

---

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

If you are in any doubt as to any aspect of the Partial Offer, this Composite Document and/or the accompanying Form of Approval and Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Acotec Scientific Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Approval and Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Approval and Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Approval and Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Approval and Acceptance, the contents of which form part of the terms and conditions of the Partial Offer.

---

**Boston Scientific Group plc**

*(a public limited company incorporated under  
the laws of the Republic of Ireland)*

**Acotec Scientific Holdings Limited**

**先瑞達醫療科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6669)**

**COMPOSITE DOCUMENT RELATING TO  
VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY  
CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF OF  
THE OFFEROR TO ACQUIRE A MAXIMUM OF 65 PER CENT. OF  
THE ISSUED SHARE CAPITAL OF THE COMPANY FROM  
QUALIFYING SHAREHOLDERS**

**Financial adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



**SOMERLEY CAPITAL LIMITED**

---

Capitalised terms used in this cover page have the same meaning as those defined in the section headed "Definitions" in this Composite Document. A letter from Citi containing, among other things, the details of the terms and conditions of the Partial Offer is set out on pages 9 to 28 of this Composite Document. A letter from the Board is set out on pages 29 to 38 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Qualifying Shareholders in respect of the Partial Offer is set out on pages 39 to 40 of this Composite Document. A letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee in respect of the Partial Offer is set out on pages 41 to 71 of this Composite Document.

The procedures for acceptance and settlement of the Partial Offer are set out in Appendix I in this Composite Document and in the accompanying Form of Approval and Acceptance. Acceptances should be received by the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on Thursday, 26 January 2023, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Approval and Acceptance to any jurisdiction outside of Hong Kong should read the section headed "Overseas Qualifying Shareholders" in the Letter from Citi and Appendix I in this Composite Document before taking any action. It is the responsibility of each overseas Qualifying Shareholder wishing to accept the Partial Offer to satisfy himself, herself or itself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Qualifying Shareholders are advised to seek professional advice on deciding whether to accept the Partial Offer.

3 January 2023

---

## CONTENTS

---

	<i>Page</i>
<b>Expected timetable</b> .....	ii
<b>Important notice</b> .....	iv
<b>Definitions</b> .....	1
<b>Letter from Citi</b> .....	9
<b>Letter from the Board</b> .....	29
<b>Letter from the Independent Board Committee</b> .....	39
<b>Letter from the Independent Financial Adviser</b> .....	41
<b>Appendix I – Further terms of the Partial Offer</b> .....	I-1
<b>Appendix II – Financial Information of the Group</b> .....	II-1
<b>Appendix III – Financial Information of the Offeror Group</b> .....	III-1
<b>Appendix IV – General Information</b> .....	IV-1

---

## EXPECTED TIMETABLE

---

*The timetable set out below is indicative only and any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate.*

Event	Hong Kong Time & Date
Despatch date of this Composite Document and Partial Offer open for acceptance .....	Tuesday, 3 January 2023
First Closing Date <sup>(Note 1)</sup> .....	Thursday, 26 January 2023
Latest time and date for approval and acceptance of the Partial Offer on the First Closing Date <sup>(Note 1)</sup> and latest time and date for acceptance of the Partial Offer by the IU Shareholders under the Irrevocable Undertakings (other than the CPE Excluded Shares) <sup>(Note 2)</sup> .....	4:00 p.m. on Thursday, 26 January 2023
Announcement of the results of the Partial Offer as at the First Closing Date to be posted on the website of the Stock Exchange <sup>(Note 1)</sup> .....	no later than 7:00 p.m. on Thursday, 26 January 2023
Latest time and date for the acceptance of the Partial Offer (assuming that the Partial Offer becomes or is declared unconditional in all respects on the First Closing Date) (i.e. the Final Closing Date) <sup>(Note 3)</sup> and latest time and date for acceptance of the Partial Offer by CMI and/or CIW for the CPE Excluded Shares (if any) under the CPE Irrevocable Undertaking <sup>(Note 2)</sup> .....	4:00 p.m. on Thursday, 9 February 2023
Announcement of the results of the Partial Offer as at the Final Closing Date to be posted on the website of the Stock Exchange <sup>(Note 4)</sup> .....	7:00 p.m. on Thursday, 9 February 2023
Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Partial Offer at or before 4:00 p.m. on the Final Closing Date (assuming that the Partial Offer becomes or is declared unconditional in all respects on the First Closing Date) <sup>(Note 5)</sup> .....	Monday, 20 February 2023

---

## EXPECTED TIMETABLE

---

Latest time and date by which the Partial Offer  
can become or be declared unconditional as to  
acceptances<sup>(Note 3)</sup> . . . . . 7:00 p.m. on  
Monday, 6 March 2023

Designated agent starts to stand in the market  
to provide matching services for sale and  
purchase of odd lots holdings of Shares . . . . . 9:00 a.m. on  
Friday, 10 February 2023

Designated agent ceases to stand in the market  
to provide matching services for sale and  
purchase of odd lots holdings of Shares . . . . . 4:00 p.m. on  
Friday, 24 March 2023

*Notes:*

1. The latest time for receipt of acceptances under the Partial Offer will be 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Partial Offer in accordance with the Takeovers Code. The Offeror and the Company will issue a joint announcement on the Stock Exchange’s website by 7:00 p.m. on the First Closing Date, stating the results of the Partial Offer and whether the Partial Offer has been revised or extended, has expired or has become or is declared unconditional. Where the Partial Offer becomes or is declared unconditional, the Partial Offer will remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code. Accordingly, if the Partial Offer is declared unconditional in all respects on or before Thursday, 12 January 2023, then the Final Closing Date would be on (but no earlier than) the First Closing Date.
2. Please refer to the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document for details of the Irrevocable Undertakings.
3. Where the Partial Offer becomes or is declared unconditional on the First Closing Date, the Partial Offer will remain open for acceptance for 14 days in accordance with the Takeovers Code, but cannot be further extended. In accordance with the Takeovers Code, except with the consent of the Executive, the Partial Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Document was posted. Accordingly, unless the Partial Offer has previously become unconditional as to acceptances, the Partial Offer will lapse after 7:00 p.m. on Monday, 6 March 2023, unless extended with the consent of the Executive.
4. The announcement of the results of the Partial Offer will be jointly issued by the Offeror and the Company and posted on the Stock Exchange’s website by 7:00 p.m. on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which each accepting Shareholder’s pro rata entitlement was determined.
5. Remittances in respect of the Shares tendered for acceptance and taken up by the Offeror under the Partial Offer (after deducting the seller’s ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Share Registrar in respect of lost or unavailable Share certificates) will be posted to the relevant Qualifying Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven business days (as defined in the Takeovers Code) following the Final Closing Date.

Save as mentioned above, if the latest time for acceptance of the Partial Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Qualifying Shareholders by way of announcement(s) in the event of any change to the expected timetable as and when appropriate.

---

## IMPORTANT NOTICE

---

### NOTICE TO THE OVERSEAS QUALIFYING SHAREHOLDERS

The making of the Partial Offer to Qualifying Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. The Partial Offer is being made for the securities of a company incorporated in the Cayman Islands with limited liability and is subject to Hong Kong disclosure and other procedural requirements, which are different from those of other jurisdictions including Germany and Switzerland. Such Qualifying Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Qualifying Shareholder who wishes to accept the Partial Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Qualifying Shareholder in such relevant jurisdictions. The Partial Offer is otherwise not made in accordance with any law other than the law of Hong Kong. In particular, the Partial Offer has not been reviewed by any regulator in Germany or Switzerland.

Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Qualifying Shareholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders should consult their professional advisers if in doubt.

For further discussion, please refer to the section headed "Overseas Qualifying Shareholders" in the Letter from Citi and the section headed "Overseas Qualifying Shareholders" in Appendix I in this Composite Document.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

---

## DEFINITIONS

---

*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alternative Financing”	has the meaning given to it under the section headed “Irrevocable Undertakings — Irrevocable undertaking of Bliss Way Limited to approve and accept the Partial Offer (as the case maybe)” in the Letter from Citi in this Composite Document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bliss Way Irrevocable Undertaking”	the irrevocable undertaking dated 10 December 2022 entered into between Bliss Way Limited and the Offeror as described in the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document
“Board”	the board of Directors
“BSC”	Boston Scientific Corporation, a company incorporated under the laws of the State of Delaware, the U.S., whose shares are listed on the New York Stock Exchange. As at the Latest Practicable Date, BSC has no controlling shareholder
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Citi”	Citigroup Global Markets Asia Limited (花旗環球金融亞洲有限公司), a company incorporated in Hong Kong with limited liability and licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities, the financial adviser to the Offeror in relation to the Partial Offer

---

## DEFINITIONS

---

“CIW”	CPE Investment Wu Limited, a company incorporated in the British Virgin Islands and is owned by CPEChina Fund III and CPE GOF, as to 85.61% and 14.39%, respectively, as at the Latest Practicable Date
“Class (1) Presumption”	has the meaning given to it under the section headed “Disclosure of Interests — IV. Other disclosures” under Appendix IV — General Information in this Composite Document
“close associate(s)”	has the meaning given to it under the Listing Rules
“CMI”	CA Medtech Investment (Cayman) Limited, a company incorporated in the Cayman Islands and is indirectly owned by CPEChina Fund III and CPE GOF, as to 85.61% and 14.39%, respectively, as at the Latest Practicable Date
“Company”	Acotec Scientific Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 6669)
“Composite Document”	the composite offer and response document jointly issued, by or on behalf of the Offeror and the Company to all Qualifying Shareholders in accordance with the Takeovers Code containing, among other things, details of the Partial Offer and the Form of Approval and Acceptance in respect of the Partial Offer, as may be revised or supplemented as appropriate
“Condition(s)”	the conditions to the Partial Offer, as set out under the section headed “The Offer — Part A: The Partial Offer — Conditions to the Partial Offer” in the Letter from the Board in this Composite Document
“connected person(s)”	has the meaning given to it under the Listing Rules
“core connected person(s)”	has the meaning given to it under the Listing Rules
“Cosmic Elite”	Cosmic Elite Holdings Limited, a company incorporated in the British Virgin Islands which is owned by Nexus Partners and Legend Zone as to 95.31% and 4.69%, respectively, as at the Latest Practicable Date

