MicroPort
心通医疗

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)

ANNOUNCEMENT
VERY SUBSTANTIAL ACQUISITION
AND
CONNECTED TRANSACTION
INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
IN RELATION TO THE
ACQUISITION OF THE TARGET GROUP

Exclusive Financial Adviser to the Target Group

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THE TRANSACTION

On September 29, 2025, the Company, the Merger Sub (being an indirect wholly-owned subsidiary of the Company) and the Target Company entered into the Merger Agreement in relation to the Transaction.

Pursuant to the terms and conditions of the Merger Agreement and in accordance with the Cayman Companies Act, the Company will acquire the Target Company by way of merger whereby, at the Effective Time, the Merger Sub and the Target Company shall merge and continue as one company, with the Target Company surviving the Merger as an indirect wholly-owned subsidiary of the Company, and in consideration therefor, the Company will allot and issue New Shares to the shareholders of the Target Company. Following completion of the Merger, members of the Target Group will become indirect subsidiaries of the Company and the financial results of the Target Group will be consolidated in the financial results of the Group.

The Negotiated Value of the Target Company is US$680 million, which was determined after arm's length negotiations between the Company and the Target Company with reference to the valuation conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The Target Group is principally engaged in the CRM business focusing on solutions for the management of cardiac rhythm disorders. It offers devices that monitor patient cardiac information in order to (1) identify abnormal heart conditions such as bradycardia and tachy-arrhythmia; and (2) apply electrical pulses and shocks to prevent or treat such abnormal conditions or provide cardiac resynchronization therapy.

The Directors are of the view that the Transaction is in line with the strategic development of the Group's business which will help the Group to build up a heart disease product platform with global presence offering diversified products and product pipelines and to achieve complementary synergies. Such synergies created by the Transaction will amplify and diversify the existing business of the Group, specifically enhancing the Group's products and pipelines in structural heart disease and CRM solutions, along with R&D capabilities, manufacturing capabilities, distribution channels, and market expansion.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transaction exceed 100%, the Transaction constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements.

As at the date of this announcement, MicroPort®, through its wholly-owned subsidiary, Shanghai MicroPort Limited, is the controlling shareholder of the Company and interested in approximately 46.12% of the issued share capital of the Company; and through its wholly-owned subsidiary, MicroPort International, is interested in approximately 50.13% of the issued share capital of the Target Company. As at the date of this announcement, Team Gallary Limited and HJ Mountaineer Limited, both shareholders of the Target Company, are controlled by their sole management shareholder, HJ Capital Partners. HJ Capital Partners is, in turn, 80% owned by Helix Capital JUNJIE Limited, a company wholly owned by Mr. Zhang Junjie, our non-executive Director. As at the date of this announcement, to the best of the knowledge, information and belief of the Company, none of the remaining 20% shareholders of HJ Capital Partners holds any Shares and each of them is a third party independent of the Company and connected persons of the Company. Each of MicroPort International, Team Gallary Limited, HJ Mountaineer Limited and the Target Company is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The New Shares will be allotted and issued under the Specific Mandate in accordance with the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors who are not the directors of MicroPort® (i.e. Ms. Sun Zhixiang and Dr. Hu Bingshan) has been formed to consider, and make recommendations to Independent Shareholders regarding, amongst other things, whether the terms of the Merger Agreement and the Transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the Transaction contemplated under the Merger Agreement. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Merger Agreement and the Transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened and held by the Company for the purpose of considering and, if thought fit, approving the resolution in relation to the Merger Agreement and the Transaction, including the grant of the Specific Mandate for the allotment and issue of the New Shares.

A circular containing, among other things, (i) further details of the terms of the Merger Agreement and the Transaction; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; (iv) the accountants' report on the Target Group; (v) the financial information of the Group; (vi) the unaudited pro forma financial information of the enlarged Group following the Merger; (vii) a valuation report on the Target Group; (viii) the other information of the Target Group; (ix) a notice of the EGM; and (x) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before November 24, 2025 after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular.

WARNING

As the Closing is conditional upon fulfilment or waiver (where applicable) of the Conditions to the Merger, the Transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

Reference is made to the Previous Announcement in relation to a non-binding proposal made by MicroPort® to the Company relating to the proposed strategic restructuring of the CRM business of MicroPort®.

1. THE TRANSACTION

On September 29, 2025, the Company, the Merger Sub (being an indirect wholly-owned subsidiary of the Company) and the Target Company entered into the Merger Agreement in relation to the Transaction. The principal terms of the Merger Agreement are as follows:

Date

September 29, 2025

Parties

(a) The Company

(b) The Merger Sub (being an indirect wholly-owned subsidiary of the Company)

(c) The Target Company

Merger

Pursuant to the terms and conditions of the Merger Agreement and in accordance with the Cayman Companies Act, the Company will acquire the Target Company by way of merger whereby, at the Effective Time, the Merger Sub and the Target Company shall merge and continue as one company, following which the separate corporate existence of Merger Sub shall cease, with the Target Company becoming the surviving corporation in the Merger and subsisting under its existing name as a direct, wholly-owned subsidiary of BVI Co, which in turn remains a direct, wholly-owned subsidiary of the Company, and in consideration therefor, the Company will allot and issue New Shares to the shareholders of the Target Company. Following completion of the Merger, members of the Target Group will become indirect subsidiaries of the Company and the financial results of the Target Group will be consolidated in the financial results of the Group.

At and after the Effective Time, in accordance with the Cayman Companies Act:

(a) all the rights, the property of every description (including choses in action, and the business, undertaking, goodwill, benefits, immunities and privileges) of each of the Merger Sub and the Target Company shall be transferred to and vest in the Target Company;

(b) subject to any specific arrangements entered into by the relevant parties, the Target Company shall be liable for and subject, in the same manner as the Merger Sub, to all mortgages, charges or security interests, and all contracts, obligations, claims, debts, and liabilities of the Merger Sub, if any;

(c) all proceedings pending by or against each of the Merger Sub and the Target Company may be continued by or against the Target Company;

(d) any claim, conviction, ruling, order or judgement, due or to become due, in favor of or against each of the Merger Sub and the Target Company shall apply to the Target Company;

(e) the shares and rights of the members in each of the Merger Sub and the Target Company shall be converted into the shares and rights provided for in the plan of merger in relation to the Merger to be made in accordance with the Cayman Companies Act, as set out under the section headed "*Effect on the Securities*" below; and

(f) the Merger Sub shall be struck off by the Cayman Registrar.

Effect on the Securities

(a) Implementation of the Pre-Closing Capital Restructuring

Subject to the provisions of the Merger Agreement, no later than the Effective Time and prior to the cancellation of the Target Ordinary Shares and the Target Preferred Shares and issue of the New Shares as contemplated in paragraph (b) below, the Target Company will implement the Pre-Closing Capital Restructuring.

(b) Conversion of each Target Ordinary Share and each Target Preferred Share to New Shares

Subject to the provisions and conditions in the Merger Agreement, following the implementation of the Pre-Closing Capital Restructuring, at the Effective Time, by virtue of the Merger, and without any further action on the part of any shareholder of the Target Company and the Merger Sub immediately prior to the Effective Time, (a) each Target Ordinary Share and each Target Preferred Share that is issued and outstanding immediately prior to the Effective Time, shall be automatically cancelled and converted into, and shall thereafter represent the right of each holder of the Target Ordinary Shares and each holder of the Target Preferred Shares to receive, as consideration for cancellation of such Target Ordinary Share and Target Preferred Share, the applicable number of New Shares; and (b) in consideration of each Target Ordinary Share and each Target Preferred Share so cancelled and converted, the Company shall allot and issue to each holder of the Target Ordinary Shares and each holder of Target Preferred Shares as recorded in the register of members of the Target Company immediately prior to the Effective Time the applicable number of New Shares equal to the percentage shareholding of such shareholder in the Target Company (on a fully diluted basis) multiplied by the following ratio:

N/P

Where:

N is the Negotiated Value of the Target Company, which is US$680 million (equivalent to approximately HK$5,338 million); and

P is the Issue Price, being HK$1.35.

