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MicroPort CardioFlow Medtech Corporation

微创心通医疗科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2160)

CONTINUING CONNECTED TRANSACTION IN RELATION TO 2022 SERVICE PROCUREMENT FRAMEWORK AGREEMENT

2022 SERVICE PROCUREMENT FRAMEWORK AGREEMENT

On June 7, 2022, MP CardioFlow (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group) entered into the 2022 Service Procurement Framework Agreement, pursuant to which MP CardioFlow will procure (i) promotion services and (ii) patient health management services from the Retained MicroPort® Group.

LISTING RULES IMPLICATIONS

As of the date of the 2022 Service Procurement Framework Agreement, MicroPort®, through its wholly-owned subsidiary Shanghai MicroPort, was indirectly interested in approximately 46.26% of the total issued share capital of the Group. Therefore, MicroPort® is a connected person of the Company.

As the highest of the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, the transactions contemplated under the 2022 Service Procurement Framework Agreement are non-exempt continuing connected transactions subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The transactions underlying the 2022 Service Procurement Framework Agreement will not involve other members of the MicroPort® Group which are, at the time of the transactions, listed on the Stock Exchange and their respective subsidiaries.

GENERAL

A supplemental circular containing, among others, (i) details of the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) a supplemental notice of the Annual General Meeting is expected to be dispatched to the Shareholders on or before June 8, 2022.

2022 SERVICE PROCUREMENT FRAMEWORK AGREEMENT

On June 7, 2022, MP CardioFlow (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group) entered into the 2022 Service Procurement Framework Agreement, pursuant to which MP CardioFlow will procure (i) promotion services and (ii) patient health management services from the Retained MicroPort® Group. Details of the 2022 Service Procurement Framework Agreement are as follows:

Principal Terms

Date

June 7, 2022

Parties

- (1) MP CardioFlow (for itself and on behalf of its subsidiaries); and
- (2) MicroPort® (for itself and on behalf of its subsidiaries other than the Group)

Duration

Subject to approval by the Independent Shareholders at the AGM, the 2022 Service Procurement Framework Agreement will commence from June 22, 2022 and end on December 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Payment terms

Payment arrangements will be negotiated by the parties and stated in individual implementation agreements.

Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and requirements of securities regulatory authorities, the 2022 Service Procurement Framework Agreement may be renewed for a further term of no longer than three years from time to time. Upon renewal, the parties may amend the terms of the 2022 Service Procurement Framework Agreement based on the then prevailing circumstances.

Nature of the Transactions

(1) Procurement of promotion services

The Group will procure promotion services from the Retained MicroPort® Group. Such promotion services mainly include promoting the products of the Group through, among others, (i) organizing online and offline marketing activities and to identify potential patients of the Group's products; (ii) preparing market research reports and patient analysis reports for the Group; (iii) developing and maintenance of the patients education platform of the Group; and (iv) conducting patients education to increase the awareness of TAVI (transcatheter aortic valve implantation) and the Group's products.

(2) Procurement of patient health management services

The Group will procure patient health management services from the Retained MicroPort® Group. Such patient health management services mainly include designing integrated patient supporting plan for potential patients of the Group's products and providing relevant services (such as (a) medical planning consulting services, (b) preoperative and postoperative health management consulting services, (c) green channel services for medical treatment, and (d) customized insurance supporting services (coordinating with third-party insurance companies to design and provide customized insurance products for potential patients)) for potential patients of the Group's products.

Pricing Policy

The service fees of the promotion services are determined based on the each type of the relevant service, through arm's length negotiation primarily between the parties with reference to a number of factors applicable to all service providers, including but not limited to (i) the nature, complexity, and value of tasks completed by the Retained MicroPort® Group under each work order; (ii) the fee rates for historical comparable transaction of similar nature by the Retained MicroPort® Group and other third party suppliers, if any; (iii) the available prevailing market rate of services on similar supply conditions as stated in the fee quotes provided by the other third party suppliers; and (iv) the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by its in-house sales and marketing personnel, especially identification referrals of targeting patients.

