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Acotec Scientific Holdings Limited
先瑞達醫療科技控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6669)

**ACQUISITION OF RIGHT-OF-USE ASSETS
DISCLOSEABLE TRANSACTION IN RELATION
TO A TENANCY AGREEMENT**

TENANCY AGREEMENT

The Board announced that on March 13, 2023, Beijing Acotec, a wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with E-town Urban Renewal, an Independent Third Party, as landlord in respect of the lease of the Premises for a term of ten years commencing from March 13, 2023 to March 12, 2033 (both days inclusive) for the purposes of research, development, testing and manufacturing of medical devices of the Group.

LISTING RULES IMPLICATIONS

Pursuant to IFRS 16, the Company will recognize the right to use the Premises as an acquisition of a right-of-use asset. As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Tenancy Agreement is more than 5% and below 25%, the entering into the Tenancy Agreement constitutes a discloseable transaction for the Company. Therefore it is subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

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KEY TERMS OF THE TENANCY AGREEMENT

- Date : March 13, 2023
- Parties : (i) Beijing E-Town Urban Renewal Co., Ltd* (北京亦莊城市更新有限公司), an Independent Third Party, as the landlord
- (ii) Acotec Scientific Co., Ltd.* (北京先瑞達醫療科技有限公司), a wholly-owned subsidiary of the Company, as the tenant
- Premises : Lot 22M2, Block 0106, Core Area, Beijing Economic-Technological Development Area, Beijing with an area of approximately 23,635 m²
- Term : March 13, 2023 to March 12, 2033 (both days inclusive)
- Use : The Tenant shall use the Premises for the purposes of research, development, testing and manufacturing of medical devices
- Total rent : RMB256,774,638.78 in aggregate (inclusive of value added tax) during the term from March 13, 2023 to March 12, 2033.
- The rent shall be paid quarterly, inclusive of value added tax.
- The rent under the Tenancy Agreement was determined after arm's length negotiations between the Landlord and the Tenant, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises on the following basis:
- (i) RMB2.57/m² per day for the period from March 13, 2023 to March 12, 2027;
- (ii) RMB3.09/m² per day for the period from March 13, 2027 to March 12, 2029;
- (iii) RMB3.24/m² per day for the period from March 13, 2029 to March 12, 2031; and
- (iv) RMB3.40/m² per day for the period from March 13, 2031 to March 12, 2033.
- Option to renew : The Tenant has the right of first renewal of lease on equivalent terms by serving a 180-day notice to the Landlord before the expiration of the term and completing necessary procedures in China Beijing Equity Exchange (北京產權交易所).

The payment of the rent will be funded by the internal resources of the Group.

RIGHT-OF-USE ASSETS

Pursuant to IFRS 16, the tenancy of the Premises will be recognized as right-of-use assets for an amount of approximately RMB186,617,938.22 (unaudited), which is calculated with reference to the present value of the aggregated lease payments to be made under the Tenancy Agreement.

INFORMATION OF THE PARTIES

Beijing Acotec

Beijing Acotec is a limited liability company incorporated under the laws of PRC and is an indirect wholly-owned subsidiary of the Company. Beijing Acotec is principally engaged in research, development and sales of medical devices. The Group is principally engaged in research and development on providing treatment solutions for vascular diseases.

E-town Urban Renewal

E-town Urban Renewal is a limited liability company incorporated under the laws of PRC and is controlled by the Management Committee of Beijing Economic-Technological Development Area. E-town Urban Renewal is principally engaged in real estate development, leasing, selling and management. To the best of the Directors' knowledge, information and belief, each of the Landlord and its ultimate beneficial owners is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Group's principal manufacturing facility is located at the headquarters of the Company, the Beijing Economic-Technological Development Area. The Company considers that it is beneficial to enter into the Tenancy Agreement, which is favorable to the expansion of the Group's capabilities of research, development, testing and manufacturing given that the Premises is located in the same area of the principal manufacturing facility as well as the headquarters.

The terms of the Tenancy Agreement was arrived after arm's length negotiations between the parties and the rent was determined after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.

The Directors considered that the transaction contemplated under the Tenancy Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the Tenancy Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Tenancy Agreement is more than 5% and below 25%, the transactions contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Beijing Acotec” or “Tenant”	Acotec Scientific Co., Ltd.* (北京先瑞達醫療科技有限公司), a limited liability company incorporated under the laws of PRC on January 28, 2008, being an indirect wholly-owned subsidiary of the Company
“Company”	Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) (Stock Code: 6669), an exempted company with limited liability incorporated under the laws of the Cayman Islands on December 3, 2020
“Director(s)”	the directors of the Company
“E-town Urban Renewal” or “Landlord”	Beijing E-Town Urban Renewal Co., Ltd* (北京亦莊城市更新有限公司), a limited liability company incorporated under the laws of PRC, which is an Independent Third Party
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS 16”	International Financial Reporting Standards 16 “Leases” which includes standards and interpretations promulgated by the International Accounting Standards Board
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons in accordance with the Listing Rules

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Premises”	Lot 22M2, Block 0106, Core Area, Beijing Economic-Technological Development Area, Beijing with an area of approximately 23,635 m ²
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary share(s) with nominal value of US\$0.00001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the formal tenancy agreement dated March 13, 2023 entered into between the Tenant and the Landlord in relation to the lease of the Premises

By Order of the Board
Acotec Scientific Holdings Limited
Jing LI
*Chairman of the Board, Executive Director and
Chief Executive Officer*

Hong Kong, March 13, 2023

As at the date of this announcement, the executive Directors are Ms. Jing LI and Mr. Silvio Rudolf SCHAFFNER, the non-executive Directors are Mr. Arthur Crosswell BUTCHER and Ms. June CHANG, and the independent non-executive Directors are Dr. Yuqi WANG, Ms. Hong NI and Ms. Kin Yee POON.