All of the Target Ordinary Shares and the Target Preferred Shares converted into the right to receive the consideration as described above shall no longer be outstanding and shall cease to exist, and each holder of the Target Ordinary Shares and the Target Preferred Shares shall thereafter cease to have any rights with respect to such securities, except the right to receive the applicable consideration as described above.

(c) ***Merger***

Subject to the provisions and conditions in the Merger Agreement, at the Effective Time, by virtue of the Merger, each ordinary share of Merger Sub shall be automatically converted into one ordinary share of the Target Company and such share shall constitute the only outstanding share capital of the Target Company as of immediately following the Effective Time and accordingly, the BVI Co shall become, pursuant to the Merger and the cancellation of the Target Ordinary Shares and the Target Preferred Shares, the holder of the entire issued share capital of the Target Company.

Conditions to Closing

(a) ***Conditions to be Satisfied by Each Party***

The consummation of the Transaction is subject to the satisfaction, or written waiver (where permissible) by the Target Company and the Company jointly, of the following conditions:

(i) Requisite Regulatory Approvals

All consents required to be obtained from or made with any governmental authority in order to consummate the Transaction shall have been obtained or made, including the lodgment of the Merger documents with the Cayman Registrar and issuance of the notice of merger by the Cayman Registrar in respect of the Merger, each in accordance with the Cayman Companies Act.

(ii) Listing Approval by the Stock Exchange

Written approval shall have been granted by the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares to be allotted and issued by the Company as contemplated under the Merger Agreement on the Main Board of the Stock Exchange.

(iii) Rule 18A.10 Approval by the Stock Exchange

Written approval shall have been granted by the Stock Exchange in respect of the Transaction pursuant to Rule 18A.10 of the Listing Rules.

(iv) Approval by the Shareholders

The approval of the Transaction by the Shareholders shall have been obtained in accordance with the terms of the Merger Agreement, the Listing Rules, the memorandum and articles of association of the Company and the Cayman Companies Act.

(v) No Prohibitive Law or Order

No governmental authority shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) or order that is then in effect and which has the effect of making the transactions or agreements contemplated by the Merger Agreement illegal or which otherwise prevents or prohibits consummation of the Transaction.

(vi) Anti-trust filing

All anti-trust filings and approvals required to be obtained from or made with any governmental authority in order to consummate the Transaction shall have been obtained or made, each in accordance with the applicable laws.

(vii) Foreign Direct Investment Approval

The French Ministry of Economy (Direction Générale du Trésor) shall have confirmed or indicated that the Transaction is either outside the scope of, or complies with, the relevant foreign investment control regimes, or, if required, the necessary filing with the French Ministry of Economy (Direction Générale du Trésor) shall have been made in accordance with the requirements of the French Ministry of Economy (Direction Générale du Trésor) or applicable laws.

As at the date of this announcement, the Company has obtained confirmation from the Stock Exchange that the Transaction will not result in a fundamental change in the principal business activities of the Company under Rule 18A.10 of the Listing Rules. Therefore, Condition (a)(iii) above has been satisfied as at the date of this announcement.

(b) Conditions to be Satisfied by the Target Company

In addition to the conditions specified in the section headed "*Conditions to Closing — (a) Conditions to be Satisfied by Each Party*" above, the consummation of the Transaction is subject to the satisfaction, or written waiver (where permissible) by the Company, of the following conditions:

(i) Representations and Warranties

Each of the warranties of the Target Company shall be true and correct and not misleading, as of the date of the Merger Agreement and as at immediately prior to Closing (except to the extent such representations and warranties expressly relate to an earlier date, which in such case, shall be true and correct on and as of such earlier date), except where the failure of such representations and warranties to be true and correct and not misleading would not have a material adverse effect on the Target Group Companies (taken as a whole).

(ii) Agreements and Covenants

The Target Company shall have performed in all material respects all of such party's obligations and complied in all material respects with all of its agreements and covenants under the Merger Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) No Material Adverse Effect

No material adverse effect shall have occurred with respect to the members of the Target Group Companies (taken as a whole) since the date of the Merger Agreement and be continuing and uncured.

(iv) Approval by the shareholders and directors of the Target Company

The approval by the shareholders and directors of the Target Company shall have been obtained in accordance with the terms of the Merger Agreement, the memorandum and articles of association of the Target Company and the Cayman Companies Act.

(v) Closing certificates

The Company and the Merger Sub shall have received the certificates and documents required to be delivered by the Target Company at or prior to Closing pursuant to the terms of the Merger Agreement.

(vi) Pre-Closing Capital Restructuring

The Pre-Closing Capital Restructuring shall have been completed.

(c) Conditions to be Satisfied by the Company

In addition to the conditions specified in in the section headed "*Conditions to Closing — (a) Conditions to be Satisfied by Each Party*" above, the consummation of the Transaction is subject to the satisfaction, or written waiver (where permissible) by the Target Company, of the following conditions:

(i) Representations and Warranties

Each of the warranties of the Company shall be true and correct and not misleading, as of the date of the Merger Agreement and as at immediately prior to Closing (except to the extent such representations and warranties expressly relate to an earlier date, which in such case, shall be true and correct on and as of such earlier date), except where the failure of such representations and warranties to be true and correct and not misleading would not have a material adverse effect on the Company and its subsidiaries (taken as a whole).

(ii) Agreements and Covenants

The Company shall have performed in all material respects all of the Company's obligations and complied in all material respects with all of the Company's agreements and covenants under the Merger Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) No Material Adverse Effect

No material adverse effect shall have occurred with respect to the Company since the date of the Merger Agreement and be continuing and uncured.

(iv) Closing certificates

The Target Company shall have received the certificates and documents required to be delivered by the Company at or prior to Closing pursuant to the terms of the Merger Agreement.

Neither the Company nor the Target Company may rely on the failure to satisfy any condition set forth above if such failure was caused by the failure of such party or its affiliates to comply with or perform any of its covenants or obligations set forth in the Merger Agreement.

Closing

Closing will occur on a date after all Conditions set out in the section headed "*Conditions to Closing*" above are satisfied or waived pursuant to the terms of the Merger Agreement. Upon Closing, members of the Target Group will become indirect subsidiaries of the Company. The financial results of the Target Group will be consolidated in the financial results of the Group.

Termination

The Merger Agreement may be terminated at any time prior to Closing (a) by mutual written consent of the Company and the Target Company; (b) by written notice by the Company or the Target Company if any of the Conditions set out in the section headed "*Conditions to Closing — (a) Conditions to be Satisfied by Each Party*" above has not been satisfied or waived (where applicable) by the Target Company and the Company jointly by the Longstop Date; (c) by written notice by the Company if any of the Conditions set out in the section headed "*Conditions to Closing — (b) Conditions to be Satisfied by the Target Company*" above has not been satisfied or waived (where applicable) by the Company by the Longstop Date; or (d) by written notice by the Target Company if any of the Conditions set out in the section headed "*Conditions to Closing — (c) Conditions to be Satisfied by the Company*" above has not been satisfied or waived (where applicable) by the Target Company by the Longstop Date.