The service fees of the patient health management services are determined based on the each type of the relevant service, through arm's length negotiation primarily between the parties with reference to a number of factors applicable to all service providers, including but not limited to (i) the nature, complexity, and value of tasks completed by the Retained MicroPort® Group under each work order; (ii) the cost of providing such services, if any; (iii) the fee rates charged for historical comparable transactions of similar nature by the Retained MicroPort® Group and other third party suppliers, if any; and (iv) the available prevailing market rate of services on similar supply conditions as stated in the fee quotes provided by the other third party suppliers.

It is expected that save for the preparation of market research reports and patient analysis reports for the Group (including identifying and referring the eligible patients), the other transactions contemplated under the 2022 Service Procurement Framework Agreement will be determined mainly based on the available prevailing market rate of services on similar supply conditions as stated in the fee quotes provided by the other third party suppliers. The Group will further negotiate with the Retained MicroPort® Group in respect of the quotations if the quotations provided by the Retained MicroPort® Group is higher than the fee quotes provided by the other third party suppliers for comparable transactions.

For the preparation of market research reports and patient analysis reports for the Group (including identifying and referring the eligible patients), the Company will assess the fairness of the quotation to be provided by the Retained MicroPort® Group with reference to the historical transactions of similar nature by the Retained MicroPort® Group and the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by the Group's in-house sales and marketing personnel. The Group will further negotiate with the Retained MicroPort® Group in respect of the quotation if (i) there is any material difference between the quotations provided by the Retained MicroPort® Group and the fee rate for historical comparable transaction of similar nature provided by the Retained MicroPort® Group; and/or (ii) the quotations provided by the Retained MicroPort® Group is higher than the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by the Group's in-house sales and marketing personnel.

The final price of the transactions contemplated under the 2022 Service Procurement Framework Agreement will be, as the case may be, (i) no less favorable than those offered by independent third parties for comparable transactions; or (ii) not higher than the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by the Group's in-house sales and marketing personnel.

Based on the above, the Board is of the view that the service fee rate is fair and reasonable and it is commercially sensible for the Company and in the interest of the Company and the Shareholders as a whole to procure such services from the Retained MicroPort® Group without taking into consideration its shareholding in the Company. Moreover, if any of

such services are readily available from third party suppliers with terms of supply that are more favorable for the Company, the Group will procure such services from such third party suppliers.

Implementation Agreements

Members of the Group and members of the Retained MicroPort® Group will enter into, from time to time and as necessary, individual implementation agreements to set out the specific terms and conditions in respect of the procurement of the products thereunder. Any such implementation agreements will be within the ambit of the 2022 Service Procurement Framework Agreement and shall not contravene the provisions of the 2022 Service Procurement Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The TVT (transcatheter valve therapy) medical device industry in which the Group operates is intensely competitive and rapidly changing. The Company faces competition with major international medical device companies as well as domestic medical device companies which are developing heart valve disease solutions. In order to gain a higher market share in China's as well as overseas TAVI (transcatheter aortic valve implantation) market, it's important for the Company to further strengthen the commercialization capabilities of the Company by, among others, leveraging the promotion and patient health management services provided by external suppliers. Therefore, the services provided by the Retained MicroPort® Group under the 2022 Service Procurement Framework Agreement are essential to the commercialization process and can be a supplement to the in-house sales and marketing team of the Group.

The Company is a biotechnology medical device company. Therefore, the promotion of its products and the management of the eligible patients of the Group's products require sophisticated experience and knowledge that are better handled by service providers with such capabilities. The Retained MicroPort® Group has a proven record of successfully commercializing medical devices, and has a well-established and experienced sales and marketing team familiar with the Group's products with not only a broad coverage of the Group's target departments of domestic hospitals but also global outreach. Further, the Retained MicroPort® Group has been very familiar with the Group's requirements and has been providing us with various satisfying services in a timely and cost-efficient manner. Therefore, it is believed that engaging the Retained MicroPort® Group to provide the promotion services and patient health management services will be beneficial for the Company to boost brand awareness, enhance the Group's influence, grasp market dynamics and increase the penetration rate of the Group's products. In addition, in line with the Group's globalization strategy, with the support from the overseas sales and marketing team of the Retained MicroPort® Group, the Company will further advance its global commercialization process which will enable the Company to expeditiously establish an advantageous position in market share in the relevant overseas market.

