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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)

CONNECTED TRANSACTION ASSETS TRANSFER AGREEMENT

CONNECTED TRANSACTION

On March 31, 2023, MP CardioFlow, a wholly-owned subsidiary of the Company, entered into an Assets Transfer Agreement with MicroPort EP, pursuant to which MP CardioFlow shall transfer the Subject Assets to MicroPort EP at a total consideration of approximately RMB4.4 million (excluding the VAT).

LISTING RULES IMPLICATIONS

As at the date of this announcement, MicroPort®, through its wholly-owned subsidiary, Shanghai MicroPort Limited, is indirectly interested in approximately 46.19% of the total issued share capital of the Company, and MicroPort EP is a 32.71% owned associated corporation of MicroPort®. Therefore, MicroPort EP is a connected person of the Company under the Listing Rules, and the transaction contemplated under the Assets Transfer Agreement would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Assets Transfer Agreement is subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE ASSETS TRANSFER AGREEMENT

- Date:** March 31, 2023
- Parties:** (i) MP CardioFlow; and
(ii) MicroPort EP
- Subject Assets:** MP CardioFlow shall transfer the supporting equipment, plant, machinery, fixtures, fittings, movables, tools and spare parts and other tangible assets related to the operation and decoration of facilities to MicroPort EP.
- Consideration and pricing:** The consideration of the Assets Transfer Agreement is approximately RMB4.4 million (excluding the VAT), which was determined through commercial negotiations between the parties with reference to the net book value of the assets as of December 31, 2022.
- Transfer Date:** The date (i) within fifteen business days upon the execution of the Assets Transfer Agreement, and (ii) delivery arrangement and payment take place.
- Delivery arrangement and Payment:** On the Transfer Date, MP CardioFlow shall deliver to MicroPort EP all Subject Assets capable of being transferred by delivery together with all relevant title certificates, and MicroPort EP shall pay the consideration to MP CardioFlow by electronic transfer.

INFORMATION OF THE SUBJECT ASSETS

The Subject Assets are supporting equipment, plant, machinery, fixtures, fittings, movables, tools and spare parts and other tangible assets related to the operation and decoration of facilities. The ownership of the Subject Assets is explicit. There are no mortgages, pledges and any other restrictions on transfer, no litigation, arbitration or judicial measures such as seizure or freezing involved, and no other circumstances that may hinder the transfer of ownership.

As of December 31, 2022, the original book value of the Subject Assets was approximately RMB9.5 million, the net book value was approximately RMB4.4 million, and the accumulated depreciation was approximately RMB5.1 million.

FINANCIAL IMPACTS AND USE OF PROCEEDS

Based on the existing information available to the Company, the Directors estimate that the revenue from the sales of the Subject Assets by MP CardioFlow to MicroPort EP will be approximately RMB4.4 million, which was determined with reference to the net book value of the Subject Assets as of December 31, 2022.

The Company proposes to use the proceeds from the transfer of the Subject Assets as general operating capital of MP CardioFlow.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Since we commenced the operation of new facility, the Subject Assets are no longer needed for our production and operation, and the additional maintenance costs would be incurred if the Subject Assets are kept holding on. In order to avoid the impairment losses on assets, we seek to transfer the Subject Assets to MicorPort EP at net book value to supplement our general operating capital.

The Directors (including independent non-executive Directors) are of the view that the terms of the Assets Transfer Agreement are on normal commercial terms, fair and reasonable, and are in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

MicroPort EP

MicroPort EP is a company established in the PRC with limited liability and listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688351). Its principal business scope includes but not limited to the research, development, production and sales of innovative medical devices in the field of interventional diagnosis and treatment of electrophysiological diseases and ablation treatment. MicroPort EP is a 32.71% owned associated corporation of MicroPort®.

MP CardioFlow

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. The Group is a medical device group focusing on the research and development, manufacturing and commercialization of innovative transcatheter and surgical solutions for structural heart diseases.

LISTING RULES IMPLICATIONS

As at the date of this announcement, MicroPort[®], through its wholly-owned subsidiary Shanghai MicroPort Limited, is indirectly interested in approximately 46.19% of the total issued share capital of the Company, and MicroPort EP is a 32.71% owned associated corporation of MicroPort[®]. Therefore, MicroPort EP is a connected person of the Company under the Listing Rules, and the transaction contemplated under the Assets Transfer Agreement would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

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BOARD APPROVAL

Each of Dr. Luo Qiyi (羅七一), Mr. Zhang Junjie (張俊傑), Ms. Wu Xia (吳夏) and Mr. Jonathan H. Chou (周嘉鴻), who holds positions in MicroPort[®] or its subsidiaries, has abstained from approving the relevant board resolutions of the Company in relation to the Assets Transfer Agreement. Save as disclosed above, to the best knowledge, belief and information of the Company and having made all reasonable enquiries, none of the Directors has any material interest or is required to abstain from voting on the relative Board resolution approving the same.

DEFINITIONS

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

“Assets Transfer Agreement”	the assets transfer agreement entered into between MP CardioFlow and MicroPort EP on March 31, 2023
“Board”	the board of Directors
“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 ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MicroPort®”	MicroPort® Scientific Corporation (微创医疗科学有限公司), 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 EP”	Shanghai MicroPort EP MedTech Co., Ltd. (上海微创电生理医疗科技股份有限公司), a 32.71% owned associated corporation of MicroPort®
“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
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall not include Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	the lawful currency of the PRC

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	supporting equipment, plant, machinery, fixtures, fittings, movables, tools and spare parts and other tangible assets related to the operation and decoration of facilities
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Transfer Date”	the date (i) within fifteen business days upon the execution of the Assets Transfer Agreement, and (ii) delivery arrangement and payment take place
“VAT”	value-added tax
“%”	per cent

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

Shanghai, PRC, March 31, 2023

As at 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.