Basis of the Negotiated Value of the Target Company

The Negotiated Value of the Target Company is US$680 million, which was determined after arm's length negotiations between the Company and the Target Company with reference to the valuation conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The Valuer was appointed to provide an independent opinion of the market value of 100% of the equity interest in the Target Company in accordance with International Valuation Standards as at the Valuation Date. A summary of the valuation report of the Target Group is set out below:

(i) Valuation methodology

To select the most appropriate approach, the Valuer has considered the purpose of the valuation and the resulting basis of value as well as the availability and reliability of information provided to the Valuer to form perform an analysis. The Valuer also considered the relative advantages and disadvantages of each approach to the nature and circumstances of the Target Company. The Valuer is of the view that, the cost approach is inappropriate for valuing the Target Company, as it does not directly incorporate information about the economic benefits contributed by the Target Company. The income approach is inappropriate as this approach require detailed operational information and long-term financial projection of the Target Company but such information with substantial objective supporting data is not available. Hence, the market approach is adopted in this valuation.

There are two common methods under market approach, namely, guideline public company method and guideline transaction method. The Valuer is of the view that the guideline transactions method is not adopted due to lack of sufficient recent market transactions with sufficient data and similar nature as the Target Company. The market value of 100% of the equity interest in the Target Company was developed through the guideline public company method.

The guideline public company method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple. In this regard, the Valuer has considered the following commonly used benchmark multiples:

- Price-to-earnings multiple ("**P/E Multiple**"): This multiple is computed by dividing the share price by earnings per share. It is commonly used as investors want to assess the profitability of a company. However, it has limitations as it cannot be used for valuing loss-making companies and does not address differences in accounting policies and capital structures.

- Price-to-book multiple: This multiple is computed by dividing the share price by the book value per share. It is often used in asset-intensive industries. However, since it only considers tangible assets, it does not capture intangible assets, company-specific competencies, and advantages.

- Price-to-sales multiple: This multiple is estimated by dividing the share price by sales per share. It is commonly used for valuing early-stage or loss-making companies. However, it overlooks the cost structure and profitability of a company.

- Enterprise value to earning before interest and tax multiple ("**EV/EBIT Multiple**"): This multiple compares a firm's enterprise value to its earnings before interest and taxes. It allows for direct comparison of firms regardless of their capital structure. It is considered less affected by differences in capital structure compared to the P/E Multiple. However, it does not adjust for depreciation and amortization expenses.

- Enterprise value to earning before interest, taxes, depreciation and amortization multiple: This multiple is similar to the EV/EBIT Multiple but adds back depreciation and amortisation expenses. It is commonly used for capital-intensive businesses where depreciation expense is significant.

- Enterprise value-to-sales multiple ("**EV/Sales Multiple**"): Similar to other enterprise value multiples, this multiple is less affected by differences in accounting treatment. Similar to the price-to-sales ratio, it is commonly used to value early-stage or loss-making companies. Yet, EV/Sales Multiple has the benefits over price-to-sales ratio that it takes into account a company's debt load.

During the valuation process, the Target Company was compared to publicly traded companies operating in a similar industry sector. Since the capital structure of the Target Company differs from that of the comparable companies, applying an EV multiple enabled more precise incorporation of the Target Company's liabilities in the valuation. Furthermore, given the Target Company's loss-making position, a ratio of EV to Sales was used with adjustments made to account for the fact that the Target Company is not publicly traded, the size differences between the comparable companies and other factors.

(ii) Key assumptions of the valuation

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at the Valuer's assessed value. The following assumptions in determining the market value of the equity interest of the Target Group have been made:

- Following the Valuer's discussion with the management of the Target Company, a period of trailing 12-month ended June 30, 2025 is adopted as the financial period of the Target Company. The trailing 12-month sales of the Target Company based on the management account is estimated to be approximately US$221 million;

- The Valuer assumed continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued;

- The Valuer assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;

- The Valuer assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

- The Valuer has been provided with copies of the operating licenses and company incorporation documents. The Valuer has assumed such information to be reliable and legitimate;

- The Valuer assumed the accuracy of the financial and operational information such as management accounts, contractual agreements and manufacturing capabilities, provided to the Valuer by the Target Company and the Valuer relied to a considerable extent on such information in arriving at its opinion of value; and

- The Valuer assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, the Valuer assumed no responsibility for changes in market conditions after the Valuation Date.

(iii) Key inputs of the valuation

The Target Company is principally engaged in developing, manufacturing, and marketing products globally for the diagnosis, treatment, and management of heart rhythm disorders and heart failure, with products covering pacemakers, defibrillators, cardiac resynchronization therapy devices and supporting lead products, as well as a portfolio of monitoring products used in combination. The selection criteria for market comparable companies are set as below:

1) The comparable companies are publicly listed and searchable in Bloomberg;

2) The comparable companies are classified as medical device manufacturers by Bloomberg;

3) The cardiovascular segment's revenue contribution of the comparable companies accounts more than one third of the total revenue;

4) The comparable companies' product portfolio includes pacemakers, defibrillators, cardiac resynchronization therapy devices and supporting lead products, as well as a portfolio of monitoring products used in combination. These products are used for diagnosing, treating, and managing heart rhythm disorders and heart failure;

5) Sufficient data, including the EV/Sales Multiples as at the Valuation Date of the comparable companies, is available.

As sourced from Bloomberg, an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis. The details of the comparable companies are listed below:

Bloomberg Ticker	Company Name	Revenue from cardiovascular segments	Company Description
MDT US Equity	Medtronic plc	37%	Medtronic plc develops, manufactures, and sells device-based medical therapies to healthcare systems, physicians, clinicians, and patients in the United States, Ireland, and internationally. Its Cardiovascular Portfolio segment offers implantable cardiac pacemakers, cardioverter defibrillators, and cardiac resynchronization therapy devices; cardiac ablation products; insertable cardiac monitor systems; TYRX products; and remote monitoring and patient-centered software. Medtronic plc was founded in 1949 and is headquartered in Galway, Ireland.
BSX US Equity	Boston Scientific Corp	64%	Boston Scientific Corporation develops, manufactures, and markets medical devices for use in various interventional medical specialties worldwide. It operates in two segments, MedSurg and Cardiovascular. It provides technologies for diagnosing and treating coronary artery disease and aortic valve conditions, left atrial appendage closure (LAAC) devices, and implantable devices that monitor the heart and deliver electricity to treat cardiac abnormalities. The company was incorporated in 1979 and is headquartered in Marlborough, Massachusetts, USA.

Bloomberg Ticker	Company Name	Revenue from cardiovascular segments	Company Description
1302 HK Equity	Lifetech Scientific Corp.	42%	LifeTech Scientific Corporation, an investment holding company, develops, manufactures, and trades in interventional medical devices for cardiovascular and peripheral vascular diseases and disorders in Mainland China, Europe, Rest of Asia, India, South America, Africa, and internationally. It operates through Structural Heart Diseases Business, Peripheral Vascular Diseases Business, and Cardiac Pacing and Electrophysiology Business segments. LifeTech Scientific Corporation was founded in 1999 and is headquartered in Shenzhen, China.
688351 CH Equity	Shanghai MicroPort EP MedTech Co., Ltd.	100%	Shanghai MicroPort EP MedTech Co., Ltd. engages in the research, development, production, and sale of medical devices in the field of electrophysiological interventional diagnosis and ablation therapy in China and internationally. The company was formerly known as Shanghai Wei Chuang Electrophysiology Medical Technology Co., Ltd. and changed its name to Shanghai MicroPort EP MedTech Co., Ltd. in April 2016. Shanghai MicroPort EP MedTech Co., Ltd. was founded in 2010 and is based in Shanghai, China.
688617 CH Equity	APT Medical Inc.	73%	APT Medical Inc. engages in the research, development, manufacturing, and supply of electrophysiology and vascular interventional medical devices in China. The company offers electrophysiological products and interventional cardiology and peripheral intervention products. APT Medical Inc. was founded in 2002 and is headquartered in Shenzhen, China.