---

## DEFINITIONS

---

“Cosmic Elite Irrevocable Undertaking”	the irrevocable undertaking dated 10 December 2022 entered into among Cosmic Elite, Ms. Li and the Offeror as described in the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document
“CPE”	has the meaning given to it under the section headed “Disclosure of Interests — IV. Other disclosures” under Appendix IV — General Information in this Composite Document
“CPE Excluded Shares”	has the meaning given to it under the section headed “Maintaining the Listing Status of the Company” in the Letter from Citi in this Composite Document
“CPE GOF”	CPE Global Opportunities Fund, L.P. is one of the funds managed by a wholly-owned subsidiary of CPE Management International II Limited, which is ultimately owned by the Ultimate Individual Shareholders, each holding a less than 10% interest
“CPE Irrevocable Undertaking”	the irrevocable undertaking dated 10 December 2022 entered into among CMI, CIW and the Offeror as described in the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document
“CPEChina Fund”	has the meaning given to it under the section headed “Disclosure of Interests — IV. Other disclosures” under Appendix IV — General Information in this Composite Document
“CPEChina Fund III”	CPEChina Fund III, L.P. is one of the funds managed by a wholly-owned subsidiary of CPE Holdings International Limited, which is ultimately owned by 11 individual shareholders (collectively, “ <b>Ultimate Individual Shareholders</b> ”), each holding a less than 10% interest and is an employee of CPE Advisors (Hong Kong) Limited (“ <b>CPE Advisors</b> ”) and/or its associated entities. CPE Advisors is the investment advisor of CPEChina Fund III
“Despatch Date”	the date of despatch of the Composite Document as required by the Takeovers Code
“Director(s)”	director(s) of the Company for the time being



---

## DEFINITIONS

---

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Final Closing Date”	the date which is (i) the 14th day after the date on which the Partial Offer becomes or is declared unconditional in all respects or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 21 days following the Despatch Date
“First Closing Date”	the date stated in the Composite Document as the first closing day of the Partial Offer, which shall be a date falling 21 days following the Despatch Date, or such later date as may be extended by the Offeror in accordance with the Takeovers Code
“Form of Approval and Acceptance”	the form of approval and acceptance in respect of the Partial Offer accompanying the Composite Document
“Group”	the Company and its subsidiaries
“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
“Independent Board Committee”	the independent committee of the Board (comprising Dr. Yuqi Wang, Ms. Hong Ni and Ms. Kin Yee Poon, being all the independent non-executive Directors) established for the purpose of advising the Qualifying Shareholders in respect of the Partial Offer pursuant to the requirements of the Takeovers Code
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee appointed in respect of the Partial Offer
“Independent Third Parties”	parties that are not and not deemed to be connected persons of the Company or a person falling under Rule 8.24(1) or (2) of the Listing Rules
“Intra-Group Loan Agreement”	the intra-group loan agreement dated 21 December 2022 entered into between BSC and the Offeror

---

## DEFINITIONS

---

“Irrevocable Undertakings”	the CPE Irrevocable Undertaking, the Cosmic Elite Irrevocable Undertaking and the Bliss Way Irrevocable Undertaking
“IU Shareholders”	CMI, CIW, Cosmic Elite and Bliss Way Limited
“Joint Announcement”	the announcement jointly published by the Offeror and the Company on 12 December 2022
“Last Trading Day”	9 December 2022, being the last trading day for the Shares immediately before the publication of the Joint Announcement
“Latest Practicable Date”	Friday, 30 December 2022, being the latest practicable date prior to the despatch of this Composite Document for the purpose of ascertaining certain information contained herein
“Legend Zone”	Legend Zone Limited, which is a special purpose vehicle wholly-owned by Ms. Cheng Li (程麗) who is an independent third party to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	a loan in an aggregate principal amount of up to US\$10,000,000 for the purpose of acquisition of Shares by Bliss Way Limited lent by CMI pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 11 January 2021 entered into between CMI and Bliss Way Limited
“Lock-Up Undertaking”	has the meaning given to it under the section headed “Irrevocable Undertakings — Restrictions on the IU Shareholders (other than Bliss Way Limited) after the Final Closing Date” in the Letter from Citi in this Composite Document
“Ms. Li”	Ms. Li Jing (李靜), being the chairperson of the Board, an executive Director and the chief executive officer of the Company

---

## DEFINITIONS

---

“Nexus Partners”	Nexus Partners Group Limited, which is wholly-owned by Vistra Trust (Singapore) Pte. Limited (as the trustee of Joy Avenue Family Trust, a discretionary trust established by Ms. Li (as the settlor) and Vistra Trust (Singapore) Pte. Limited (as the trustee) for the benefits of Ms. Li and a company wholly-owned by Ms. Li
“Offer Period”	has the meaning given to it under the Takeovers Code
“Offer Price”	HK\$20 for each Share
“Offeror”	Boston Scientific Group plc, a public limited company incorporated under the laws of the Republic of Ireland, which is wholly-owned by BSC
“Offeror Group”	the Offeror and its subsidiaries
“Partial Offer”	the voluntary conditional partial cash offer by Citi on behalf of the Offeror to acquire a maximum of 203,702,962 Shares in the issued share capital of the Company (representing 65% of its issued share capital) from the Qualifying Shareholders and any subsequent revision or extension of such offer
“Placing Agreement(s)”	has the meaning given to it under the section headed “Maintaining the Listing Status of the Company” in the Letter from the Board in this Composite Document
“PRC”	the People’s Republic of China which, for the purpose of the Composite Document, shall exclude Hong Kong and the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Public Shareholder(s)”	Shareholder(s) who are members of the public within the meaning of Rule 8.24 of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“relevant securities”	has the meaning given to it under Note 4 to Rule 22 of the Takeovers Code

---

## DEFINITIONS

---

“Relevant Period”	the period commencing on 12 June 2022, being the date falling six months prior to 12 December 2022, being the commencement date of the Offer Period, and up to and including the Latest Practicable Date
“Relevant Share(s)”	has the meaning given to it under the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document
“Revolving Credit Agreement”	the revolving credit agreement dated 10 May 2021 (as amended on 21 December 2022) entered into amongst BSC (as borrower), Wells Fargo Bank, National Association (as administrative agent), and (i) Wells Fargo Bank, National Association, (ii) Bank of America, N.A., (iii) Barclays Bank PLC, (iv) Citibank, N.A., (v) JPMorgan Chase Bank, N.A., and (vi) Société Générale) (as principal lenders)
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of US\$0.00001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(-ies)”	has the meaning given to it under the Listing Rules
“substantial shareholder(s)”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	has the meaning given to it under the section headed “Irrevocable Undertakings” in the Letter from Citi in this Composite Document

---

## DEFINITIONS

---

“USA” or “U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of USA
“%”	per cent.

*For the purposes of this Composite Document, the exchange rates of RMB0.89327 = HK\$1.00 and US\$1.00 = HK\$7.80 have been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.*

*In the event of inconsistency, the English text of this Composite Document shall prevail over the Chinese text.*

\* *for identification purpose only*

---

## LETTER FROM CITI

---

Citigroup Global Markets Asia Limited  
50th Floor Champion Tower  
3 Garden Road,  
Central, Hong Kong



3 January 2023

To the Qualifying Shareholders,

### **VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF OF THE OFFEROR TO ACQUIRE A MAXIMUM OF 65 PER CENT. OF THE ISSUED SHARE CAPITAL OF THE COMPANY FROM QUALIFYING SHAREHOLDERS**

#### **INTRODUCTION**

On 12 December 2022, the Offeror and the Company jointly announced that Citi, on behalf of the Offeror, will make a voluntary conditional partial cash offer to acquire a maximum of 203,702,962 Shares in the issued share capital of the Company (representing 65% of the Company's issued share capital as at the date of the Joint Announcement) from Qualifying Shareholders at the Offer Price of HK\$20 per share.

This letter forms part of this Composite Document and sets out certain background information of the Offeror, the reasons for making the Partial Offer and the intention of the Offeror in relation to the Group. The terms of the Partial Offer are set out in this letter, Appendix I in this Composite Document and in the accompanying Form of Approval and Acceptance.

#### **THE PARTIAL OFFER**

Citi is, on behalf of the Offeror, making a Partial Offer on the following basis:

For each Share . . . . . HK\$20 in cash

#### **CONDITIONS TO THE PARTIAL OFFER**

The Partial Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Partial Offer being received in respect of a minimum of 156,725,925 Shares at or before 4:00 p.m. on the First Closing Date (representing approximately 50.01% of the Company's issued share capital as at the date of the Joint Announcement);
- (b) approval of the Partial Offer by Shareholders holding over 50% of Shares not held by the Offeror or any parties acting in concert with the Offeror in accordance with Rule 28.5 of the Takeovers Code;

---

## LETTER FROM CITI

---

- (c) the Shares remaining listed on the Main Board of the Stock Exchange up to and as of the earlier of the Final Closing Date or the date on which the Partial Offer becomes or is declared unconditional in all respects, and no notification having been received on or before such time from the Stock Exchange or the SFC that the listing of the Shares on the Stock Exchange will be, for whatever reason, withdrawn or suspended (disregarding and excluding, for the avoidance of doubt, any temporary suspension of trading of the Shares on the Stock Exchange (i) for the purpose of obtaining clearance from the SFC and/or the Stock Exchange for any announcements or circulars in connection with the Partial Offer; (ii) pending publication of any inside information announcement pursuant to Part XIVA of the SFO; (iii) for less than fifteen consecutive trading days; or (iv) as a result of insufficient public float and/or for the purpose of restoring public float if requested by the Stock Exchange); and
- (d) up to and as of the Final Closing Date, no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong, the PRC, the Cayman Islands and/or the U.S. having taken or instituted any action, proceeding or suit (or enacted, made or issued, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Partial Offer or its implementation in accordance with its terms void, unenforceable or illegal.

The Offeror may waive all or any of the Conditions, other than those set out in (a) and (b) above, in whole or in part at any time by notice in writing to the Company.

As at the Latest Practicable Date, none of the Conditions have been fulfilled.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror will not invoke any of the Conditions, other than Conditions (a) and (b) above, so as to cause the Partial Offer to lapse unless the circumstances which give rise to the right to invoke the Condition are of material significance to the Offeror in the context of the Partial Offer.

In the event that valid acceptances are received:

- (a) for less than 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or
- (b) for 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) or more on or prior to the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

---

## LETTER FROM CITI

---

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or before the seventh day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the seventh day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Under Rule 28.5 of the Takeovers Code, a partial offer which could result in the offeror holding 30% or more of the voting rights of a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the Form of Approval and Acceptance.

