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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)**

# DISCLOSEABLE TRANSACTION LEASING OF THE PROPERTY

On May 13, 2021, Shanghai CardioFlow, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Landlord, pursuant to which Shanghai CardioFlow agreed to lease from the Landlord the Property for manufacturing purpose for a period of five years.

As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset recognized by the Group under the Lease Agreement pursuant to HKFRS 16 is more than 5% but less than 25%, the Lease Agreement constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE LEASE AGREEMENT

On May 13, 2021, Shanghai CardioFlow, a wholly-owned subsidiary of the Company, and the Landlord entered into the Lease Agreement in relation to the leasing of the Property.

### Subject matter

Shanghai CardioFlow will lease from the Landlord the Property with area of approximately 15,503.54 sq.m. for a term of five years, commencing on May 16, 2021 and ending on May 15, 2026.

### Rent

The aggregate rent payable by Shanghai CardioFlow under the entire term of the Lease Agreement is approximately RMB155.62 million, which was determined by the parties after arm's length negotiations with reference to the prevailing market rents of comparable properties.

The rent will be settled monthly by cash in advance. As the Landlord constructed the Property in accordance with the specifications and requirements of the Company and other subsidiaries of MicroPort, a deposit of approximately RMB31.12 million in aggregate will be payable to the Landlord as security under the Lease Agreement. The security deposit will be refunded without interest upon expiry of the lease term or the termination of the Lease Agreement.

## **Management fees and utility charges**

Shanghai CardioFlow will be responsible for the payment of the management fees, water, electricity and other utility charges of the Property directly to the suppliers of such services.

## **INFORMATION ON THE PROPERTY**

The Property is part of a purpose built industrial facility developed by the Landlord for the Group. The Property is located at No. 1661, Zhangdong Road, the China (Shanghai) Pilot Free Trial Zone (中國(上海)自由貿易試驗區張東路1661號) with gross floor area of approximately 15,503.54 sq.m..

## **REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT**

The Property is a purposely built facility for the operation of the Group. As construction of the Property had been completed, the Lease Agreement is being entered into to enable the Group to use the Property. The Group intends to use the Property for production function for the Group's expansion plan.

As the rent for the Lease Agreement was determined with reference to prevailing market rate and that the terms of the Lease Agreement were concluded based on normal commercial terms, the Directors are of the view that the Lease Agreement was entered into on normal commercial terms and that the terms of which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company and Shanghai CardioFlow**

The Company is a medical device company in China focusing on the research, development and commercialization of innovative transcatheter and surgical solutions for valvular heart diseases.

Shanghai CardioFlow is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company. It is principally engaged in the manufacture, distribution, research and development of heart valve devices.

### **The Landlord**

The Landlord is a limited liability company established in the PRC and is principally engaged in investment management, investment consulting, production and sales of precision machinery, biomedical intermediates, research and development of high-tech products and related technical services, import and export of goods and technology, leasing of non-residential properties. It is an indirect subsidiary of Real & Realistic Foundation Limited ("**Real & Realistic**"). Real & Realistic is a company limited by guarantee with no share capital incorporated in Hong Kong. It is a charity foundation that focuses on advancing and promoting science and education. Real & Realistic through its subsidiaries has invested directly in certain subsidiaries and equity-accounted investees of MicroPort. To the best knowledge of the Directors, Real & Realistic also holds less

than 2% of the issued share capital of the Company. Save for the relationships disclosed above, to the best knowledge, information and belief of the Directors, having made reasonable enquiry, Real & Realistic and the Landlord and their ultimate beneficial owners are independent of, and are not connected with, the Company and its connected persons.

## **IMPLICATIONS UNDER THE LISTING RULES**

In accordance with HKFRS 16 “Leases”, the Group shall recognise a right-of-use asset on the statement of financial position in connection with the lease of the Property. Therefore, the lease of the Property under the Lease Agreement is regarded as a one-off acquisition of a capital asset of the Group. Based on the preliminary estimation of the Company, the value of the right-of-use assets recognized by the Group under the Lease Agreement is approximately RMB127 million, which is calculated based primarily on the present value of the total base rent payable by the Group during the term of the Lease Agreement. As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset recognized by the Group under the Lease Agreement pursuant to HKFRS 16 is more than 5% but less than 25%, the Lease Agreement constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of directors of the Company;
“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 to it under the Listing Rules;
“Director(s) ”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants;
“Landlord”	Shanghai Weichuang Investment Management Co., Ltd.* ( 上海微創投資管理有限公司 ), the landlord of the Property;
“Lease Agreement”	the lease agreement entered into between Shanghai CardioFlow and the Landlord;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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)
“PRC”	the People’s Republic of China;
“Property”	the industrial facility located at the Shanghai Free Trade Trial Zone, the details of which are summarized in the section headed “Information on the Property” of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai CardioFlow”	Shanghai MicroPort CardioFlow Medtech Co., Ltd. (上海微創心通醫療科技有限公司), a limited liability company established in the PRC on May 21, 2015 and a wholly-owned subsidiary of the Company;
“Shareholders”	shareholders of the Company;
“sq.m.”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board  
**MicroPort CardioFlow Medtech Corporation**  
**Luo Qiyi**  
*Chairman*

Shanghai, PRC, May 13, 2021

*As of the date of this announcement, the executive Directors are Mr. Chen Guoming, Ms. Yan Luying and Mr. Wu Guojia, 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. Jiang Hualiang and Ms. Sun Zhixiang.*

\* *For identification purpose only.*