As the businesses of the comparable companies are located in different regions, they are thus exposed to different macroeconomic and market risks. Moreover, the comparable companies are often of significantly different size from the Target Company. Larger companies generally have lower expected returns that translate into higher values. On the other hand, small companies are generally perceived as riskier in relation to business operation and financial performance, and therefore the expected returns are higher and resulting in lower multiples. Therefore, the base multiples were adjusted to reflect the difference in natures between the comparable companies and Target Company. The Valuer referred to a formula in a widely-adopted textbook "Financial Valuation — Applications and Model, 2017" by James R. Hitchner, a renowned valuation expert in the US, for the pricing multiple adjustments.

The adjusted EV/Sales multiples were calculated using the following formula:

Adjusted EV/Sales Multiple = $1/((1/M) + \theta \times (E/EV) \times (Sales/NOPAT)$

where:

M	=	The Base EV/Sales multiple
θ	=	Required adjustment in the difference in size, country risk and specific risk
E	=	Market capitalization
EV	=	Enterprise value
EBITDA	=	Earnings before interest, taxes, depreciation and amortization
NOPAT	=	Net operating profit after tax

The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In this valuation, the reciprocal of the base EV/Sales multiple represents a capitalization rate of the enterprise value.

For the parameter θ, it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the Target Company. With reference to "Cost of Capital Navigator 2025" published by Kroll, depending on the market capitalization of each of the comparable companies, size premium differentials were adopted to capture the size difference between the comparable companies and the Target Company. In addition, the country risk premium differentials were adopted with reference to the country default spreads and risk premiums study issued and last updated by Aswath Damodaran in January 2025. Finally, given that the Target Company's current profitability differs from that of comparable companies, a specific risk adjustment was also considered.

The ratio of the market capitalization to enterprise value E/EV was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital (the "**WACC**") of the valuation subject. Since the size and specific risk premium differentials "θ" are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, the Valuer shall only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio E/EV was used to apply an appropriate weighting on the parameter θ so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio E/EV takes into account of the varying capital structures among the comparable companies.

The ratio of Sales to NOPAT was used as a scale factor, which is applied in the adjustment of the EV/Sales multiple. It is considered that the base measure of the benefits for enterprise value to be NOPAT (Hitchner, R., 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges.

After the aforesaid adjustment on the EV/Sales Multiple, the adjusted EV/Sales multiples of the comparable companies are listed as below:

Company Name	**Country/Region**	**Market Capitalization (Million US$)**	**EV/Sales Before Adjustment**	**Size, Regions, and Specific Adjustment (θ)**	**Adjusted EV/Sales**
Medtronic plc	United States	119,046	4.17	3.01%	2.60
Boston Scientific Corp	United States	156,325	9.09	3.01%	3.64
Lifetech Scientific Corp.	China	1,159	5.68	1.57%	2.00
Shanghai MicroPort EP MedTech Co., Ltd	China	1,572	22.85	1.26%	6.42
APT Medical Inc.	China	5,624	17.31	1.71%	9.37
Median			**9.09**		**3.64**

*Discount for lack of marketability (“**DLOM**”)*

A factor to be considered in valuing closely held companies such as the 100% of the equity interest in the Target Company is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

The indicated discount for lack of marketability adopted by the Valuer of 16% for the equity interest in the Target Company as at the Valuation Date is based on a study 2024 edition of the “Stout Restricted Stock Study Companion Guide” issued by Stout Risius Ross, LLC. The adopted discount refers to the overall median discount for 779 transactions in the study. This discount was derived by comparing the percentage difference between the private placement price per share and the market trading price per share of the same companies in the “Stout Restricted Stock Study Companion Guide”.

*Control Premium (“**CP**”)*

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest a business enterprise that reflects the power of a control. Both factors recognize that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block. The Valuer applied a control premium of 32%, which represents a median control premium referred to the second quarter of 2025 Control Premium Study Report published by FactSet Mergerstat, LLC, applying the data related to international transactions from all industries. Based on the results of the Valuer’s investigations and analyses, the market value of 100% equity interest in the Target Company as at the Valuation Date is reasonably stated at the amount of US$700 million. The calculation is as follows:

Parameter	Unit	Input
Sales of the Target Company from July 1, 2024 to June 30, 2025	US$ million	221
Median Adjusted EV/Sales Multiple of the Comparable Companies		3.64
Enterprise Value of the Target Company before CP and DLOM	US$ million	806
Add: Cash	US$ million	22
Deduct: Interest-bearing borrowings	US$ million	(1)
Deduct: Lease liabilities	US$ million	(24)
Deduct: Other payable	US$ million	(171)
Equity Value of the Target Company before DLOM and CP	US$ million	631
Deduct: DLOM	US$ million	(99)
Equity Value of the Target Company before CP	US$ million	532
Add: CP	US$ million	168
Equity Value of the Target Company after CP and DLOM as at the Valuation Date	US$ million	700

Note: Financial data extracted from unaudited financial statement up to June 30, 2025.

The Board has reviewed the rationale for the valuation methods chosen by the Valuer, the key assumptions and the key parameters used in the valuation report. The Board noted that the valuation report was prepared by the Valuer in accordance with the current International Valuation Standards, that the key assumptions used in the valuation report are commonly used in valuation of similar subjects, and that the key parameters used in the valuation report have been determined based on methods commonly used in valuation of similar subjects. Therefore, the Directors (excluding (i) Mr. Chen Guoming, a non-executive Director, (ii) Ms. Wu Xia, a non-executive Director, (iii) Mr. Jonathan H. Chou, an independent non-executive Director who are also Directors appointed by MicroPort® or hold directorships in the MicroPort® Group, (iv) Mr. Zhang Junjie, a non-executive Director who also indirectly holds shares of the Target Company, (v) Mr. Zhao Liang, an executive Director of the Company interested in 21,716 shares of the Target Company through the ESOP, and (vi) the members of the Independent Board Committee who will express their views after having considered the advice of the Independent Financial Adviser) consider the valuation to be fair and reasonable.

New Shares

The New Shares, being 3,953,847,407 Shares in aggregate, represent:

(i) approximately 164% of the issued share capital of the Company as at the date of this announcement; and

(ii) approximately 62% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of the New Shares from the date of this announcement up to and until the Closing Date).

The New Shares will be allotted and issued under the Specific Mandate to be sought at the EGM. The New Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

Details of the shareholding structure of the Company upon completion of the above allotment and issue of the New Shares are set out in the section headed "*3. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY*" below.

An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the New Shares.

It is noted that the allotment and issue of the New Shares by the Company in connection with the Transaction will, upon Closing, have a dilution impact on the percentage shareholding of the existing Shareholders by approximately 62% (as enlarged by the allotment and issue of the New Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issue of the New Shares)).