**WARNING: The Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Closing of the Partial Offer is therefore a possibility only. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

### HIGHEST AND LOWEST SHARE PRICE

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$17.62 per Share on 15 December 2022, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$5.87 per Share on 16 June 2022.

### COMPARISON OF VALUE

The Offer Price of HK\$20 per Share under the Partial Offer represents:

- (i) a premium of approximately 16.4% over the closing price of HK\$17.18 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 31.6% over the closing price of HK\$15.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 39.4% over the average closing price of HK\$14.35 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;



---

## LETTER FROM CITI

---

- (iv) a premium of approximately 58.3% over the average closing price of HK\$12.63 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 99.4% over the average closing price of HK\$10.03 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 111.6% over the average closing price of HK\$9.45 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 114.2% over the average closing price of HK\$9.34 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Day;
- (viii) a premium of approximately 119.3% over the average closing price of HK\$9.12 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 120 consecutive trading days up to and including the Last Trading Day;
- (ix) a premium of approximately 135.5% over the average closing price of HK\$8.49 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 150 consecutive trading days up to and including the Last Trading Day;
- (x) a premium of approximately 13.6% over the closing price of HK\$17.60 per Share as quoted on the Stock Exchange on the trading day when the Shares commenced trading on the Stock Exchange;
- (xi) a premium of approximately 363.8% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$4.31 as at 31 December 2021, calculated based on the audited consolidated net asset value attributable to Shareholders of approximately RMB1,207,194,000 (equivalent to approximately HK\$1,351,432,378) as at 31 December 2021 and 313,389,171 Shares in issue as at the Latest Practicable Date; and
- (xii) a premium of approximately 356.9% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$4.38 as at 30 June 2022, calculated based on the unaudited consolidated net asset value attributable to Shareholders of approximately RMB1,225,309,000 (equivalent to approximately HK\$1,371,711,800) as at 30 June 2022 and 313,389,171 Shares in issue as at the Latest Practicable Date.

---

## LETTER FROM CITI

---

### TOTAL CONSIDERATION OF THE PARTIAL OFFER

As at the Latest Practicable Date, the Company has 313,389,171 Shares in issue. The Partial Offer, based on the Offer Price of HK\$20 per Share, is valued at: (i) approximately HK\$3,134,518,500 assuming valid acceptances of the Partial Offer are received in respect of 156,725,925 Shares (representing approximately 50.01% of the total number of issued Shares as at the Latest Practicable Date); and (ii) approximately HK\$4,074,059,240 assuming valid acceptances of the Partial Offer are received in respect of 203,702,962 Shares (representing 65% of the total number of issued Shares as at the Latest Practicable Date).

As at the Latest Practicable Date, the Company does not have in issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into the Shares.

### CONFIRMATION OF FINANCIAL RESOURCES

The Offeror intends to finance the cash required for the Partial Offer by internal resources and/or external borrowing.

With respect to external borrowing, the Offeror (as borrower) has entered into the Intra-Group Loan Agreement with BSC (as lender), pursuant to which BSC agrees to advance, upon the Offeror's request, a loan in the Hong Kong dollars equivalent amount of US\$530,000,000 (equivalent to approximately HK\$4,134,000,000) to the Offeror. Such amount is to be made available to BSC (i) pursuant to the Revolving Credit Agreement (which has an aggregate revolving commitment of US\$2,750,000,000 (equivalent to approximately HK\$21,450,000,000), of which certain funds commitments of US\$530,000,000 (equivalent to approximately HK\$4,134,000,000) are designated for drawdown in connection with the Partial Offer); and/or (ii) through commercial paper borrowings in the commercial paper market; and/or (iii) from its existing cash resources.

The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) pursuant to the Intra-Group Loan Agreement, the Revolving Credit Agreement or such commercial paper borrowings will depend to any significant extent on the business of the Company.

Citi, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the aggregate cash consideration payable under the Partial Offer.

---

## LETTER FROM CITI

---

### PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER

To accept the Partial Offer, you should complete and sign the accompanying Form of Approval and Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Partial Offer.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) in respect of the Shares is/are in the name of the Qualifying Shareholder(s), and he/she/it wishes to accept the Partial Offer whether in full or in respect of part of his/her/its holding of the Shares, he/she/it should complete and return the accompanying Form of Approval and Acceptance in accordance with the instructions printed in this Composite Document and on the Form of Approval and Acceptance. The instructions in this Composite Document should be read together with the instructions on the Form of Approval and Acceptance (which instructions form part of the terms of the Partial Offer).

In order to be valid, the completed Form of Approval and Acceptance should be forwarded, together with the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for not less than the number of Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Partial Offer, by post or by hand to the Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in an envelope marked "Acotec Scientific Holdings Limited — Partial Offer" as soon as possible after receipt of the Form of Approval and Acceptance but in any event so as to reach the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

Unless the Partial Offer is extended or revised in accordance with the Takeovers Code, no Form of Approval and Acceptance received after the Final Closing Date will be accepted.

If the Form of Approval and Acceptance is executed by a person other than the registered holder, appropriate documentary evidence of authority (e.g, a grant of probate or certified copy of a power of attorney) to the satisfaction of the Share Registrar must be delivered to the Share Registrar with the completed Form of Approval and Acceptance.

Only one Form of Approval and Acceptance will be accepted from each Qualifying Shareholder by the Share Registrar.

No acknowledgement of receipt of any Form of Approval and Acceptance, Share certificate(s), transfer receipt(s) or other document(s) of title (and/or any indemnity or indemnities in respect thereof) (if applicable) will be given.

---

## LETTER FROM CITI

---

In relation to any acceptance(s) of the Partial Offer in respect of Shares held in CCASS, the Company reserves the right to make such alterations, additions or modifications to the terms of the Partial Offer as may be necessary or desirable to give effect to any purported acceptance of the Partial Offer, whether to comply with the facilities or requirements of CCASS or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeovers Code and any applicable laws and regulations or are otherwise made with the Executive's consent.

### ACCEPTANCE OF THE PARTIAL OFFER

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for 203,702,962 Shares or fewer Shares, all Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 203,702,962 Shares, the total number of Shares to be taken up by the Offeror from each Qualifying Shareholder will be determined in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 203,702,962 Shares (being the maximum number of Shares for which the Partial Offer is made)

B = the total number of Shares tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

### PARTIAL NATURE OF THE PARTIAL OFFER AND EFFECT OF FRACTIONS

It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror and in any event, the total number of Shares to be taken up by the Offeror will not exceed the maximum number of 203,702,962 Shares under the Partial Offer.

### ODD LOTS

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (telephone number: +852 2862 8555, office hours: 9:00 a.m. to 4:30 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks following

---

## LETTER FROM CITI

---

the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Qualifying Shareholders should note that the matching of odd lots is not guaranteed.

### SETTLEMENT

Provided that the Partial Offer becomes or is declared unconditional in all respects and a duly completed Form of Approval and Acceptance and the relevant documents required to tender the relevant acceptance under the Partial Offer are received by the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve, and are in good order in all respects and in accordance with the Takeovers Code, the Share Registrar will send to the relevant accepting Shareholder by ordinary post, at his/her/its own risk, (a) a remittance for the amount due to him/her/it under the Partial Offer (taking into account any scaling down of his/her/its acceptance, seller's ad valorem stamp duty payable by the relevant accepting Shareholder and, if applicable, the fees payable to the Share Registrar in respect of lost or unavailable Share certificates; and (b) (if applicable) any Share certificate(s) and/or any transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) for Shares not taken up by the Offeror, in each case, as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the Final Closing Date.

Settlement of the consideration to which any accepting Shareholder is entitled under the Partial Offer will be implemented in full in accordance with the terms of the Partial Offer (save with respect to payment of seller's ad valorem stamp duty as set out in paragraph above) without regard to any lien, right of set-off, counterclaim, or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.

No fractions of a cent will be payable and the amount of cash consideration payable to an accepting Shareholder will be rounded up to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the cheque will not be honoured and be of no further effect, and in such circumstances, cheque holder(s) should contact the Offeror for payment.

If the Partial Offer does not become unconditional in all respects, the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities in respect thereof) (as the case may be) will be returned and/or sent to each accepting Shareholder (by ordinary post at his/her/its own risk) as soon as possible but in any event within 10 days following the lapse of the Partial Offer. Where such accepting Shareholder has sent one or more transfer receipt(s) and in the meantime one or more Share certificate(s) have been collected on that accepting Shareholder's behalf in respect thereof, that accepting Shareholder will be sent (by ordinary post at his/her/its own risk) such Share certificate(s) in lieu of the transfer receipt(s).

---

## LETTER FROM CITI

---

### EFFECT OF ACCEPTING THE PARTIAL OFFER

By validly accepting the Partial Offer, the Qualifying Shareholders will sell to the Offeror their tendered Shares which are finally taken up by the Offeror in accordance with the formula set out in the section headed "Acceptance of the Partial Offer" above.

Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Partial Offer are free from all encumbrances and sold together with all rights and benefits attaching to them as at the Final Closing Date, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared, or agreed to be made or paid thereon or in respect thereof on or after the Final Closing Date. As at the Latest Practicable Date, the Company (i) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and (ii) does not intend to announce, declare, make or pay any dividend, distribution or return of capital during the Offer Period in respect of the Partial Offer.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

### Overseas Qualifying Shareholders

This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.

Based on the register of members of the Company as at the Latest Practicable Date, there are 2 overseas Qualifying Shareholders holding 6,272,065 Shares, in aggregate, (representing approximately 2% of the total issued share capital of the Company as at the Latest Practicable Date) with registered addresses in Germany and Switzerland, which are jurisdictions outside Hong Kong. The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Qualifying Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Qualifying Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Qualifying Shareholders in respect of such jurisdictions).

**Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Qualifying Shareholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders should consult their professional advisers if in doubt.**

---

## LETTER FROM CITI

---

### **Hong Kong stamp duty**

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.13% of (i) the market value of the Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Partial Offer. It is emphasized that none of the Offeror, the Company and their ultimate beneficial owners and parties acting in concert with any of them, Citi, the Share Registrar or any of their respective directors or professional advisers or any persons involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Partial Offer.

### **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

With the completion of the Partial Offer, the Offeror intends that the Company will continue to operate its business in substantially its current state. The Company will continue to be led by its existing CEO and retain its current brand identity and culture of the Company. The Offeror has no plans to make any major disposal or redeployment of assets of the Company.

