023
(9) Expiry date:	August 7, 2023
(10) Expected annualized rate of return:	ranging from 1.65% to 3.00% per annum
(11) Investment scope of the product:	the interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price
(12) Termination and redemption:	ScienTech Beijing has no right of early termination or redemption

Structured Deposit Product Agreement II

On May 6, 2023, the Company entered into the Structured Deposit Product Agreement II with China Merchants Bank (Shanghai branch), pursuant to which, the Company agreed to subscribe the Structured Deposit Product II of RMB333 million from China Merchants Bank (Shanghai branch). The key terms of the Structured Deposit Product II are set out in the table below.

(1) Date of the Subscription:	May 6, 2023
(2) Name of product:	Gold-linked Series Bearish Two-tier 21-day Structured Deposits of China Merchants Bank (招商銀行點金系列看跌兩層區間21天結構性存款)
(3) Parties:	(i) China Merchants Bank (Shanghai branch)
	(ii) the Company
(4) Type of product:	principal – guaranteed with floating interest rate
(5) Risk level of product (internal risk rating by the bank):	R1 (cautious)
(6) Principal amount of the Subscription:	RMB333 million
(7) Term of investment:	21 days
(8) Value date:	May 10, 2023
(9) Expiry date:	May 31, 2023
(13) Expected annualized rate of return:	ranging from 1.85% to 2.60% per annum
(14) Investment scope of the product:	the interest on such deposit is linked to the price of gold. Deposit interest is determined based on the performance of the linked gold price
(15) Termination and redemption:	the Company has no right of early termination or redemption

BASIS OF DETERMINING THE CONSIDERATION

The Directors confirmed that the consideration and the terms of each of the Subscription of the Structured Deposit Products were determined after arm's length negotiation between the Company and the China Merchants Bank (including its Shanghai and Beijing branches).

REASONS AND BENEFIT OF THE SUBSCRIPTIONS

The Structured Deposit Products subscribed by the Group offered by the China Merchants Bank (including its Shanghai and Beijing branches) are of a principal-guaranteed nature, and the Subscriptions were used by the Company for treasury management purpose in order to maximize its return on the surplus capital. Given that (i) the Structured Deposit Products are highly secured and with low risk involved, (ii) compared with the deposit interest rates generally offered by commercial banks in the PRC, the return of the Structured Deposit Products are relatively high; and (iii) the Structured Deposit Products were funded by the Group's internal financial resources (idle funds) with a relatively short term which will not affect the operational liquidity of the Group, the Group decided to subscribe for the Structured Deposit Products to improve the utilization of its idle funds and generate better returns for the Group. The Company has implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the working capital or the operations of the Company, and that such investments would be conducted on the principle of protecting the interests of the Company and the Shareholders as a whole.

In light of the above, the Directors (including independent non-executive Directors) are of the view that the Subscriptions are on normal commercial terms, and the terms contained therein are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

In addition, the Company did not utilize any of the net proceeds raised from the Global Offering for the Subscriptions.

PARTIES INFORMATION

Information on the Company

The Company is a joint stock limited liability company established in the PRC on January 29, 2021. The Company is a leading interventional medical device provider in China for congenital heart diseases, a major field of application for structural heart diseases. The Company is principally engaged in the research, development, manufacture and commercialization of interventional medical devices primarily targeting structural heart diseases.

Information on ScienTech Beijing

ScienTech Beijing is a limited liability company established in the PRC on February 27, 2023. ScienTech Beijing is principally engaged in research and development, production, sales, and leasing of medical devices.

Information on China Merchants Bank

China Merchants Bank is a commercial bank in the PRC, headquartered in Shenzhen. Its shares are listed on the Stock Exchange (stock code: 3968) and on the Shanghai Stock Exchange (stock code: 600036). China Merchants Bank is principally engaged in providing customers with various wholesale and retail banking products and services and conducting capital businesses for itself and on behalf of customers.

As of the date of this announcement and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Merchants Bank and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

The subscription of the Structured Deposit Product I, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the structured deposits subscribed by ScienTech Beijing and the Company under the Structured Deposit Product Agreement I and the Structured Deposit Product Agreement II were offered by the same bank within a 12 month-period and were of similar nature, such Subscriptions would be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregated basis, as calculated under Rule 14.07 of the Listing Rules is more than 5% but not more than 25%, the Subscriptions constitute discloseable transactions of the Company which would be subject to the announcement requirement but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

(2) LATEST STATUS OF REMEDIAL ACTIONS

Reference is made to the announcement of the Company dated March 31, 2022, in relation to, among others, the subscription of wealth management product of US\$37,000,000 (the “**Wealth Management Product**”) and remedial actions (the “**Announcement**”).