Despite the dilution impact of the Shareholders, the Company considered the benefits and advantages elaborated in the section headed "*5. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTION*" below have outweighed such dilution impact. Furthermore, the Issue Price does not represent any discount to the closing price of the Shares before the Transaction was first announced or to the unaudited net assets per Share of the Group as at June 30, 2025. As noted below, the Issue Price represents a premium of approximately 21.6% over the closing price per Share as quoted on the Stock Exchange as at the date of the Previous Announcement when the Transaction was first announced and a premium of approximately 33.7% over the unaudited net asset value of the Group per Share as at June 30, 2025. Additionally, by satisfying the consideration for the Transaction entirely with the allotment and issue of the New Shares, the immediate burden to the Company's financial resources can be reduced since the allotment and issue of the New Shares would not result in any cash to be paid by the Group for the Transaction, thereby alleviating the immediate material cash outflow pressure on the Group, safeguarding its imminent financial position. As set out in the interim results of the Company dated 28 August 2025, the unaudited cash and cash equivalents of the Group amounted to approximately RMB332 million as at June 30, 2025, and the unaudited cash and cash equivalents, time deposits and pledged deposits of the Group totally amounted to approximately RMB1,320.3 million as at June 30, 2025. In addition, the relevant cash resources have been earmarked for purposes as set out in the Company's prospectus dated January 26, 2021. Therefore, unless the Group raises new financing, the Group would not have enough cash to fund the Transaction. The alternative settlement method of the consideration for the Transaction (i.e. by cash) will inevitably place needless pressure of cash outflow on the Group. Such option has therefore not been adopted, after consideration by the Board.

Issue Price

The Issue Price of HK$1.35 per Share at which the New Shares will be allotted and issued represents:

(a) a premium of approximately 2.27% over the closing price of HK$1.32 per Share as quoted on the Stock Exchange on the date of the Merger Agreement;

(b) a premium of approximately 4.65% over the average closing price of approximately HK$1.29 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of the Merger Agreement;

(c) a premium of approximately 21.6% over the closing price of HK$1.11 per Share as quoted on the Stock Exchange as at July 16, 2025 (the date of the Previous Announcement);

(d) a premium of approximately 37.2% over the average closing price of approximately HK$0.98 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of the Previous Announcement; and

(e) a premium of approximately 33.7% over the unaudited net asset value per Share of approximately RMB0.92 (equivalent to approximately HK$1.01) as at June 30, 2025 based on the 2,412,592,839 Shares in issue as at June 30, 2025.

The Issue Price was determined after arm's length negotiation between the Company and the Target Company with reference to the historical price performance of the Shares and the prevailing market conditions. HK$1.35 per Share represents a significant premium to the historical trading prices of the Shares and is positioned at the 72th percentile of the trading range of the Shares (being from HK$0.65 to HK$1.62) for the 52-week period preceding the date of this announcement. The Issue Price represents a premium of approximately 21.6% over the closing price of HK$1.11 per Share as quoted on the Stock Exchange as at the date of the Previous Announcement, and a premium of approximately 64.6% over the average closing price of the Shares for the year up to and including the date of the Previous Announcement of HK$0.82 per share. During the 52 weeks prior to the date of this announcement, the Shares were traded at a discount to the Issue Price for 87% of the total trading days, with the instances where the trading price exceeded the Issue Price occurring exclusively after the publication of the Previous Announcement in relation to a non-binding proposal made by MicroPort® to the Company relating to the Transaction. None of the closing Share prices closed above HK$1.35 per Share during the year before the date of the Previous Announcement. Moreover, the average closing price of the Shares for the period from (and excluding) the date of the Previous Announcement up to and including July 29, 2025, the date on which the Issue Price was preliminarily agreed after negotiation, was HK$1.27 per Share, which was still lower than HK$1.35 per Share. Taking into account the price performance of the Shares in the past year before the date of the Previous Announcement and after the publication of the Previous Announcement and the prevailing market conditions including the fact that Hang Seng Healthcare Index raised by 8.7% while the Company's share price raised by 13.4% from (and excluding) the date of the Previous Announcement up to and including July 29, 2025, outperforming Hang Seng Healthcare Index significantly, the Issue Price was fixed at HK$1.35 per Share, which represents the closing price of the Shares on July 29, 2025.

The Board has reviewed the basis for the determination of the Issue Price. The Board noted that the Issue Price is at a premium to the historically prevailing Share price as mentioned above. Although the Issue Price is slightly below the recent trading prices of the Shares closer to the date of this announcement, the Board believes that this recent improvement in Share price performance was primarily driven by the publication of the Previous Announcement. Therefore, the Directors (excluding (i) Mr. Chen Guoming, a non-executive Director, (ii) Ms. Wu Xia, a non-executive Director, (iii) Mr. Jonathan H. Chou, an independent non-executive Director who are also Directors appointed by MicroPort® or hold directorships in the MicroPort® Group, (iv) Mr. Zhang Junjie, a non-executive Director who also indirectly holds shares of the Target Company, (v) Mr. Zhao Liang, an executive Director of the Company interested in 21,716 shares of the Target Company through the ESOP, and (vi) the members of the Independent Board Committee who will express their views after having considered the advice of the Independent Financial Adviser) consider the Issue Price to be fair and reasonable.

2. INFORMATION OF THE TARGET GROUP

(a) Principal business activities of the Target Group

The Target Company is a company incorporated under the laws of the Cayman Islands with limited liability.

The Target Group is principally engaged in the CRM business focusing on solutions for the management of cardiac rhythm disorders. It offers devices that monitor patient cardiac information in order to (1) identify abnormal heart conditions such as bradycardia and tachy-arrhythmia; and (2) apply electrical pulses and shocks to prevent or treat such abnormal conditions or provide cardiac resynchronization therapy. The CRM business of the Target Group is committed to creating the world's leading CRM solutions, and principally engaged in developing, manufacturing and marketing products for the diagnosis, treatment, and management of heart rhythm disorders and heart failure, with products covering pacemakers, defibrillators, cardiac resynchronization therapy devices and supporting lead products, as well as a portfolio of monitoring products used in combination.

(b) Financial information of the Target Group

Set out below is certain unaudited consolidated financial information of the Target Group for the two years ended December 31, 2023 and 2024:

	For the year ended December 31,	
	2024	2023
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Net loss before taxation	**(105,138)**	(115,331)
Net loss after taxation	**(109,030)**	(119,166)

As at June 30, 2025, the unaudited consolidated total assets of the Target Group amounted to approximately US$369 million and the unaudited consolidated net liability of the Target Group amounted to approximately US$365 million.

As at June 30, 2025, the Target Company had two convertible bonds in issue, being the Senior CBs and the Junior CBs respectively. As at the date of this announcement, the Senior CBs held by holders other than MicroPort International in principal amount of approximately US$128 million together with accrued interests, had been redeemed in September 2025 primarily through refinancing via a bank loan granted to the Target Company. After such refinancing, the finance expenses borne by the Target Company would be significantly reduced, and the remaining Senior CBs and the principal amount of the Junior CBs, both being held by MicroPort International, will be converted into shares of the Target Company as part of the Pre-Closing Capital Restructuring.

Assuming that the Pre-Closing Capital Restructuring was completed as at June 30, 2025, the consolidated total assets of the Target Group as at June 30, 2025 would have amounted to approximately US$369 million and the consolidated net assets of the Target Group as at June 30, 2025 would have amounted to approximately US$58 million.

(c) Information of the Shareholders of the Target Company

Major Shareholders

As at the date of this announcement and before taking into account the impact of the Pre-Closing Capital Restructuring, assuming that all the Target Preferred Shares are converted to Target Ordinary Shares, the Target Company is owned as to 50.13% by MicroPort International, as to 16.82% by Sino Rhythm Limited and as to 12.56% by SPR-VI Holdings Limited. Immediately following completion of the Pre-Closing Capital Restructuring, assuming that all the Target Preferred Shares are converted to Target Ordinary Shares and there is no other change in the shareholding of the shareholders of the Target Company, the Target Company will be owned as to 43.42% by MicroPort International, as to 15.39% by Sino Rhythm Limited and as to 13.62% by SPR-VI Holdings Limited.