Save for the anticipated change to the members of the Board as described in the section headed "Intention of the Offeror with respect to the composition of the Board" below, the Offeror has (i) no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets immediately after the close of the Offer; and (ii) no intention to terminate the employment of any employees of the Group or to make significant changes to any employment.

---

## LETTER FROM CITI

---

### **INTENTION OF THE OFFEROR WITH RESPECT TO THE COMPOSITION OF THE BOARD**

It is expected that there will be changes in the board composition of the Company at, or after, the earliest time permitted under the Takeovers Code or by the SFC. Any such changes will only take effect in accordance with the applicable laws and regulations including the Takeovers Code and the Listing Rules and in compliance with any requirements of any relevant authorities. Pursuant to the Irrevocable Undertakings, Mr. Ke Tang and Mr. Chen Chen will resign as Directors with effect from the Final Closing Date in accordance with the Takeovers Code.

Any changes to the members of the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company and further announcement(s) will be made as and when appropriate.

### **INFORMATION ABOUT THE OFFEROR AND BSC**

The Offeror is a public limited company incorporated under the laws of the Republic of Ireland, which is wholly-owned by BSC. The Offeror is primarily engaged in investments in subsidiaries (which in turn are primarily engaged in the development, manufacture, marketing, and sale of medical devices used in a broad range of interventional medical specialties) and providing services to affiliated group entities.

BSC is a company incorporated under the laws of the State of Delaware, the U.S., whose shares are listed on the New York Stock Exchange. BSC is a multinational medical device company which develops, manufactures and commercialises minimally invasive medical devices used in specialties such as cardiology, peripheral interventions, endoscopy, urology and neuromodulation.

### **REASONS AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR**

#### **Reasons of the Partial Offer**

#### **Synergy potential and growth opportunities**

The Offeror is of the view that the Company provides a unique and highly attractive platform to complement the existing activity of the Offeror and its subsidiaries in China. The Partial Offer is expected to bring together the core competencies of the Offeror and the Company and has potential to create significant strategic value. The Partial Offer for the Company, a leading medical technology company with innovative vascular interventional treatments and a deep pipeline, demonstrates the Offeror's desire to broaden its presence and capabilities in China.



---

## LETTER FROM CITI

---

The Offeror is of the view that the Partial Offer may provide meaningful growth opportunities and create value for both the Offeror and the Company. Specific opportunities will be further evaluated in due course, but the Offeror and Company may explore commercial collaboration opportunities in China, enabling physicians and patients throughout China access to an expanded portfolio of products from both companies. The Offeror may also assess opportunities to partner with the Company to register and commercialize the Company's products globally, including the United States. In addition, the Company's manufacturing and R&D facilities could enable the Offeror to expand certain manufacturing and R&D activities in Company facilities, which could benefit both companies. The Offeror may also partner with the Company to identify new areas of product development not currently in one or both party's portfolio.

### *Unlocking Significant Shareholder Value*

Upon completion of the Partial Offer, Shareholders will lock in significant value for the Shares they tender. In addition, and given the anticipated synergistic relationship, Shareholders also have the opportunity to enjoy further potential upside from any retained ownership in the Company upon the completion of the Partial Offer.

### **Benefits to the Shareholders**

Upon the Partial Offer becoming or being declared unconditional in all respects, each Qualifying Shareholder:

- (a) will receive a payment of HK\$20 in cash for every Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (b) will have the opportunity of retaining an interest in the Company going forward which will maintain its listing on the Stock Exchange.

The Offeror has decided to proceed with the Partial Offer instead of a general offer because it intends to maintain the listing status of the Company, for which 25% or more of the Shares in issue will need to be held by the public in accordance with the Listing Rules. Accordingly, the Partial Offer is for a maximum of 65% of the issued share capital of the Company so as to ensure that the public float requirement continues to be satisfied by the Company after completion of the Partial Offer with other core connected person(s) (as defined under the Listing Rules) having management role in the Company also retaining certain stake in the Company and certain Shares being held for granting to employees of the Group under the Company's employee incentive schemes.

### **CONSENT FROM THE EXECUTIVE**

Pursuant to Rule 28.1 of the Takeovers Code, the Executive has consented to the Offeror making the Partial Offer.

---

## LETTER FROM CITI

---

### PUBLIC FLOAT

The Company has a public float of approximately 25.11% of the Shares in issue as at the Latest Practicable Date. As mentioned in the section headed “Maintaining the Listing Status of the Company” in this Letter from Citi, the Offeror intends to maintain the listing status of the Company following closing of the Partial Offer. Upon closing of the Partial Offer, the Company may continue to have one or more substantial shareholders (in addition to the Offeror) and other core connected persons holding Shares, depending on the extent to which the Partial Offer is accepted by the substantial shareholders and other core connected persons of the Company. The Offeror does not intend to avail itself of any powers of compulsory acquisition.

The Stock Exchange has stated that if, at the close of the Partial Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market;

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Board of the Company (upon appointment) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

### RESPONSIBILITY FOR DOCUMENTS

All communications, notices, Form of Approval and Acceptance, Share certificates, transfer receipts, other documents of title (and/or any indemnity or indemnities in respect thereof) and remittances to be delivered or sent by, to or from any Qualifying Shareholders will be delivered or sent by, to and from them, or their designated agents, at their own risks and none of the Offeror or the Company and their ultimate beneficial owners and parties acting in concert with any of them, Citi, the Share Registrar or any of their respective directors or professional advisers or any other persons involved in the Partial Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

### IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, the Offeror has received the Irrevocable Undertakings from the IU Shareholders to tender or procure and cause to be tendered duly executed valid acceptance form for acceptance of the Partial Offer in respect of (i) at least 146,208,184 Shares to a maximum of 161,877,642 Shares in the case of CMI and CIW, 21,531,324 Shares in the case of Cosmic Elite and 5,059,024 Shares in the case of Bliss Way Limited; and (ii) any other Shares attributable to or derived from the Shares referred to in (i) above (including but not limited to Share subdivision and/or scrip dividend (if any) as permitted under the Takeovers Code) (the “**Relevant Shares**”).

---

## LETTER FROM CITI

---

As at the Latest Practicable Date, the number of Shares and Relevant Shares held by each of the IU Shareholders is as follows:

IU Shareholder	Number of Shares	Approximate % in the issued share capital of the Company	Number of Relevant Shares	Approximate % in the issued share capital of the Company
CMI	158,614,642	50.61	146,208,184 to 158,614,642	46.65 to 50.61
CIW	3,263,000	1.04	0 to 3,263,000	0 to 1.04
Cosmic Elite	43,062,647	13.74	21,531,324	6.87
Bliss Way Limited	11,242,275	3.59	5,059,024	1.61

**Other principal terms of the Irrevocable Undertakings are as follows:**

- Date: 10 December 2022
- Parties:
- (1) CPE Irrevocable Undertaking: CMI, CIW and the Offeror
  - (2) Cosmic Elite Irrevocable Undertaking: Cosmic Elite, Ms. Li and the Offeror
  - (3) Bliss Way Irrevocable Undertaking: Bliss Way Limited and the Offeror

**Irrevocable undertaking of CMI and CIW to approve and accept the Partial Offer**

On 10 December 2022, CMI and CIW entered into the CPE Irrevocable Undertaking with the Offeror, under which, among other things, each of CMI and CIW irrevocably and unconditionally undertakes to the Offeror that (or, as the case may be, to procure that):

- (a) the Partial Offer will be approved by it in respect of all the Shares then owned or controlled by it according to Rule 28 of the Takeovers Code; and
- (b) it shall, (i) on or prior to the First Closing Date, tender all the Relevant Shares (other than the CPE Excluded Shares) owned or controlled by it for acceptance regardless of whether or not Condition (a) will be fulfilled immediately after the Relevant Shares (other than the CPE Excluded Shares) are tendered for acceptance by such IU Shareholder, and (ii) on or prior to 4:00 p.m. on the Final Closing Date, tender all the CPE Excluded Shares then owned or controlled by it which have not been sold by 4:00 p.m. on the Final Closing Date (please refer to the section headed "Maintaining the Listing Status of the Company" in this Letter from Citi for details).

---

## LETTER FROM CITI

---

### **Irrevocable undertaking of Cosmic Elite to approve and accept the Partial Offer**

On 10 December 2022, Cosmic Elite and Ms. Li entered into the Cosmic Elite Irrevocable Undertaking with the Offeror, under which, among other things, Cosmic Elite irrevocably and unconditionally undertakes to the Offeror that (or, as the case may be, to procure that):

- (a) the Partial Offer will be approved by it in respect of all Shares then owned or controlled by it according to Rule 28 of the Takeovers Code; and
- (b) it shall, on or prior to the First Closing Date, tender all the Relevant Shares owned or controlled by it for acceptance regardless of whether or not Condition (a) will be fulfilled immediately after the Relevant Shares are tendered for acceptance by it.

### **Irrevocable undertaking of Bliss Way Limited to approve and accept the Partial Offer (as the case maybe)**

On 10 December 2022, Bliss Way Limited entered into the Bliss Way Irrevocable Undertaking with the Offeror, under which, among other things, Bliss Way Limited irrevocably and unconditionally undertakes to the Offeror that:

- (a) it will use its commercially reasonable endeavours to enter into a binding loan agreement as borrower with a party which is not a core connected person of the Company as lender, to borrow sufficient funding for the purpose of repayment of all the outstanding amount (including principal and interests) under the Loan before the Despatch Date (the “**Alternative Financing**”) so that the Loan could be repaid in full prior to the Final Closing Date; and
- (b) in the case that the agreements in connection with the Alternative Financing are duly executed prior to the Despatch Date, it shall
  - (i) repay all the outstanding amount under the Loan (including principal and interests) on or before the Final Closing Date; and
  - (ii) not to tender any Shares owned or controlled by it under the Partial Offer; or
- (c) in the case that the agreements in connection with the Alternative Financing are not duly executed prior to the Despatch Date, it shall
  - (i) on or before the First Closing Date of the Partial Offer, tender not less than and not more than 5,059,024 Shares owned or controlled by it under the Partial Offer; and
  - (ii) repay all the outstanding amount under the Loan (including principal and interests) pursuant to the terms of the Loan Agreement within 10 Business Days of the Final Closing Date.

The Offeror understands that no Alternative Financing had been entered into as of the Latest Practicable Date or is expected to be entered into before the Despatch Date by Bliss Way.

---

## LETTER FROM CITI

---

### **Consideration**

Each of the IU Shareholders has irrevocably undertaken to the Offeror that the Partial Offer will be accepted in respect of their respective Relevant Shares at the Offer Price of HK\$20 per Relevant Share. Such acceptance shall not be withdrawn.