The Group's procurements of services from the Retained MicroPort® Group have been and will be conducted in the ordinary and usual course of business of the Group, on an arm's length basis and on normal commercial terms or better. Furthermore, the risk of the Retained MicroPort® Group terminating the connected transactions is remote as the parties under the relevant agreements have limited termination rights and the termination would not be in the commercial interest of the Retained MicroPort® Group in commercial aspect. Also taking into account that (1) most of the services provided by the Retained MicroPort® Group under the 2022 Service Procurement Framework Agreement can be easily procured from independent third party service providers in the market at comparable terms, and (2) the Company does not rely on the Retained MicroPort® Group for services with no other alternative suppliers readily available in the market which mainly refer to the preparing market research reports and patient analysis reports for the Group (including identifying and referring the eligible patients), as such promotion activities can also be done by the Company's own in-house commercialization team, in an unlikely event that the Retained MicroPort® Group terminates the 2022 Service Procurement Framework Agreement or is unable to provide the relevant services to the Company, the Company does not consider the business of the Company will be materially and adversely affected. The Company received the approval from the National Medical Products Administration of the People's Republic of China regarding the registration application for its VitaFlow® transcatheter aortic valve implantation system, Alwide® Plus balloon catheter and VitaFlow Liberty™ transcatheter aortic valve implantation system in August 2019, July 2021 and August 2021, respectively. Given the Company has only begun commercializing products since August 2019, it is still in the process of transition from R&D stage to commercialization stage. The proposed annual caps as set out below are determined with reference to the the estimated increasing demand for relevant services in line with the Group's business expansion and commercialization progress. The total cost of the Company is also expected to increase with a similar trend in 2022 and 2023. Based on the current estimation of the Company, as a percentage of the total research and development costs, distribution costs, administrative expenses and other operating costs of the Company, the proposed annual caps are expected to remain relatively stable at less than 15% in 2022 and 2023. Based on the above, the Company believes that the transactions under the 2022 Service Procurement Framework Agreement will not cause any undue reliance on the Retained MicroPort® Group.

The Directors are of the view that the terms of the 2022 Service Procurement Framework Agreement is fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole and will be beneficial to the Group.

ANNUAL CAPS AND BASIS OF DETERMINATION

Proposed Annual Caps

The proposed annual caps for the transactions contemplated under the 2022 Service Procurement Framework Agreement are set out below:

| | 2022 | 2023 |
|---|--------|--------|
| Proposed annual caps (<i>RMB'000</i>) | 55,000 | 80,000 |

The proposed annual caps for the transactions contemplated under the 2022 Service Procurement Framework Agreement were determined with reference to (i) the available historical fee rates or agreed future service fee rates charged by the Retained MicroPort® Group for providing such services and the expected increase of the labor cost of the service provider; (ii) the estimated increasing demand for relevant services in line with the Group's business expansion and commercialization progress; and (iii) the Retained MicroPort® Group's ability of service supply.

Promotion Service Fees:

The estimated amounts of promotion services fees, which account for approximately 20%-30% of the proposed annual caps, are mainly incurred from (i) promotion services for organizing marketing activities and conducting patients education (accounting for approximately 45%-55% of the estimated promotion service fees for 2022 and 2023); and (ii) promotion services for identifying eligible patients (accounting for approximately 45%-55% of the estimated promotion service fees for 2022 and 2023).

The estimated amounts of services fees for organizing domestic marketing activities were determined based on the estimated service fee for organizing each domestic marketing activity which falls within the range of RMB10,000 to RMB60,000 and the estimated number of the domestic marketing activities to be held by the Group based on its current marketing plan (160 events in 2022 and 200 events in 2023), and also taking into consideration the estimated cost for organizing overseas marketing activities. The estimated amounts of promotion services fees for patients education were determined based on the estimated times of patients education to be conducted by the Group based on its current marketing plan and the estimated service fee for each time which falls within the quotations offered by independent third party suppliers for same/similar services. The estimated amounts of promotion services fees for identifying the eligible patients were determined based on the estimated number of eligible patients to be referred and the estimated referral fee for each eligible patient.