Set out below is the information on the major shareholders of the Target Company:

(i) MicroPort International

MicroPort International is a company incorporated in Hong Kong with limited liability. MicroPort International is principally engaged in investment holding. As at the date of this announcement, MicroPort International is an indirect wholly-owned subsidiary of MicroPort®.

MicroPort® is incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange. MicroPort®, together with its subsidiaries, 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 devices, orthopedics devices, CRM, endovascular and peripheral vascular devices, neurovascular devices, structural heart disease business, surgical robot, surgical devices and other business. As at the date of this announcement, MicroPort® is the controlling shareholder of the Company interested in approximately 46.12% of the shares of the Company.

Each of MicroPort International and MicroPort® is a connected person of the Company under Chapter 14A of the Listing Rules.

The original investment cost in the Target Company by MicroPort International was approximately US$273.7 million (equivalent to approximately HK$2,148 million).

(ii) Sino Rhythm Limited

Sino Rhythm Limited is a company incorporated in the BVI with limited liability and is an investment holding company. It is jointly owned by Yunfeng Fund III, L.P., a private equity fund focused on, among others, healthcare, internet, technology, media and entertainment, financial services, logistics and consumer sectors and its associated funds. Yunfeng Fund III, L.P. is a limited partnership with more than fifty passive investors, none of which owns more than 30% economic interest in Yunfeng Fund III, L.P. The general partner of Yunfeng Fund III, L.P. is Yunfeng Investment III, Ltd., whose ultimate beneficial owner is Mr. Yu Feng.

To the best of the knowledge, information and belief of the Company, each of Sino Rhythm Limited and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

(iii) SPR-VI Holdings Limited

SPR-VI Holdings Limited is an exempted company incorporated in the Cayman Islands. Hillhouse Investment Management, Ltd. ("**Hillhouse**") acts as the sole management company of Hillhouse Fund IV, L.P., which owns SPR-VI Holdings Limited. Founded in 2005, Hillhouse is a global private equity firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse's investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse maintains a wide investor base comprising over 100 investors across multiple jurisdictions. Hillhouse Fund IV, L.P. is a limited partnership with more than one hundred passive investors, none of which owns more than 30% economic interest in Hillhouse Fund IV, L.P.. The general partner of Hillhouse Fund IV, L.P. is Hillhouse Fund IV GP, Ltd..

To the best of the knowledge, information and belief of the Company, each of SPR-VI Holdings Limited and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

Remaining Shareholders

As at the date of this announcement and before taking into account the impact of the Pre-Closing Capital Restructuring, assuming that all the Target Preferred Shares are converted to Target Ordinary Shares, the Target Company is owned as to 20.49% in aggregate by the remaining shareholders of the Target Company (being shareholders of the Target Company other than MicroPort International, Sino Rhythm Limited and SPV-VI Holdings Limited) (the "**Remaining Shareholders**"). Immediately following completion of the Pre-Closing Capital Restructuring, assuming that all the Target Preferred Shares are converted to Target Ordinary Shares and there is no other change in the shareholding of the shareholders of the Target Company, the Target Company will be owned as to 27.57% in aggregate by the Remaining Shareholders.

As at the date of this announcement, (i) other than the trustee of the Target Group's employee share incentive scheme (the "**ESOP**"), each of the Remaining Shareholders holds less than 3% of the issued shares of the Target Company, and each of the grantees of the ESOP (one of which is Mr. Zhao Liang, a Director of the Company) is interested in less than 1% of the issued shares of the Target Company; (ii) two Remaining Shareholders are employee shareholding platforms with over 180 employees (including Mr. Zhao Liang, a Director of the Company) in aggregate, and each such employee holds less than 1% of the issued shares of the Target Company; and (iii) other than Worldstar Global Holdings Limited, one of the Remaining Shareholders which holds 80,000 Shares, none of the Remaining Shareholders holds any Shares.

As at the date of this announcement, Worldstar Global Holdings Limited is a company incorporated in the British Virgin Islands, which focuses on equity investment opportunities in emerging industries such as medicine, new energy and food technology and the total issued share capital of which is held by Mr. Lui Yiu Wah Alexander. To the best of the knowledge, information and belief of the Company, each of Worldstar Global Holdings Limited and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

As at the date of this announcement, Mr. Zhao Liang, a Director of the Company, is interested in 21,716 shares of the Target Company through the ESOP, of which 18,944 shares of the Target Company have been vested, and 2,772 shares of the Target Company are yet to be vested. In addition, Mr. Zhao Liang is indirectly interested in approximately 0.91% of one of the two abovementioned employee shareholding platforms of the Target Company.

3. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of the New Shares from the date of this announcement up to and until the Closing Date, the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the Closing are set out below for illustrative purposes:

Shareholder	**As at the date of this announcement**		**Immediately after the Closing**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
MicroPort® *(Note 1)*	1,112,855,680	46.12	2,829,741,451	44.45
Mr. Chen Guoming *(Note 2)*	742,954	0.03	742,954	0.01
Mr. Zhang Ruinian *(Note 2)*	90,000	0.004	90,000	0.001
Mr. Zhao Liang *(Note 2)*	1,713,543	0.07	1,713,543	0.03
Ms. Yan Luying *(Note 2)*	1,619,052	0.07	1,619,052	0.03
Other shareholders of the Target Company: (Note 3)				
Sino Rhythm Limited	—	—	608,473,669	9.56
SPR-VI Holdings Limited	—	—	538,501,815	8.46
Team Gallary Limited *(Note 4)*	—	—	49,655,672	0.78
HJ Mountaineer Limited *(Note 4)*	—	—	17,024,794	0.27
Worldstar Global Holdings Limited	80,000	0.003	35,548,352	0.56
Other public shareholders	1,295,605,546	53.70	2,283,442,880	35.87
Total	**2,412,706,775**	**100.00**	**6,366,554,182**	**100.00**

Notes:

1. As at the date of this announcement, Shanghai MicroPort Limited, a wholly owned subsidiary of MicroPort®, holds 1,112,855,680 Shares. Upon completion of the Transaction, MicroPort International will be allotted and issued 1,716,885,771 Shares.

2. Each of Mr. Zhang Ruinian, Mr. Chen Guoming, Ms. Yan Luying and Mr. Zhao Liang is a Director of the Company.

3. To the best of the knowledge, information and belief of the Company, as at the date of this announcement, save as disclosed in the section headed "2. INFORMATION OF THE TARGET GROUP – (c) Information of the Shareholders of the Target Company" in this announcement and in note 4 below, each of the shareholders of the Target Company and its ultimate beneficial owners is a third party independent of the Company and connected persons of the Company.

4. As at the date of this announcement, Team Gallary Limited and HJ Mountaineer Limited, both shareholders of the Target Company, are controlled by their sole management shareholder, HJ Capital Partners. HJ Capital Partners is, in turn, 80% owned by Helix Capital JUNJIE Limited, a company wholly owned by Mr. Zhang Junjie, our non-executive Director. As at the date of this announcement, to the best of the knowledge, information and belief of the Company, none of the remaining 20% shareholders of HJ Capital Partners holds any Shares and each of them is a third party independent of the Company and connected persons of the Company.

5. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures.

4. INFORMATION OF THE COMPANY

The Company is a medical device company focusing on the R&D and commercialization of innovative transcatheter and surgical solutions for structural heart diseases dedicated to providing universal access to state-of-the-art total solutions to physicians and patients for the treatment of structural heart diseases.

5. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTION

As set out in the Company's prospectus dated January 26, 2021, the Group intends to continue its focus on increasing penetration into the hospitals that are expected to perform the most transcatheter aortic heart valve implantation ("**TAVI**") procedures in China, rapidly advance the R&D of its TAVI pipeline products, and propel the development of other pipeline products to expand its product portfolio, including transcatheter mitral valve ("**TMV**") pipeline products, transcatheter tricuspid valve ("**TTV**") pipeline products and next-generation procedural accessories and surgical accessories designated to strengthen its position in the transcatheter medical device market.

As set out in the Company's annual report for the financial year ended December 31, 2024 published on April 29, 2025, the Company intends to search for products and technologies with great clinical potential and explore opportunities for cooperation in order to expand product portfolios through acquisitions, with the strategic goal to diversify revenue streams. The Company's annual report for the financial year ended December 31, 2024 also provides that global expansion remains a core strategy for the Group, and the Group intends to further penetrate the European and emerging economies.

Subsequent to receipt of the non-binding proposal made by MicroPort® to the Company relating to the proposed strategic restructuring of the CRM business of MicroPort®, details of which are set out in the announcement of the Company dated July 16, 2025 and the announcement of MicroPort® dated July 16, 2025, the Company has been considering and assessing the Transaction.

The Directors are of the view that the Transaction is in line with the Company's business strategy related to business and revenue streams diversification. In particular:

(a) The Transaction can facilitate the establishment of a heart disease product platform on which diversified products and product pipelines will be offered ranging from pacemakers, defibrillators, cardiac resynchronization therapy devices from the Target Group's CRM business to the Group's TAVI products, LAA products, TMV products, TTV products and other products. Through the establishment of such a diversified product platform, the Group will emerge as a distinctive and scarce player in the sector, offering a comprehensive portfolio encompassing both structural heart disease and CRM solutions, which will enhance the Group's global markets development capability, thus allowing the consolidated business to further strengthen its positioning within respective segments in a global context.

(b) Since 2024, the products of each of the Group's business and the Target Group's business are being marketed globally through direct sales and/or distributors, with ongoing cooperations between each business in certain regions, in addition to leveraging on the respective marketing and sales channels of each business. Through the Transaction, such global market resources can be further shared and aligned, creating synergistic effects, expanding the breadth and depth of the existing cooperation and facilitating the establishment of the Group's stronger foothold and market influence in the global markets and bringing the Group's products to more hospitals and patients.

(c) Despite two distinct heart problems, structural heart diseases and cardiac rhythm conditions can be interconnected and correlated, and the increase in low and intermediate risk patients has indicated a demand for a comprehensive offering covering full-life cycle management. Thus, through knowledge sharing and technology transfer enabled by the Transaction, the Group can further enhance its R&D, upgrading features of existing products, or expanding into new disease areas not previously explored through new product development, to better address the market demand.

(d) With the Transaction, the respective supply chain resources can be shared, and with a much sizable scale in combination, the Group would gain greater bargaining power facing the suppliers, especially those capable of supplying to both the Group and the Target Group. In addition, for the overseas expansion, the Group could have easier access to local production facilities and local supplier resources if needed, to mitigate geo-political risk and avoid supply chain interruption.

(e) The Transaction will also grant the Group access to the Target Group's full-suite local operation teams as well as established facilities, efficiently bridging the gap for its overseas operation. With existing local warehouses, as well as operation team to facilitate regulatory communication, clinical trials running, quality control, customer follow-ups, complaints handling, etc., the Group could realize overseas expansion with lesser investment, achieving more operational efficiencies.

(f) Through the complementary synergies achieved by the Transaction, the business scale and growth potential of the business of the Target Group and the business of the Group as consolidated will be expanded, leading to enhancement in the revenue, profitability and cashflow of such consolidated business. The capital utilisation efficiency and capital raising capability can also be enhanced through unified financial management.

(g) The promulgation of a heart disease product platform with diversified products and product pipelines to both the international and China markets can enhance the international capital market's recognition of the underlying value and growth potential of the consolidated business.

Based on the above, the Directors are of the view that the Transaction is in line with the strategic development of the Group's business which will help the Group to build up a heart disease product platform with global presence offering diversified products and product pipelines and to achieve complementary synergies. Such synergies created by the Transaction will amplify and diversify the existing business of the Group, specifically enhancing the Group's products and pipelines in structural heart disease and CRM solutions, along with R&D capabilities, manufacturing capabilities, distribution channels, and market expansion.

Having considered the above factors, the Directors (excluding (i) Mr. Chen Guoming, a non-executive Director, (ii) Ms. Wu Xia, a non-executive Director, (iii) Mr. Jonathan H. Chou, an independent non-executive Director who are also Directors appointed by MicroPort® or hold directorships in the MicroPort® Group, (iv) Mr. Zhang Junjie, a non-executive Director who also indirectly holds shares of the Target Company, (v) Mr. Zhao Liang, an executive Director of the Company interested in 21,716 shares of the Target Company through the ESOP, and (vi) the members of the Independent Board Committee who will express their views after having considered the advice of the Independent Financial Adviser) are of the view that the terms of the Merger Agreement (including the Negotiated Value of the Target Company, the Issue Price and the method of settlement) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. APPROVAL OF THE BOARD

As at the date of this announcement, Mr. Chen Guoming, a non-executive Director, Ms. Wu Xia, a non-executive Director, and Mr. Jonathan H. Chou, an independent non-executive Director, are Directors appointed by MicroPort® or hold directorships in the MicroPort® Group. In addition, as at the date of this announcement, Mr. Zhang Junjie, a non-executive Director, ultimately controls two shareholders of the Target Company, namely Team Gallary Limited and HJ Mountaineer Limited; and Mr. Zhao Liang, an executive Director, is interested in 21,716 shares of the Target Company through the ESOP. Therefore, the aforementioned Directors are deemed to have interest in the Transaction and thus have abstained from voting on the Board resolution approving the Transaction. Save for the aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the Transaction. Other Directors have voted on the Board resolution approving the Transaction, and consider that the terms of the Transaction are on normal commercial terms, fair and reasonable, and the Transaction is in the interests of the Company and the Shareholders as a whole.

7. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transaction exceed 100%, the Transaction constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements.

As at the date of this announcement, MicroPort®, through its wholly-owned subsidiary, Shanghai MicroPort Limited, is the controlling shareholder of the Company and interested in approximately 46.12% of the issued share capital of the Company; and through its wholly-owned subsidiary, MicroPort International, is interested in approximately 50.13% of the issued share capital of the Target Company. As at the date of this announcement, Team Gallary Limited and HJ Mountaineer Limited, both shareholders of the Target Company, are controlled by their sole management shareholder, HJ Capital Partners. HJ Capital Partners is, in turn, 80% owned by Helix Capital JUNJIE Limited, a company wholly owned by Mr. Zhang Junjie, our non-executive Director. As at the date of this announcement, to the best of the knowledge, information and belief of the Company, none of the remaining 20% shareholders of HJ Capital Partners holds any Shares and each of them is a third party independent of the Company and connected persons of the Company. Each of MicroPort International, Team Gallary Limited, HJ Mountaineer Limited, and the Target Company is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The New Shares will be allotted and issued under the Specific Mandate in accordance with the Listing Rules.

8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors who are not the directors of MicroPort® (i.e. Ms. Sun Zhixiang and Dr. Hu Bingshan) has been formed to consider, and make recommendations to Independent Shareholders regarding, amongst other things, whether the terms of the Merger Agreement and the Transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the Transaction contemplated under the Merger Agreement.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Merger Agreement and the Transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

9. EGM AND DESPATCH OF CIRCULAR

The EGM will be convened and held by the Company for the purpose of considering and, if thought fit, approving the resolution in relation to the Merger Agreement and the Transaction, including the grant of the Specific Mandate for the allotment and issue of the New Shares.