### **Restrictions on the IU Shareholders (other than Bliss Way Limited) after the Final Closing Date**

In respect of the CPE Irrevocable Undertaking, each of CIW and CMI has undertaken to the Offeror (for itself and as trustee for each member of the Group) that it will not, and will use its best endeavours to procure that none of its affiliates will, either alone or in conjunction with or on behalf of any other person, do any of the following things:

- (a) disclose to any other person or use any confidential information relating to any member of the Group (other than as permitted under the CPE Irrevocable Undertaking);
- (b) until the date which is two years after the Final Closing Date, make any public or private statements (other than as permitted under the CPE Irrevocable Undertaking) which is harmful to the reputation of the Company, any member of the Group, the Offeror or its affiliates and may lead any person to cease to do business with any member of the Group, the Offeror or its affiliates or not to engage in business with any member of the Group, the Offeror or its affiliates; or
- (c) for the period of two years after the Final Closing Date, either on its own account or in conjunction with or on behalf of any other person, solicit or recruit (or attempt to solicit or recruit) any person who is at the Final Closing Date or who was at any time during the period of six months immediately preceding the Final Closing Date employed in a managerial, supervisory, technical or sales capacity and in each case, at a position of manager or above, by any member of the Group (other than putting up general recruitment advertisements).

In respect of the Cosmic Elite Irrevocable Undertaking, each of Cosmic Elite and Ms. Li has undertaken to the Offeror that it or she will not, and will use its or her best endeavours to procure that none of its or her affiliates will, either alone or in conjunction with or on behalf of any other person, do any of the following things:

- (a) for the period of three years after the Final Closing Date, make any public statements (other than as permitted under the Cosmic Elite Irrevocable Undertaking) which will damage the reputation of the Company or any member of the Group; or

---

## LETTER FROM CITI

---

- (b) for the period of two years after the termination of Ms. Li's employment at the member(s) of the Group (whichever is latest) (the "**Termination Date**"), solicit or recruit (or attempt to solicit or recruit) from any member of the Group any person who is at the Termination Date employed in a managerial, supervisory, technical or sales capacity and in each case, at a position of manager or above provided that, nothing in this paragraph (b) shall preclude Cosmic Elite, Ms. Li or any of their respective affiliates from (i) soliciting or employing any person through putting up general recruitment advertisements; or (ii) accepting an approach that is instigated by any such person(s) or their recruiter; or (iii) soliciting or employing any person whose employment, office or services, as the case may be, is terminated by a member of the Group.

In addition, under the Cosmic Elite Irrevocable Undertaking, Cosmic Elite has undertaken to the Offeror that it shall not (in each case other than in connection with the Partial Offer) from the date of the Cosmic Elite Irrevocable Undertaking until the earlier of (i) one year after the Final Closing Date and (ii) Ms. Li ceases to be a Director or chief executive officer of the Company, except with the prior written consent of the Offeror, and as described in the section headed "Maintaining the Listing Status of the Company" in this Letter from Citi (the "**Lock-Up Undertaking**"):

- (a) sell, transfer, charge, encumber, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of), directly or indirectly, all or any of the Shares owned or controlled by Cosmic Elite or any interest in such Shares; or
- (b) accept, or give any undertaking (whether conditional or unconditional) to accept or otherwise agree to, any offer, scheme of arrangement, merger or other business combination made or proposed to be made in respect of the Shares by any person other than the Offeror; or
- (c) purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein; or
- (d) enter into any discussion, negotiation, agreement or arrangement or incur any obligation (or permit such circumstances to occur) in relation to, or operating by reference to, the Shares or to do any of the acts referred to in paragraphs (a) to (c) above; or
- (e) make available any information to any person (other than the Offeror and any other person authorised by the Offeror) solely for the purpose of the foregoing.

---

## LETTER FROM CITI

---

### Maintaining the Listing Status of the Company

The Offeror intends to maintain the listing status of the Company following closing of the Partial Offer. The number of Shares which will be taken up by the Offeror upon closing of the Partial Offer will not be less than 65%, and up to 100%, of the Relevant Shares held by each of the IU Shareholders depending on the acceptance level of the other Qualifying Shareholders. As such, upon closing of the Partial Offer, certain IU Shareholder(s) may remain as a substantial shareholder or a core connected person of the Company and the Shares held by such IU Shareholder(s) would not be regarded as part of the public float for the purposes of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules.

Under the CPE Irrevocable Undertaking,

- (i) CMI and CIW have agreed and undertaken to, from the date of the Joint Announcement and not later than 4:00 p.m. on the Final Closing Date, enter into legally binding agreement(s) (the "**Placing Agreement(s)**") with an independent placing agent and/or one or more Independent Third Parties to sell or dispose of such number of Shares which will cause all of CMI, CIW and their close associates taken as a whole to cease to be entitled to exercise, or control the exercise of, 10% or more of the voting power of the Company. CMI and CIW shall cease to beneficially own or be entitled to control the exercise of 10% or more of the voting power of the Company upon commencement of the trading hours of the Stock Exchange on the Business Day immediately following the Final Closing Date;
- (ii) in addition to the Placing Agreement(s), CMI and CIW are permitted to sell or otherwise dispose of 15,669,458 Shares beneficially owned and controlled by CMI and CIW as at the date of the CPE Irrevocable Undertaking (representing approximately 5% of the issued share capital of the Company as at the date of the CPE Irrevocable Undertaking) (the "**CPE Excluded Shares**") during the Offer Period of the Partial Offer, to assist with the restoration of the public float of the Company and/or the reduction of the number of Shares in respect of which CMI, CIW and their respective close associates are entitled to exercise, or control the exercise, of voting power to less than 10% of the voting power of the Company.

Under the Cosmic Elite Irrevocable Undertaking,

- (i) Cosmic Elite and Ms. Li have agreed and undertaken to the Offeror that unless prohibited by laws, they will (and will cause), upon the Offeror's written request, sell within the time period acceptable to the Stock Exchange such number of Shares that they are able to sell on or off the market, but in any event no more than 6,267,783 Shares to Independent Third Party(ies), for the sole purpose of restoring the public float of the Company to the level so as to comply with the minimum public float requirement imposed by the Stock Exchange after the Final Closing Date.

### Termination

Each of the Irrevocable Undertakings will terminate and each of the IU Shareholders' obligations thereunder will cease (except for certain customary provisions such as inside information, confidentiality, notices, governing law) if the Partial Offer lapses or is withdrawn in circumstances permitted under the Takeovers Code.

## LETTER FROM CITI

### SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

Set out below is the shareholding structure of the Company (a) as at the Latest Practicable Date and (b) immediately after the closing of the Partial Offer, assuming that (i) there will be no change to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date; (ii) only Shares subject to the Irrevocable Undertakings (being 188,467,990 Shares in aggregate) are tendered for acceptance under the Partial Offer; and (iii) all Qualifying Shareholders (excluding the IU Shareholders) validly elect to accept the Partial Offer in respect of all of their Shares and in the case of the IU Shareholders, only Shares subject to the Irrevocable Undertakings are tendered for acceptance under the Partial Offer:

	As at the Latest Practicable Date		Immediately after the closing of the Partial Offer			
	Number of Shares	Approximate %	Number of Shares	Approximate %	Assuming Shares held by all Qualifying Shareholders (excluding the IU Shareholders) are tendered for acceptance and in the case of the IU Shareholders, only Shares subject to the Irrevocable Undertakings are tendered for acceptance under the Partial Offer <sup>(5)</sup>	
					Number of Shares	Approximate %
<b>Offeror and parties acting in concert with it</b>						
Offeror	0	0.00	188,467,990	60.14	203,702,962	65.00
<b>Directors</b>						
Mr. Silvio Rudolf Schaffner <sup>(1)</sup>	4,272,065	1.36	4,272,065	1.36	1,225,828	0.39
<b>IU Shareholders</b>						
CMI	158,614,642	50.61	0	0.00	45,512,978	14.52
CIW	3,263,000	1.04	0	0.00	936,287	0.30
Cosmic Elite	43,062,647	13.74	21,531,323	6.87	27,709,534	8.84
Bliss Way Limited <sup>(2)</sup>	11,242,275	3.59	6,183,251	1.97	7,634,890	2.44
<i>Sub-total of all IU Shareholders</i>	<i>216,182,564</i>	<i>68.98</i>	<i>27,714,574</i>	<i>8.84</i>	<i>81,793,689</i>	<i>26.10</i>
Sino Fame Ventures Limited <sup>(3)</sup>	12,228,440	3.90	12,228,440	3.90	3,508,836	1.12
<b>Sino Bright Star Ventures Limited<sup>(4)</sup></b>	<b>2,004,000</b>	<b>0.64</b>	<b>2,004,000</b>	<b>0.64</b>	<b>575,029</b>	<b>0.18</b>
<b>Public Shareholders</b>	<b>78,702,102</b>	<b>25.11</b>	<b>78,702,102</b>	<b>25.11</b>	<b>22,582,827</b>	<b>7.21</b>
<b>Total</b>	<b>313,389,171</b>	<b>100.00</b>	<b>313,389,171</b>	<b>100.00</b>	<b>313,389,171</b>	<b>100.00</b>



---

## LETTER FROM CITI

---

*Notes:*

1. Mr. Silvio Rudolf Schaffner is an executive Director as at the Latest Practicable Date.
2. Bliss Way Limited is an employee incentive platform which has around 30 limited partners including but not limited to senior management and employees of the Group. The sole director of Bliss Way Limited and the ultimate controller of the sole shareholder of Bliss Way Limited is Mr. Li Chen.
3. Sino Fame Ventures Limited was established for the purpose of holding Shares for granting to employees of the Group under a restricted share unit scheme. The voting rights attached to the Shares held by Sino Fame Ventures Limited are vested with Ms. Li and Sino Fame Ventures Limited shall exercise such voting rights in accordance with the instructions of Ms. Li. As at the Latest Practicable Date, the Company has granted 1,700,000 restricted share units under such restricted share unit scheme which remain unvested. According to the rules of the restricted share unit scheme, in the context of the Partial Offer, Mr. Li Chen (the business development director and one of the joint company secretaries of the Company) has the right to determine at his absolute discretion whether any restricted share units shall vest and the period within which such restricted share units shall vest. The vesting of such 1,700,000 restricted share units will be accelerated upon close of the Partial Offer or such later time after the Partial Offer.
4. Sino Bright Star Ventures Limited (holding 2,004,000 Shares (representing approximately 0.64% of the Company's issued share capital as at the Latest Practicable Date)) was established for the purpose of holding Shares for granting to employees of the Group under a share award scheme. The voting rights attached to the Shares held by Sino Bright Star Ventures Limited are vested with its advisory committee established to manage the share award scheme and Mr. Li Chen is currently the sole member of the advisory committee. As at the Latest Practicable Date, the Company has not granted any Share under such share award scheme.
5. Assuming the maximum number of 161,877,642 Shares are tendered under the CPE Irrevocable Undertaking. The minimum number of Shares to be tendered under the CPE Irrevocable Undertaking is 146,208,184 Shares, representing approximately 46.65% in the total number of issued Shares as at the Latest Practicable Date.

