

APPENDIX IIA UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities of the Group as at July 31, 2020 as if the Global Offering had taken place on July 31, 2020.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at July 31, 2020 or any future date.

	Consolidated net tangible liabilities of the Group as at July 31, 2020 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Estimated impact upon the conversion of Series C Preferred Shares and Series D Preferred Shares ⁽³⁾	Unaudited pro forma adjusted net tangible assets as at July 31, 2020	Unaudited pro forma adjusted net tangible assets per Share ⁽⁴⁾	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB	HK\$ ⁽⁵⁾
Based on an Offer						
Price of						
HK\$11.10 per						
Offer Share	(454,422)	1,798,180	1,317,077	2,660,835	1.12	1.35
Based on an Offer						
Price of						
HK\$12.20 per						
Offer Share	(454,422)	1,979,175	1,317,077	2,841,830	1.20	1.44

Notes:

- (1) The consolidated net tangible liabilities of the Group as at July 31, 2020 is calculated based on the consolidated net liabilities of RMB228,195,000 as at July 31, 2020, less the intangible assets of RMB226,227,000, extracted from the Accountants' Report set out in Appendix I to the Prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Prices of HK\$11.10 and HK\$12.20 per Share, being the low end price and high end price of the indicative Offer Price range respectively, after deduction of the estimated underwriting fees and other related expenses related to Global Offering (excluding approximately RMB15,123,000 listing expenses which has been charged to profit or loss up to July 31, 2020) and the issuance of 205,620,000 Shares, takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted into RMB at an exchange rate of HK\$1.1996 to RMB1. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted into Renminbi, or vice versa at that rate.
- (3) The aggregated balance of Series C Preferred Shares and Series D Preferred Shares including the Series D Adjustment was RMB1,317,077,000 as of July 31, 2020 (as set out in Note 25 of Appendix I in this prospectus). Upon the Listing, Series C Preferred Shares and Series D Preferred Shares will be automatically converted into ordinary shares of the Company and will be re-designated from liabilities to equity.

APPENDIX IIA UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (4) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 2,366,167,020 Shares were in issue assuming that the Global Offering and the Share Subdivision had been completed on July 31, 2020 (including completion of the conversion of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares into ordinary shares of the Company) without taking into account of any Shares which may be issued upon exercise of the Over-allotment Option.
- (5) For the purpose of this pro forma adjusted net tangible assets, the balances stated in RMB are converted into Hong Kong dollars at a rate of RMB0.8336 to HK\$1. No representation is made that the Renminbi amounts have been, could have been or may be converted into Hong Kong Dollars, or vice versa at that rate.
- (6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading result or other transactions of the Group entered into subsequent to July 31, 2020.

APPENDIX IIA UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF MICROPORT CARDIOFLOW MEDTECH CORPORATION

We have completed our assurance engagement to report on the compilation of pro forma financial information of MicroPort CardioFlow Medtech Corporation (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at July 31, 2020 and related notes as set out in Part A of Appendix IIA to the prospectus dated January 26, 2021 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix IIA to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at July 31, 2020 as if the Global Offering had taken place at July 31, 2020. As part of this process, information about the Group's financial position as at July 31, 2020 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at July 31, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX IIA UNAUDITED PRO FORMA FINANCIAL INFORMATION

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

Hong Kong

January 26, 2021