Shanghai MicroPort Limited, (being the controlling shareholder of the Company as at the date of this announcement) who is involved in and interested in the Transaction, and other Shareholders who have a material interest in the Transaction, if any, will be required to abstain from voting on the relevant resolutions at the EGM pursuant to Rule 14A.36 of the Listing Rules.

A circular containing, among other things, (i) further details of the terms of the Merger Agreement and the Transaction; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; (iv) the accountants' report on the Target Group; (v) the financial information of the Group; (vi) the unaudited pro forma financial information of the enlarged Group following the Merger; (vii) a valuation report on the Target Group; (viii) the other information of the Target Group; (ix) a notice of the EGM; and (x) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before November 24, 2025 after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular.

10. WARNING

As the Closing is conditional upon fulfilment or waiver (where applicable) of the Conditions to the Merger, the Transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

11. DEFINITIONS

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

"Board"	the board of Directors
"BVI Co"	MicroPort CardioFlow CRM Company Limited, a business company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Cayman Companies Act"	the Cayman Islands Companies Act (as revised) of the Cayman Islands
"Cayman Registrar"	the Registrar of Companies in the Cayman Islands
"Citi"	Citigroup Global Markets Asia Limited, the exclusive financial adviser to the Target Group in respect of the Transaction
"Closing"	closing of the Transaction in accordance with the terms and conditions of the Merger Agreement
"Closing Date"	the date of Closing
"Company"	MicroPort CardioFlow Medtech Corporation (微创心通医疗科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2160)
"Conditions"	conditions precedent to the Closing of the Merger as set out in the section headed "*1. TRANSACTION — Conditions to Closing*" in this announcement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

"CP"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"CRM"	cardiac rhythm management
"Director(s)"	the director(s) of the Company
"DLOM"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"Effective Time"	the time on which the Merger becomes effective
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve by way of poll, the Merger Agreement and the Transaction (including the grant of the Specific Mandate for the allotment and issue of the New Shares)
"ESOP"	has the meaning ascribed to it under the section headed "2. *INFORMATION OF THE TARGET GROUP – (c) Information of the Shareholders of the Target Company*" in this announcement
"EV/EBIT Multiple"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"EV/Sales Multiple"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"Group"	the Company and its subsidiaries
"Hillhouse"	has the meaning ascribed to it under the section headed "2. *INFORMATION OF THE TARGET GROUP — (c) Information of the Shareholders of the Target Company*" in this announcement
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	the independent board committee, consisting of the independent non-executive Directors, Ms. Sun Zhixiang and Dr. Hu Bingshan, who are not directors of MicroPort®, established for the purpose of advising the Independent Shareholders in relation to the Transaction
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 6 (advising on corporate finance) regulated activity, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction
"Independent Shareholders"	shareholders other than connected person(s) which is/are interested in the Transaction
"Issue Price"	HK$1.35 per Share at which the New Shares will be allotted and issued
"Junior CBs"	a convertible bond in initial principal amount of US$45 million issued by the Target Company, all of which is held by MicroPort International
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	11:59 p.m., Hong Kong time, on June 30, 2026 (as may be extended by the mutual written consent of the Company and the Target Company from time to time)
"Merger"	the merger between the Target Company and the Merger Sub under section 233 of the Cayman Companies Act and as contemplated in the Merger Agreement
"Merger Agreement"	the merger agreement dated September 29, 2025 entered into by the Company, the Merger Sub and the Target Company in respect of the Transaction
"Merger Sub"	MicroPort CardioFlow CRM Limited, an exempted company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company

"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) and the controlling shareholder of the Company as at the date of this announcement
"MicroPort® Group"	MicroPort® and its subsidiaries, and for the purpose of this announcement only, excluding the Group
"MicroPort International"	MicroPort International Corp. Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of MicroPort® as at the date of this announcement
"Negotiated Value of the Target Company"	the pre-transaction equity value of the Target Company of US$680 million
"New Share(s)"	the Share(s) to be allotted and issued to the existing shareholder(s) of the Target Company pursuant to the Merger
"P/E Multiple"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Pre-Closing Capital Restructuring"	the conversion of the Senior CBs outstanding and the principal amount of the Junior CB outstanding into shares of the Target Company and the transfer of Target Ordinary Shares by MicroPort International to certain shareholders of the Target Company as equity compensation arrangement in accordance with the terms and subject to the conditions in the Merger Agreement
"Previous Announcement"	the announcement of the Company dated July 16, 2025 in relation to a non-binding proposal made by MicroPort® to the Company relating to the proposed strategic restructuring of the CRM business of MicroPort®
"R&D"	research and development

"Remaining Shareholders"	has the meaning ascribed to it under the section headed "2. *INFORMATION OF THE TARGET GROUP — (c) Information of the Shareholders of the Target Company*" in this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Senior CBs"	a convertible bond in initial principal amount of US$130 million issued by the Target Company
"Share(s)"	ordinary shares of US$0.000005 each in the share capital of the Company
"Shareholders"	shareholders of the Company
"Specific Mandate"	the specific mandate to be sought from the Independent Shareholders at the EGM to grant to the Board the authority for the allotment and issuance of the New Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	MicroPort Cardiac Rhythm Management Limited (微創心律管理有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and a non-wholly-owned subsidiary of MicroPort®
"Target Group"	the Target Company and its subsidiaries, and "Target Group Company" means any one of them
"Target Ordinary Shares"	the ordinary shares with a par value of US$0.00008 per share in the capital of the Target Company
"Target Preferred Shares"	the preferred shares in the capital of the Target Company, comprising the Target Series A Preferred Shares, the Target Series B Preferred Shares and the Target Series C Preferred Shares
"Target Series A Preferred Shares"	the Series A preferred shares of the Target Company with a par value of US$0.00008 per share, with the rights and privileges set forth in the existing memorandum and articles of association of the Target Company

"Target Series B Preferred Shares"	the Series B preferred shares of the Target Company with a par value of US$0.00008 per share, with the rights and privileges set forth in the existing memorandum and articles of association of the Target Company
"Target Series C Preferred Shares"	the Series C preferred shares of the Target Company with a par value of US$0.00008 per share, with the rights and privileges set forth in the existing memorandum and articles of association of the Target Company
"TAVI"	has the meaning ascribed to it under the section headed "*5. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTION*" in this announcement
"TMV"	has the meaning ascribed to it under the section headed "*5. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTION*" in this announcement
"TTV"	has the meaning ascribed to it under the section headed "*5. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTION*" in this announcement
"Transaction"	the transactions as contemplated under the Merger Agreement, including the Merger
"US$"	United States dollar, the lawful currency of the United States of America
"Valuation Date"	August 31, 2025
"Valuer"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
"WACC"	has the meaning ascribed to it under the section headed "*1. TRANSACTION — Basis of the Negotiated Value of the Target Company*" in this announcement
"%"	per cent.

By Order of the Board
MicroPort CardioFlow Medtech Corporation
Chen Guoming
Chairman

Hong Kong, September 29, 2025

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

In this announcement, amounts in US$ are translated into HK$ on the basis of US$1.00 = HK$7.84955 and amounts in RMB are translated into HK$ on the basis of RMB1.00 = HK$1.09767. The conversion rate is for illustration purposes only and should not be taken as a representation that US$ could actually be converted into HK$ at such rate or at all.