### ADDITIONAL INFORMATION

Your attention is drawn to the Letter from the Board on pages 29 to 38, the Letter from the Independent Board Committee on pages 39 to 40 and the Letter from the Independent Financial Adviser on pages 41 to 71 of this Composite Document in relation to their respective recommendations and advice with respect to the Partial Offer.

Your attention is also drawn to the additional information set out in the appendices in this Composite Document.

Yours faithfully  
For and on behalf of  
**Citigroup Global Markets Asia Limited**  
**Colin Banfield**  
*Managing Director*



**Acotec Scientific Holdings Limited**

**先瑞達醫療科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6669)**

*Executive Directors:*

Ms. Jing LI

Mr. Silvio Rudolf SCHAFFNER

*Registered office:*

PO Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Non-executive Directors*

Mr. Ke TANG

Mr. Chen CHEN

*Principal place of business in Hong Kong:*

Unit D2, 5/F,

14th Floor, Golden Centre

188 Des Voeux Road Central

Hong Kong

*Independent non-executive Directors:*

Dr. Yuqi WANG

Ms. Hong NI

Ms. Kin Yee POON

3 January 2023

*To the Qualifying Shareholders*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY  
CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF OF  
THE OFFEROR TO ACQUIRE A MAXIMUM OF 65 PER CENT. OF  
THE ISSUED SHARE CAPITAL OF THE COMPANY FROM  
QUALIFYING SHAREHOLDERS**

**INTRODUCTION**

On 12 December 2022, the Offeror and the Company jointly announced that Citi, on behalf of the Offeror, will make a voluntary conditional partial cash offer to acquire a maximum of 203,702,962 Shares in the issued share capital of the Company (representing 65% of the Company's issued share capital as at the date of the Joint Announcement) from Qualifying Shareholders at the Offer Price of HK\$20 per share.

---

## LETTER FROM THE BOARD

---

The purpose of the Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to each of the Offeror, the Company, and the Partial Offer, (ii) the letter from Citi containing details of the Partial Offer; (iii) the letter from the Company's Independent Board Committee containing its recommendation and advice to the Qualifying Shareholders in respect of the Partial Offer and acceptance of the Partial Offer; and (iv) the letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee on whether the terms of the Partial Offer are fair and reasonable so far as the Qualifying Shareholders are concerned and on acceptance in respect of the Partial Offer.

Unless the context otherwise requires, terms defined in the Composite Document shall have the same meanings when used in this letter.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee has been established for the purpose of making a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance. The Independent Board Committee comprises all the independent non-executive Directors. Mr. Ke Tang and Mr. Chen Chen, being the two non-executive Directors, are nominated by CMI and CIW, each of which has entered into the CPE Irrevocable Undertaking, and are therefore not on the Independent Board Committee given the interest of CMI and CIW in the Partial Offer.

Somerley Capital Limited has, with the approval of the Independent Board Committee, been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are respectively fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Takeovers Code.

Somerley Capital Limited has advised the Independent Board Committee that it considers the terms of the Partial Offer to be fair and reasonable so far as the Qualifying Shareholders are concerned, and accordingly, it recommends the Independent Board Committee to advise the Qualifying Shareholders to accept the Partial Offer. The Independent Board Committee, having been so advised, considers the terms of the Partial Offer to be fair and reasonable so far as the Qualifying Shareholders are concerned, and accordingly, recommends the Qualifying Shareholders to accept the Partial Offer.

The full texts of the Letter from the Independent Board Committee addressed to the Qualifying Shareholders and the Letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in the Composite Document. You are advised to read both letters and the additional information contained in the appendices to the Composite Document carefully before taking any action in respect of the Partial Offer.

---

## LETTER FROM THE BOARD

---

### THE OFFER

#### PART A: THE PARTIAL OFFER

Citi is, on behalf of the Offeror, making a Partial Offer on the following basis:

For each Share . . . . . HK\$20 in cash

#### Conditions to the Partial Offer

The Partial Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Partial Offer being received in respect of a minimum of 156,725,925 Shares at or before 4:00 p.m. on the First Closing Date (representing approximately 50.01% of the Company's issued share capital as at the date of the Joint Announcement);
- (b) approval of the Partial Offer by Shareholders holding over 50% of Shares not held by the Offeror or any parties acting in concert with the Offeror in accordance with Rule 28.5 of the Takeovers Code;
- (c) the Shares remaining listed on the Main Board of the Stock Exchange up to and as of the earlier of the Final Closing Date or the date on which the Partial Offer becomes or is declared unconditional in all respects, and no notification having been received on or before such time from the Stock Exchange or the SFC that the listing of the Shares on the Stock Exchange will be, for whatever reason, withdrawn or suspended (disregarding and excluding, for the avoidance of doubt, any temporary suspension of trading of the Shares on the Stock Exchange (i) for the purpose of obtaining clearance from the SFC and/or the Stock Exchange for any announcements or circulars in connection with the Partial Offer; (ii) pending publication of any inside information announcement pursuant to Part XIVA of the SFO; (iii) for less than fifteen consecutive trading days; or (iv) as a result of insufficient public float and/or for the purpose of restoring public float if requested by the Stock Exchange); and
- (d) up to and as of the Final Closing Date, no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong, the PRC, the Cayman Islands and/or the U.S. having taken or instituted any action, proceeding or suit (or enacted, made or issued, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Partial Offer or its implementation in accordance with its terms void, unenforceable or illegal.

The Offeror may waive all or any of the Conditions, other than those set out in (a) and (b) above, in whole or in part at any time by notice in writing to the Company.

As at the Latest Practicable Date, none of the Conditions have been fulfilled.

---

## LETTER FROM THE BOARD

---

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror will not invoke any of the Conditions, other than Conditions (a) and (b) above, so as to cause the Partial Offer to lapse unless the circumstances which give rise to the right to invoke the Condition are of material significance to the Offeror in the context of the Partial Offer.

In the event that valid acceptances are received:

- (a) for less than 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or
- (b) for 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) or more on or prior to the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or before the seventh day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the seventh day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Under Rule 28.5 of the Takeovers Code, a partial offer which could result in the offeror holding 30% or more of the voting rights of a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the Form of Approval and Acceptance.

**WARNING: The Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Closing of the Partial Offer is therefore a possibility only. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

---

## LETTER FROM THE BOARD

---

### COMPARISON OF VALUE

The Offer Price of HK\$20 per Share under the Partial Offer represents:

- (i) a premium of approximately 16.4% over the closing price of HK\$17.18 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 31.6% over the closing price of HK\$15.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 39.4% over the average closing price of HK\$14.35 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 58.3% over the average closing price of HK\$12.63 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 99.4% over the average closing price of HK\$10.03 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 111.6% over the average closing price of HK\$9.45 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 114.2% over the average closing price of HK\$9.34 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Day;
- (viii) a premium of approximately 119.3% over the average closing price of HK\$9.12 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 120 consecutive trading days up to and including the Last Trading Day;
- (ix) a premium of approximately 135.5% over the average closing price of HK\$8.49 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 150 consecutive trading days up to and including the Last Trading Day;
- (x) a premium of approximately 13.6% over the closing price of HK\$17.60 per Share as quoted on the Stock Exchange on the trading day when the Shares commenced trading on the Stock Exchange;

---

## LETTER FROM THE BOARD

---

- (xi) a premium of approximately 363.8% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$4.31 as at 31 December 2021, calculated based on the audited consolidated net asset value attributable to Shareholders of approximately RMB1,207,194,000 (equivalent to approximately HK\$1,351,432,378) as at 31 December 2021 and 313,389,171 Shares in issue as at the Latest Practicable Date; and
- (xii) a premium of approximately 356.9% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$4.38 as at 30 June 2022, calculated based on the unaudited consolidated net asset value attributable to Shareholders of approximately RMB1,225,309,000 (equivalent to approximately HK\$1,371,711,800) as at 30 June 2022 and 313,389,171 Shares in issue as at the Latest Practicable Date.

### **Total consideration of the Partial Offer**

As at the Latest Practicable Date, the Company has 313,389,171 Shares in issue. The Partial Offer, based on the Offer Price of HK\$20 per Share, is valued at: (i) approximately HK\$3,134,518,500 assuming valid acceptances of the Partial Offer are received in respect of 156,725,925 Shares (representing approximately 50.01% of the total number of issued Shares as at the Latest Practicable Date); and (ii) approximately HK\$4,074,059,240 assuming valid acceptances of the Partial Offer are received in respect of 203,702,962 Shares (representing 65% of the total number of issued Shares as at the Latest Practicable Date).

As at the Latest Practicable Date, the Company does not have in issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into the Shares.

### **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the section headed "Intention of the Offeror in relation to the Group" in the Letter from Citi in this Composite Document which sets out the intention of the Offeror in relation to the business and management of the Group.

With the completion of the Partial Offer, the Offeror intends that the Company will continue to operate its business in substantially its current state. The Company will continue to be led by its existing CEO and retain its current brand identity and culture of the Company. The Offeror has no plans to make any major disposal or redeployment of assets of the Company.

---

## LETTER FROM THE BOARD

---

Save for the anticipated change to the members of the Board as described in paragraph headed “Intention of the Offeror with Respect to the Composition of the Board” in the Letter from Citi, the Company is given to understand that the Offeror has (i) no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets immediately after the close of the Offer; and (ii) no intention to terminate the employment of any employees of the Group or to make significant changes to any employment.

The Board is willing to render reasonable cooperation with the Offeror which is in the best interests of the Company and the Shareholders as a whole.

### **INTENTION OF THE OFFEROR WITH RESPECT TO THE COMPOSITION OF THE BOARD**

Your attention is drawn to the section headed “Intention of the Offeror with Respect to the Composition of the Board” in the Letter from Citi in this Composite Document.