As disclosed in the Announcement, the Company would take several remedial actions (the “**Remedial Actions**”) by the proposed timeline to prevent similar cases from occurring in the future. The Remedial Actions have been implemented according to the proposed timeline, and the detailed status of the Remedial Actions up to the date of this announcement are set forth below:

No.	Remedial Actions	Status
(i)	The Company has redeemed the Wealth Management Product and the Wealth Management Product, including the principal and interest accrued (i.e. US\$37,176,789.04 in total), has been fully redeemed on March 21, 2023.	Completed
(ii)	In preparing for the 2022 annual results announcement, the Company has conducted a comprehensive review and self-examination of the purchase of wealth management product since the Listing Date, that should have been disclosed but were not previously disclosed.	Completed
(iii)	With the assistance of the compliance adviser and legal advisers, the Company further understands the definition of a wealth management product and will remind the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential problems at an early stage to avoid the recurrence of such matters.	Completed

No.	Remedial Actions	Status
(iv)	The Company has circulated a detailed guideline relating to notifiable and connected transactions under the Listing Rules and offer more regular training to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage.	Completed
(v)	The Company has strengthened the coordination and reporting arrangements for notifiable transactions and emphasize the importance of compliance with the Listing Rules.	Completed
(vi)	The management team and the finance department of the Company will work more closely with its internal legal and compliance department on compliance issues; and shall, as and when appropriate and necessary, consult other professional advisers, including its compliance adviser, before entering into any potential notifiable transaction. If necessary, the Company might also consult the Stock Exchange on the proper treatment of the proposed transaction. Going forward, the Company will continue to comply with the management procedures of its investments on wealth management products and make such disclosure in a timely manner to ensure compliance with the Listing Rules.	The Company will hold regular inter-departmental meetings with its management team, finance department and internal legal and compliance department on compliance issues, in particular arrangements for notifiable transactions, at least twice per year.
(vii)	With the assistance of its legal adviser, in order to enhance the Company's management and finance, legal and compliance departments awareness and knowledge on, and also to allow them to keep abreast of the latest development in the relevant Listing Rules, the Company will provide trainings to the management and related departments of the Group.	The Company will invite external legal adviser to conduct at least two trainings for the Company per year in each of 2023 and 2024, and at least once per year from 2025 onwards.

The Board and the Audit Committee have reviewed the status of the Remedial Actions and consider that the Remedial Actions are adequate and sufficient to address the internal control weaknesses.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (樂普心泰醫療科技(上海)股份有限公司), a joint stock limited liability company established in the PRC on January 29, 2021
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“China Merchants Bank”	China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968)
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Date”	November 8, 2022, on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus issued by the Company on October 27, 2022 in connection with the Hong Kong public offering of the Shares
“ScienTech Beijing”	LEPU ScienTech (Beijing) Medical Technology Co., Ltd.# (樂普心泰(北京)醫療科技股份有限公司), a limited liability company established in the PRC on February 27, 2023
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions” or “Subscription”	subscriptions of the Structured Deposit Products by the Company
“RMB”	Renminbi, the lawful currency of PRC

“Structured Deposit Product Agreement I”	the agreement entered into between ScienTech Beijing and the China Merchants Bank (Beijing branch) on May 4, 2023 in relation to the subscription of Structured Deposit Product I of RMB90 million
“Structured Deposit Product Agreement II”	the agreement entered into between the Company and the China Merchants Bank (Shanghai branch) on May 6, 2023 in relation to the subscription of Structured Deposit Product II of RMB333 million
“Structured Deposit Product I”	the structured deposit product of RMB90 million subscribed by ScienTech Beijing from China Merchants Bank (Beijing branch) on May 4, 2023 pursuant to the Structured Deposit Product Agreement I
“Structured Deposit Product II”	the structured deposit products of RMB333 million subscribed by the Company from China Merchants Bank (Shanghai branch) on May 6, 2023 pursuant to the Structured Deposit Product Agreement II
“%”	per cent

By order of the Board
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
樂普心泰醫療科技(上海)股份有限公司
Ms. Chen Juan
Chairman of the Board and Executive Director

Shanghai, the People’s Republic of China
May 7, 2023

As at the date of this announcement, the Board comprises Ms. Chen Juan and Ms. Zhang Yuxin as executive Directors, Mr. Fu Shan and Mr. Zheng Guorui as non-executive Directors, and Ms. Chan Ka Lai Vanessa, Mr. Zheng Yufeng, and Mr. Liu Daozhi as independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name “LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.”.*

For identification purposes only