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LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2291)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

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The Board announces that on November 14, 2022, the Company had entered into a subscription agreement with GVF (on behalf of New Economics Fund SP) for the purchase of the Wealth Management Product in the amount of US\$37,000,000.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated in respect of the Wealth Management Product exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Wealth Management Product as and when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of these Wealth Management Product was akin to a bank deposit, which would not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, taking into account the flexible redemption nature of the Wealth Management Product. Recently, upon preparation of the Company's annual results announcement and devising business plans ahead, relevant internal departments revisited the relevant transaction, and sought advice from the Board and professional advisers on the Listing Rules implications. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the Shareholders of the Subscription.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board announces that on November 14, 2022, the Company had entered into a subscription agreement with GVF (on behalf of New Economics Fund SP) for the purchase of the Wealth Management Product in the amount of US\$37,000,000. The key terms of the Subscription are set out in the tables below.

(1) Date of the Subscription:	November 14, 2022
(2) Name of product:	Growth Vanguard Flexible Cash Management Plan (Growth Vanguard 靈活現金管理計劃)
(3) Parties:	(i) GVF (on behalf of New Economics Fund SP) (ii) the Company
(4) Type of product:	principal-and-interest-guaranteed
(5) Risk level of product (internal risk rating by the Issuer):	low risk
(6) Principal amount of the Subscription:	US\$37,000,000
(7) Term of investment:	365 days since November 14, 2022
(8) Expected annualized rate of return:	ranging from 1.6% to 3.5% per annum
(9) Investment scope of the product:	bank deposits, high-quality corporate short-term loans, short-term deposits denominated and settled in US\$, and high-quality money market investment projects issued by governments, international organizations and financial institutions (including short-term debt securities, commercial paper, certificates of deposit and commercial drafts, etc.)
(10) Redemption:	one month after the date of Subscription, the Company can apply for redemption of the Wealth Management Product

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the consideration of the Subscription was determined on the basis of commercial terms negotiated at arm's length between the Company and GVF, having considered the then available surplus cash of the Company for treasury management purpose.

REASONS FOR AND BENEFITS OF PURCHASING THE WEALTH MANAGEMENT PRODUCT

The Wealth Management Product is characterized by its nature of principal-guaranteed, and the Subscription was used by the Company for treasury management purpose in order to maximize its return on the surplus capital. Given that the Wealth Management Product is highly secured and can be redeemed flexibly, such utilisation does not cause any adverse impact on the operation and liquidity of the Company. The Directors consider that appropriate wealth management product with low risk exposure is conducive to enhancing the utilization efficiency of capital and increasing income from idle funds of the Company. As such, the Directors (including the independent non-executive Directors) are of the view that the terms of the Wealth Management Product are fair and reasonable, and are on normal commercial terms and the Subscription is in the interests of the Company and the Shareholders as a whole. The Company has implemented adequate and appropriate internal control procedures to ensure the Subscription would not affect the working capital or the operations of the Company, and that such investments would be conducted on the principle of protecting the interests of the Company and the Shareholders as a whole.

As disclosed in the Prospectus, to the extent that the net proceeds from the global offering are not immediately applied, the Group will deposit the net proceeds into short-term demand deposits with licensed banks or authorized financial institutions in Hong Kong or China (as defined under Securities and Futures Ordinance or applicable laws and regulations in the PRC). Having considered the Wealth Management Product is principal-and-interest-guaranteed and redeemable, the Company misunderstood that the nature of these Wealth Management Product was akin to a bank deposit. The Group thus placed certain portion of net proceeds from the global offering for the Wealth Management Product for treasury management purposes but the Wealth Management Product has been redeemed in full as of the date of this announcement. The Group has no intention to change the use of net proceeds as stipulated in the Prospectus and going forward, the Group will only place the net proceeds in “short-term demand deposits with licensed banks or authorized financial institutions” as stated in the Prospectus.

PARTIES INFORMATION

Information on the Company

The Company is a joint stock limited liability company established in the PRC on January 29, 2021. The Company is a leading interventional medical device provider in China for congenital heart diseases, a major field of application for structural heart diseases. The Company is principally engaged in the research, development, manufacture and commercialization of interventional medical devices primarily targeting structural heart diseases.

Information on GVF

GVF is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on March 7, 2019, which is ultimately controlled by Jianming Zhou. GVF is an investment holding company, which focuses on macro liquidity asset investment opportunities.

As of the date of this announcement and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, GVF and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated in respect of the Wealth Management Product exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Wealth Management Product as and when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of these Wealth Management Product was akin to a bank deposit, which would not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, taking into account the flexible redemption nature of the Wealth Management Product. Recently, upon preparation of the Company's annual results announcement and devising business plans ahead, relevant internal departments revisited the relevant transaction, and sought advice from the Board and professional advisers on the Listing Rules implications. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the Shareholders of the Subscription.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules but the Company would like to stress that such delay in compliance with the Listing Rules was inadvertent and unintentional. The Company has no intention to withhold any information relating to the Subscription from disclosure to the public. To prevent similar cases from occurring in the future, the Company has implemented the following remedial actions with immediate effect:

- (1) the Company has redeemed the Wealth Management Product and the Wealth Management Product, including the principal and interest accrued (i.e. US\$37,176,789.04 in total), has been fully redeemed on March 21, 2023;
- (2) in preparing for the 2022 annual results announcement, the Company has conducted a comprehensive review and self-examination of the purchase of wealth management product since the Listing Date, and hereby makes this announcement on the wealth management product that should have been disclosed but were not previously disclosed;
- (3) with the assistance of the compliance adviser and legal advisers, the Company further understands the definition of a wealth management product and will remind the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;
- (4) the Company will circulate a detailed guideline relating to notifiable and connected transactions under the Listing Rules and offer more regular training to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage;

- (5) the Company will strengthen the coordination and reporting arrangements for notifiable transactions and emphasize the importance of compliance with the Listing Rules; and
- (6) the Company will work more closely with its internal legal and compliance department on compliance issues; and shall, as and when appropriate and necessary, consult other professional advisers before entering into any potential notifiable transaction. If necessary, the Company might also consult the Stock Exchange on the proper treatment of the proposed transaction. Going forward, the Company will continue to comply with the management procedures of its investments on wealth management products and make such disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (樂普心泰醫療科技(上海)股份有限公司), a joint stock limited liability company established in the PRC on January 29, 2021
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“GVF”	Growth Vanguard Fund SPC, an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on March 7, 2019
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Date”	November 8, 2022, on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company dated October 27, 2022
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	subscription of the Wealth Management Product by the Company
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Wealth Management Product Agreement”	the Growth Vanguard Flexible Cash Management Plan subscription agreement entered into between the Company and Growth Vanguard Fund SPC (on behalf of New Economics Fund SP) on November 14, 2022
“Wealth Management Product”	the Growth Vanguard Flexible Cash Management Plan subscribed by the Company pursuant to the Wealth Management Product Agreement and the details of which are set out in this announcement
“%”	per cent

By order of the Board
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
 樂普心泰醫療科技(上海)股份有限公司
Ms. Chen Juan
Chairman of the Board and Executive Director

Shanghai, the People’s Republic of China
 March 31, 2023

As at the date of this announcement, the Board comprises Ms. Chen Juan and Ms. Zhang Yuxin as executive Directors, Mr. Fu Shan and Mr. Zheng Guorui as non-executive Directors, and Ms. Chan Ka Lai Vanessa, Mr. Zheng Yufeng, and Mr. Liu Daozhi as independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name “LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.”.*