It is expected that there will be changes in the board composition of the Company at, or after, the earliest time permitted under the Takeovers Code or by the SFC. Any such changes will only take effect in accordance with the applicable laws and regulations including the Takeovers Code and the Listing Rules and in compliance with any requirements of any relevant authorities. Pursuant to the Irrevocable Undertakings, Mr. Ke Tang and Mr. Chen Chen will resign as Directors in accordance with the Takeovers Code.

Any changes to the members of the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company and further announcement(s) will be made as and when appropriate.

### **INFORMATION ABOUT THE OFFEROR AND BSC**

The Offeror is a public limited company incorporated under the laws of the Republic of Ireland, which is wholly-owned by BSC. The Offeror is primarily engaged in investments in subsidiaries (which in turn are primarily engaged in the development, manufacture, marketing, and sale of medical devices used in a broad range of interventional medical specialties) and providing services to affiliated group entities.

BSC is a company incorporated under the laws of the State of Delaware, the U.S., whose shares are listed on the New York Stock Exchange. BSC is a multinational medical device company which develops, manufactures and commercialises minimally invasive medical devices used in specialties such as cardiology, peripheral interventions, endoscopy, urology and neuromodulation.

### **INFORMATION ABOUT THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 6669). The Company is a leading medical device company in China which provides interventional solutions for areas such as vascular surgery, cardiology, nephrology, neurology and andrology.



---

## LETTER FROM THE BOARD

---

### MAINTAINING THE LISTING STATUS OF THE COMPANY

According to the letter from Citi contained in the Composite Document, the Offeror intends to maintain the listing status of the Company following closing of the Partial Offer. The number of Shares which will be taken up by the Offeror upon closing of the Partial Offer will not be less than 65%, and up to 100%, of the Relevant Shares held by each of the IU Shareholders depending on the acceptance level of the other Qualifying Shareholders. As such, upon closing of the Partial Offer, certain IU Shareholder(s) may remain as a substantial shareholder or a core connected person of the Company and the Shares held by such IU Shareholder(s) would not be regarded as part of the public float for the purposes of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules.

Under the CPE Irrevocable Undertaking,

- (i) CMI and CIW have agreed and undertaken to, from the date of the Joint Announcement and not later than 4:00 p.m. on the Final Closing Date, enter into legally binding agreement(s) (the "**Placing Agreement(s)**") with an independent placing agent and/or one or more Independent Third Parties to sell or dispose of such number of Shares which will cause all of CMI, CIW and their close associates taken as a whole to cease to be entitled to exercise, or control the exercise of, 10% or more of the voting power of the Company. CMI and CIW shall cease to beneficially own or be entitled to control the exercise of 10% or more of the voting power of the Company upon commencement of the trading hours of the Stock Exchange on the Business Day immediately following the Final Closing Date;
- (ii) in addition to the Placing Agreement(s), CMI and CIW are permitted to sell or otherwise dispose of 15,669,458 Shares beneficially owned and controlled by CMI and CIW as at the date of the CPE Irrevocable Undertaking (representing approximately 5% of the issued share capital of the Company as at the date of the CPE Irrevocable Undertaking) (the "**CPE Excluded Shares**") during the Offer Period of the Partial Offer, to assist with the restoration of the public float of the Company and/or the reduction of the number of Shares in respect of which CMI, CIW and their respective close associates are entitled to exercise, or control the exercise, of voting power to less than 10% of the voting power of the Company.

---

## LETTER FROM THE BOARD

---

Under the Cosmic Elite Irrevocable Undertaking,

- (i) Cosmic Elite and Ms. Li have agreed and undertaken to the Offeror that unless prohibited by laws, they will (and will cause), upon the Offeror's written request, sell within the time period acceptable to the Stock Exchange such number of Shares that they are able to sell on or off the market, but in any event no more than 6,267,783 Shares to Independent Third Party(ies), for the sole purpose of restoring the public float of the Company to the level so as to comply with the minimum public float requirement imposed by the Stock Exchange after the Final Closing Date.

We understand that the Offeror does not intend to avail itself of any powers of compulsory acquisition.

### **REASONS AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR**

#### **Reasons of the Partial Offer**

##### *Synergy potential and growth opportunities*

The Offeror is of the view that the Company provides a unique and highly attractive platform to complement the existing activity of the Offeror and its subsidiaries in China. The Partial Offer is expected to bring together the core competencies of the Offeror and the Company and has potential to create significant strategic value. The Partial Offer for the Company, a leading medical technology company with innovative vascular interventional treatments and a deep pipeline, demonstrates the Offeror's desire to broaden its presence and capabilities in China.

The Offeror is of the view that the Partial Offer may provide meaningful growth opportunities and create value for both the Offeror and the Company. Specific opportunities will be further evaluated in due course, but the Offeror and Company may explore commercial collaboration opportunities in China, enabling physicians and patients throughout China access to an expanded portfolio of products from both companies. The Offeror may also assess opportunities to partner with the Company to register and commercialize the Company's products globally, including the United States. In addition, the Company's manufacturing and R&D facilities could enable the Offeror to expand certain manufacturing and R&D activities in Company facilities, which could benefit both companies. The Offeror may also partner with the Company to identify new areas of product development not currently in one or both party's portfolio.

##### *Unlocking Significant Shareholder Value*

Upon completion of the Partial Offer, Shareholders will lock in significant value for the Shares they tender. In addition, and given the anticipated synergistic relationship, Shareholders also have the opportunity to enjoy further potential upside from any retained ownership in the Company upon the completion of the Partial Offer.

---

## LETTER FROM THE BOARD

---

### **Benefits to the Shareholders**

Upon the Partial Offer becoming or being declared unconditional in all respects, each Qualifying Shareholder:

- (i) will receive a payment of HK\$20 in cash for every Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (ii) will have the opportunity of retaining an interest in the Company going forward which will maintain its listing on the Stock Exchange.

### **FURTHER INFORMATION ON THE PARTIAL OFFER**

Please refer to the Letter from Citi contained in the Composite Document, Appendix I to the Composite Document and the Form of Approval and Acceptance for further information in relation to the Partial Offer, including its extension to overseas Shareholders and information on taxation, acceptance and settlement procedures.

### **RECOMMENDATIONS**

Your attention is drawn to (i) the Letter from the Independent Board Committee set out in the Composite Document, which contains its advice and recommendations to the Qualifying Shareholders in relation to the Partial Offer; and (ii) the Letter from the Independent Financial Adviser set out in the Composite Document, which contains its advice to the Independent Board Committee in relation to the Partial Offer and the principal factors considered by it before arriving at its recommendation. You are also advised to read the remainder of the Composite Document and the Form of Approval and Acceptance in respect of the acceptance and settlement procedures of the Partial Offer.

By order of the Board  
**Acotec Scientific Holdings Limited**  
**Jing LI**  
*Chairperson of the Board, Executive Director  
and Chief Executive Officer*



**Acotec Scientific Holdings Limited**  
**先瑞達醫療科技控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6669)**

3 January 2023

*To the Qualifying Shareholders*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY  
CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF OF  
THE OFFEROR TO ACQUIRE A MAXIMUM OF 65 PER CENT. OF  
THE ISSUED SHARE CAPITAL OF THE COMPANY FROM  
QUALIFYING SHAREHOLDERS**

We refer to the Composite Document dated 3 January 2023 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Partial Offer and to advise you as to whether, in our opinion, the terms of the Partial Offer are fair and reasonable so far as the Qualifying Shareholders are concerned and to make a recommendation as to acceptance of the Offer.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Partial Offer and as to acceptance of the Partial Offer. Your attention is drawn to the Letter from the Independent Financial Adviser as set out in the Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

We also wish to draw your attention to the Letter from Citi and the Letter from the Board as set out in the Composite Document as well as the additional information set out in the appendices to the Composite Document.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

### RECOMMENDATION

Having considered the terms of the Partial Offer, the information contained in the Composite Document and the principal factors and reasons considered by, and the independent advice of the Independent Financial Adviser, as set out in its letter of advice, we consider that the terms of the Partial Offer are fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly, we recommend the Qualifying Shareholders accept the Partial Offer.

Those Qualifying Shareholders who, after considering the information on the Offeror and the future intentions of the Offeror regarding the Group, are attracted by the future prospects of the Group following the Partial Offer, may consider retaining their Shares or tendering less than all their Shares under the Partial Offer. If acceptances are received in respect of more than 203,702,962 Shares, not all Shares tendered will be taken up under the Partial Offer, so Qualifying Shareholders will continue to hold some Shares in any event, unless they sell in the market. Some Shareholders, particularly those holding a small number of board lots, who are concerned about the drawbacks of being left with an odd lot, may consider selling their Shares in the market before the close of the Partial Offer to achieve a complete sale if the proceeds from such sale will exceed the aggregate of the consideration receivable from the acceptance of the Partial Offer and the value of the remaining Shares.

The procedures for acceptance of the Partial Offer are set out in Appendix I to the Composite Document and the accompanying Form of Approval and Acceptance. Qualifying Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and the Company carefully and act accordingly if they wish to accept the Partial Offer.

The Qualifying Shareholders are also strongly recommended to read the full text of the Letter from the Independent Financial Adviser set out in the Composite Document.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee**  
**In Acotec Scientific Holdings Limited**

**Dr. Yuqi WANG**  
*Independent non-executive*  
*Director*

**Ms. Hong NI**  
*Independent non-executive*  
*Director*

**Ms. Kin Yee POON**  
*Independent non-executive*  
*Director*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the full text of a letter of advice from Somerley Capital Limited to the Independent Board Committee in relation to the Partial Offer, which has been prepared for the purpose of inclusion in this Composite Document.*



**SOMERLEY CAPITAL LIMITED**  
20th Floor, China Building  
29 Queen's Road Central  
Hong Kong

3 January 2023

*To: The Independent Board Committee*

Dear Sirs,

**VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY  
CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF  
OF THE OFFEROR TO ACQUIRE A MAXIMUM OF 65 PER CENT.  
OF THE ISSUED SHARE CAPITAL OF THE COMPANY  
FROM QUALIFYING SHAREHOLDERS**

### INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the voluntary conditional partial cash offer by Citi on behalf of the Offeror to acquire a maximum of 203,702,962 Shares in the issued share capital of the Company (representing 65% of the Company's issued share capital as at the date of the Joint Announcement) from the Qualifying Shareholders at the Offer Price of HK\$20 per Share. Details of the Partial Offer are contained in the Composite Document, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, which comprises all the independent non-executive Directors, namely Dr. Yuqi Wang, Ms. Hong Ni and Ms. Kin Yee Poon, has been established to advise the Qualifying Shareholders in connection with the Partial Offer. The Independent Board Committee has approved our appointment as the independent financial adviser to the Independent Board Committee in this regard.