Patient Health Management Service Fees:

Patient health management service fees account for approximately 70%-80% of the proposed annual caps. The fees for designing integrated patient supporting plan for potential patients and providing relevant services are the majority part of the estimated amounts of the patient health management services fees which were determined based on the estimated number of such services to be provided by the Retained MicroPort® Group and the estimated fee for such services which is the same as the quotation provided by an independent third party supplier and is lower than the quotation provided by another independent third party supplier. The estimated number of such services to be provided by the Retained MicroPort® Group was determined after arm's length negotiation between the Group and the Retained MicroPort® Group with reference to the current number of potential patients in the database of the business partners of the Retained MicroPort® Group who meet the relevant selection criteria.

Historical Transaction Amount

The following table sets forth the historical transaction amount of the promotion services and patient health management services we procured from the Retained MicroPort® Group:

| | Promotion services | Patient health management services |
|----------------------------------|-----------------------------|---|
| | <i>(RMB'000, unaudited)</i> | |
| FY2021 | 150 | 200 |
| Four months ended April 30, 2022 | 120 | 2,000 |

Based on the reasons below, the Company is of the view that the proposed annual caps are fair and reasonable despite that the annual caps for the two years ending December 31, 2023 are significantly higher than the historical transaction amount:

- (1) Given the Company has only begun commercializing products since August 2019, the Company is still in the process of transition from R&D stage to commercialization stage and plans to allocate more resources in the forthcoming years to enhance its commercialization capabilities to boost brand awareness, enhance the Group's influence, grasp market dynamics and increase the penetration rate of the Group's products. Considering the nature of the transactions under the 2022 Service Procurement Framework Agreement, the transaction amounts for such transactions are also expected to increase along with the commercialization of our products and product candidates. The increase in the proposed annual caps from 2022 to 2023 are in line with the commercialization plan and marketing budget of the Group.

- (2) There had been COVID-19 outbreaks in certain parts of China in the first quarter of 2022, which adversely affected the promotion activities of the Company and the Company's demands for patient health management services. The Company believes that the Company's total procurement amount for the relevant services will show a recovery trend from the impact of the COVID-19 pandemic in the second half of 2022 and further increase in 2023.
- (3) The Company has been exploring different approaches to further promote the commercialization of the Company's products. As part of the Company's commercialization attempt, the Company has only started to provide patient health management services through external service providers since June 2021. There is only historical transaction amount for a limited period available.
- (4) The Retained MicroPort® Group has only started to provide and Company has only started to procure from the Retained MicroPort® Group the patient health management services and promotion services since 2021. Before that, the Company had been procuring the relevant services from other independent third party suppliers. As the fee rates for the relevant services offered by the Retained MicroPort® Group are competitive as compared with other independent third party suppliers providing similar services, the Company considers it commercially sensible to source the relevant services mainly from the Retained MicroPort® Group in the forthcoming years.

INFORMATION OF THE PARTIES

The Company is a medical device company in China focusing on the R&D and commercialization of innovative transcatheter and surgical solutions for structural heart diseases. The Group is a medical device group primarily focusing on the R&D, manufacturing and sale of medical devices treating structural heart diseases. MP CardioFlow is a limited liability company established in the PRC. MP CardioFlow is the principal operating subsidiary of the Group through which the Group conducted its business primarily.

MicroPort® Group is a leading medical device group focusing on innovating, manufacturing and marketing high-end medical devices globally in a broad range of business segments including cardiovascular, orthopedics, cardiac rhythm management, endovascular, neurovascular, heart valve, surgical robot and other business.

INTERNAL CONTROL POLICIES

In order to ensure that the transactions contemplated under the 2022 Service Procurement Framework Agreement will be conducted on normal commercial terms or better, the Group has adopted the following measures:

- (1) The Company places great importance on the management of connected transactions and takes the initiative to actively update the list of connected persons. In order to comprehensively and accurately identify connected persons, the Company conducts penetration management of substantial Shareholders to achieve effective collection of data related to connected transactions. To meet the management requirements of the Stock Exchange in relation to connected transactions, the Company has formulated internal guidelines for connected transactions based on the applicable requirements under the Listing Rules, which further clarifies the duties of each functional department with respect to the connected transactions so as to ensure that all the connected transactions of the Company are effectively monitored and supervised and all relevant connected transactions are in the interests of the Company and the Shareholders as a whole;
- (2) the Internal Audit Department of the Group will supervise and monitor the individual agreements to be entered into between the Group and the Retained MicroPort® Group to ensure they will be entered into in accordance with the pricing policy under the 2022 Service Procurement Framework Agreement;
- (3) the Finance Department of the Group will review and compare at least two quotations from independent third parties, if available, with the quotes from the Retained MicroPort® Group when determining which supplier to engage with so as to ensure that the price of the services provided by the Retained MicroPort® Group to the Group is fair and reasonable, and is determined on normal commercial terms or on terms no less favorable to the Group than the terms available from independent third parties, if applicable;
- (4) for services that with no available quotes from independent third parties, the Finance Department of the Group will assess the fairness of the quotation to be provided by the Retained MicroPort® Group with reference to the historical transactions of similar nature by the Retained MicroPort® Group and the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by the Group's in-house sales and marketing personnel. The Finance Department of the Group will further negotiate with the Retained MicroPort® Group in respect of the quotations if (i) there is any material difference between the quotations provided by the Retained MicroPort® Group and the historical comparable transactions of similar nature provided by the Retained MicroPort® Group; and/or (ii) the quotations provided by the

Retained MicroPort® Group is higher than the overall cost (mainly the labor cost) the Group may incur for conducting similar promotion activities by the Group's in-house sales and marketing personnel;

- (5) the Group will comply with the annual review requirements in respect of the transactions contemplated under the 2022 Service Procurement Framework Agreement in accordance with Chapter 14A of the Listing Rules, such as engaging the Company's auditor to conduct annual review and having the independent non-executive Directors to review the transactions contemplated under the 2022 Service Procurement Framework Agreement and give opinions/confirmations in the Company's annual reports;
- (6) the Board will arrange internal trainings for the senior management of the Group and responsible staff on the compliance requirements for continuing connected transactions;
- (7) the Finance Department of the Group will monitor the transaction amounts under the 2022 Service Procurement Framework Agreement by preparing designated management accounts for the continuing connected transactions therein on a monthly basis to make sure that the actual contract amounts do not exceed the relevant annual caps. If it is expected that the transaction amount of any continuing connected transaction that is or will be incurred in the financial year will reach or exceed the relevant annual cap, the Finance Department shall report to the management and consider the measures to be taken to ensure that the requirements under the Listing Rules are complied with, including obtaining the approval of independent Shareholders (if required); and
- (8) if any revision or adjustment on the terms (including without limitation, the price of the services) of the individual agreement under the 2022 Service Procurement Framework Agreement is necessary, provided such revision or adjustment is in compliance with the 2022 Service Procurement Framework Agreement, an approval application will be made by the Total Solutions Promotion Department and approved by, among others, the Board Secretary Office.

LISTING RULES IMPLICATIONS

As of the date of the 2022 Service Procurement Framework Agreement, MicroPort®, through its wholly-owned subsidiary Shanghai MicroPort, was indirectly interested in approximately 46.26% of the total issued share capital of the Group. Therefore, MicroPort® is a connected person of the Company.

As the highest of the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, the transactions contemplated under the 2022 Service Procurement Framework Agreement are non-exempt continuing connected transactions subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The transactions underlying the 2022 Service Procurement Framework Agreement will not involve other members of the MicroPort® Group which are, at the time of the transactions, listed on the Stock Exchange and their respective subsidiaries.

As MicroPort® is materially interested in the 2022 Service Procurement Framework Agreement, it will abstain from voting the relevant resolution at the AGM pursuant to Rule 14A.36 of the Listing Rules.

GENERAL

The Directors (including the independent non-executive Directors but excluding Dr. Luo Qiyi, Mr. Zhang Junjie, Ms. Wu Xia and Mr. Jonathan H. Chou, who are also Directors appointed by MicroPort® or hold director's positions in the Retained MicroPort® Group and are deemed to have interest in the 2022 Service Procurement Framework Agreement and thus had abstained from voting on the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder) after taking into account the advice of Gram Capital consider that the terms of the 2022 Service Procurement Framework Agreement (including the relevant annual caps thereunder) are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The Company has established an Independent Board Committee, consisting of the independent non-executive Directors who are not the directors of MicroPort®, to provide advice to the Independent Shareholders in respect of the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder, and as to how to vote at the AGM. The Company has also appointed Gram Capital to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Annual General Meeting will be for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder.

A supplemental circular containing, among others, (i) details of the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) a supplemental notice of the Annual General Meeting is expected to be dispatched to the Shareholders on or before June 8, 2022.

DEFINITIONS

In this announcement, unless otherwise defined or the context otherwise requires, the following terms or expressions shall have the following meanings:

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| “2022 Service Procurement Framework Agreement” | the 2022 Service Procurement Framework Agreement dated June 7, 2022 between MP CardioFlow (for itself and on behalf of its subsidiaries) and MicroPort® (for itself and on behalf of its subsidiaries other than the Group), pursuant to which we agreed to, among others, procure (i) promotion services; and (ii) patient health management services from Retained MicroPort® Group |
| “Annual General Meeting” or “AGM” | the annual general meeting to be held on Wednesday, June 22, 2022 at 10:00 a.m. at No. 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, China or any adjournment thereof |
| “Board” | the board of directors of the Company |
| “China” or “PRC” | the People’s Republic of China, but for the purpose of this announcement and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Company” or “the Company” | MicroPort CardioFlow Medtech Corporation (微创心通医疗科技有限公司), a company with limited liability incorporated under the laws of the Cayman Islands on January 10, 2019 |
| “connected person” | has the meaning as defined in the Listing Rules |
| “continuing connected transaction” | has the meaning as defined in the Listing Rules |

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|---|--|
| “controlling shareholder(s)” | has the meaning as defined in the Listing Rules |
| “Director(s)” | the director(s) of the Company, including all executive, non-executive and independent non-executive directors |
| “Group” | the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be) |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent committee of the Board, consisting of the independent non-executive Directors who are not the directors of MicroPort®, established to provide advice to Independent Shareholders in respect of the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder |
| “Independent Financial Adviser” or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2022 Service Procurement Framework Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | Shareholders of the Company, excluding MicroPort® and Shanghai MicroPort |
| “Independent Third Party(ies)” | persons who are not the connected person(s) of the Group |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange, as amended or supplemented from time to time |
| “MicroPort®” | MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00853) |
| “MicroPort® Group” | MicroPort® and its subsidiaries |

| | |
|---|---|
| “MP CardioFlow” | Shanghai MicroPort CardioFlow Medtech Co., Ltd. (上海微创心通医疗科技有限公司), a limited liability company established in the PRC on May 21, 2015 and a wholly-owned subsidiary of the Company |
| “non-exempt continuing connected transaction” | has the meaning as defined in the Listing Rules |
| “R&D” | research and development |
| “Retained MicroPort® Group” | MicroPort® and its subsidiaries, excluding the Group |
| “RMB” | the lawful currency of the PRC |
| “Shanghai MicroPort” | Shanghai MicroPort Limited, a company incorporated in the BVI with limited liability on January 8, 2019, a wholly-owned subsidiary of MicroPort® and one of the controlling shareholders of the Company |
| “Share(s)” | ordinary share(s) in the share capital of the Company of US\$0.000005 each |
| “Shareholder(s)” | holder(s) of the Share(s) from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

By order of the Board
MicroPort CardioFlow Medtech Corporation
Luo Qiyi
Chairman

Shanghai, PRC, June 7, 2022

As of the date of this announcement, the executive Directors are Mr. Chen Guoming, Mr. Zhao Liang and Ms. Yan Luying, the non-executive Directors are Dr. Luo Qiyi, Mr. Zhang Junjie and Ms. Wu Xia, and the independent non-executive Directors are Mr. Jonathan H. Chou, Dr. Ding Jiandong and Ms. Sun Zhixiang.