We are not associated or connected with the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Partial Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed to be true, accurate and complete. We have reviewed the published information on the Company, amongst others, the Company's annual report for the year ended 31 December 2021 (the "2021 Annual Report") and interim report for the six months ended 30 June 2022 (the "2022 Interim Report") and other information contained in the Composite Document. We have also reviewed the trading performance of the Shares on the Stock Exchange. Furthermore, we have discussed with the Directors the "Material Change" statement and the basis on which it is made, as set out in of Appendix II to the Composite Document. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document are true at the time they were made and as at the Latest Practicable Date, and that the Qualifying Shareholders will be notified of any material changes to such information and representations or any change to our opinion as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have not considered the tax and regulatory implications on Qualifying Shareholders of acceptance or non-acceptance of the Partial Offer, since these depend on their individual circumstances. In particular, Qualifying Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

### PRINCIPAL TERMS OF THE PARTIAL OFFER

Citi, on behalf of the Offeror, is making the Partial Offer in compliance with the Takeovers Code on the following terms:

**For each Share . . . . . HK\$20 in cash**

### Conditions

The Partial Offer is subject to the fulfilment of the following conditions:

- (a) valid acceptances of the Partial Offer being received in respect of a minimum of 156,725,925 Shares at or before 4:00 p.m. on the First Closing Date (representing approximately 50.01% of the Company's issued share capital as at the date of the Joint Announcement);
- (b) approval of the Partial Offer by Shareholders holding over 50% of Shares not held by the Offeror or any parties acting in concert with the Offeror in accordance with Rule 28.5 of the Takeovers Code;

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (c) the Shares remaining listed on the Main Board of the Stock Exchange up to and as of the earlier of the Final Closing Date or the date on which the Partial Offer becomes or is declared unconditional in all respects, and no notification having been received on or before such time from the Stock Exchange or the SFC that the listing of the Shares on the Stock Exchange will be, for whatever reason, withdrawn or suspended (disregarding and excluding, for the avoidance of doubt, any temporary suspension of trading of the Shares on the Stock Exchange (i) for the purpose of obtaining clearance from the SFC and/or the Stock Exchange for any announcements or circulars in connection with the Partial Offer; (ii) pending publication of any inside information announcement pursuant to Part XIVA of the SFO; (iii) for less than fifteen consecutive trading days; or (iv) as a result of insufficient public float and/or for the purpose of restoring public float if requested by the Stock Exchange); and
- (d) up to and as of the Final Closing Date, no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong, the PRC, the Cayman Islands and/or the U.S. having taken or instituted any action, proceeding or suit (or enacted, made or issued, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Partial Offer or its implementation in accordance with its terms void, unenforceable or illegal.

The Offeror may waive all or any of the Conditions, other than those set out in (a) and (b) above, in whole or in part at any time by notice in writing to the Company. As at the Latest Practicable Date, none of the Conditions have been fulfilled.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror will not invoke any of the Conditions, other than Conditions (a) and (b) above, so as to cause the Partial Offer to lapse unless the circumstances which give rise to the right to invoke the Condition are of material significance to the Offeror in the context of the Partial Offer.

In the event that valid acceptances are received:

- (a) for less than 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or
- (b) for 156,725,925 Shares (representing approximately 50.01% of the Company's issued share capital as at the Latest Practicable Date) or more on or prior to the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or prior to the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or prior to the seventh day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the seventh day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Under Rule 28.5 of the Takeovers Code, a partial offer which could result in the offeror holding 30% or more of the voting rights of a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the Form of Approval and Acceptance.

Further details of the terms of the Partial Offer and the procedures for acceptance of the Partial Offer are contained in the Letter from Citi and Appendix I to the Composite Document and the Form of Approval and Acceptance. The Qualifying Shareholders are urged to read the relevant sections of the Composite Document in full.

### **Irrevocable Undertakings**

As at the Latest Practicable Date, the Offeror has received the Irrevocable Undertakings from the IU Shareholders to approve and to tender or procure and cause to be tendered duly executed valid acceptance form for acceptance of, the Partial Offer in respect of the Relevant Shares (being (i) at least 146,208,184 Shares to a maximum of 161,877,642 Shares in the case of CMI and CIW, 21,531,324 Shares in the case of Cosmic Elite and 5,059,024 Shares in the case of Bliss Way Limited, representing approximately 55.14% to 60.14% in aggregate of the total number of issued Shares as at Latest Practicable Date; and (ii) any other Shares attributable to or derived from the Shares referred to in (i) above (including but not limited to Share subdivision and/or scrip dividend (if any) as permitted under the Takeovers Code)).

Further details of the Irrevocable Undertakings are contained in the Letter from Citi.

### **Listing status**

The Offeror intends to maintain the listing status of the Company following closing of the Partial Offer. Under the Partial Offer, the Offeror may acquire up to a maximum of 65% of the Company's issued share capital as at the date of the Joint Announcement. As, upon closing of the Partial Offer, certain IU Shareholder(s) may remain as a substantial shareholder or a core connected person of the Company and the Shares held by such IU Shareholder(s) (representing more than 10% of the issued share capital of the Company) would not be accounted for as part of the public float, such IU Shareholders have agreed

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

and undertaken to place down and/or dispose of some of their Shares pursuant to their respective Irrevocable Undertakings for the purpose of restoration of public float.

Further details in respect of the restoration of public float and listing status of the Company are contained in the Letter from Citi.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Partial Offer, we have taken into account the following principal factors and reasons:

#### 1. Information on the Group, the Offeror and BSC and reasons for the Partial Offer

##### *(i) Information of the Group*

The Company is a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 6669). The Company is a leading medical device company which together with its subsidiaries provides interventional solutions for areas such as vascular surgery, cardiology, nephrology, neurology and andrology in the PRC.

The Group's core products included AcoArt Orchid<sup>®</sup> & Dhalia<sup>™</sup> and AcoArt Tulip<sup>™</sup> & Litos<sup>™</sup>, which were the major contributors of its revenue. As of 30 June 2022, the Group's superficial femoral artery (SFA) Drug-Coated Balloon (DCB), including AcoArt Orchid<sup>®</sup> & Dhalia<sup>™</sup>, had been admitted into 1,400 hospitals; BTK DCB (Below-The-Knee Drug-Coated Balloons), including AcoArt Tulip<sup>™</sup> & Litos<sup>™</sup>, had been admitted into 650 hospitals; and aspiration catheter had been admitted into 950 hospitals.

As of 30 June 2022, the Group's products had completed commercialisation across 12 countries accumulatively and it continued to diversify its revenue stream. For the six months ended 30 June 2022, the Group's other commercialised products, including Peripheral Aspiration System (AcoStream<sup>™</sup>) and PTA balloons products (AcoArt Iris<sup>™</sup> & Jasmin<sup>™</sup> and AcoArt Lily<sup>™</sup> & Rosmarin<sup>™</sup>) and the newly commercialised product launched during the period, namely Radiofrequency Ablation System (AcoArt Cedar<sup>™</sup>), generated revenue of approximately RMB30.6 million. Since the launch of AcoArt Orchid<sup>®</sup> & Dhalia<sup>™</sup>, the Group's first and PRC's first peripheral DCB product, the Group has already initiated its efforts in clinical promotion and education. The Group has been promoting the innovation of clinical therapies of vascular intervention, so as to provide brand-new solutions for peripheral intravascular diseases to patients.

As of 30 June 2022, the Group had already built over 30 product pipelines, which were capable of providing endovascular minimally-invasive interventional solutions for five areas consisting of vascular surgery, cardiology, nephrology, neurology and andrology.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *(ii) Information of the Offeror*

The Offeror is a public limited company incorporated under the laws of the Republic of Ireland, which is wholly-owned by BSC. The Offeror is primarily engaged in investments in subsidiaries (which in turn are primarily engaged in the development, manufacture, marketing, and sale of medical devices used in a broad range of interventional medical specialties) and providing services to affiliated group entities. BSC is a company incorporated under the laws of the State of Delaware, the U.S., whose shares are listed on the New York Stock Exchange. BSC is a multinational medical device company which develops, manufactures and commercialises minimally invasive medical devices used in specialties such as cardiology, peripheral interventions, endoscopy, urology and neuromodulation.

### *(iii) Reasons for the Partial Offer*

As stated in the Letter from Citi, the Offeror is of the view that the Company provides a unique and highly attractive platform to complement the existing activity of the Offeror and its subsidiaries in the PRC. The Partial Offer is expected to bring together the core competencies of the Offeror and the Company and has potential to create significant strategic value. The Partial Offer for the Company, a leading medical technology company with innovative vascular interventional treatments and a deep pipeline, demonstrates the Offeror's desire to broaden its presence and capabilities in China.

The Offeror is of the view that the Partial Offer may provide meaningful growth opportunities and create value for both the Offeror and the Company. Specific opportunities will be further evaluated in due course, but the Offeror and Company may explore commercial collaboration opportunities in China, enabling physicians and patients throughout China access to an expanded portfolio of products from both companies. The Offeror may also assess opportunities to partner with the Company to register and commercialize the Company's products globally, including the United States. In addition, the Company's manufacturing and research and development ("R&D") facilities could enable the Offeror to expand certain manufacturing and R&D activities in Company facilities, which could benefit both companies. The Offeror may also partner with the Company to identify new areas of product development not currently in one or both party's portfolio.

The Offeror has decided to proceed with the Partial Offer instead of a general offer because it intends to maintain the listing status of the Company, for which 25% or more of the Shares in issue will need to be held by the public in accordance with the Listing Rules. Accordingly, the Partial Offer is for a maximum of 65% of the issued share capital of the Company so as to ensure that the public float requirement continues to be satisfied by the Company after completion of the Partial Offer with other core connected person(s) (as defined under the Listing Rules) having management role in the Company also retaining certain stake in the Company and certain Shares being held for granting to employees of the Group under the Company's employee incentive schemes.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With the completion of the Partial Offer, the Offeror intends that the Company will continue to operate its business in substantially its current state. The Company will continue to be led by its existing CEO and retain its current brand identity and culture of the Company. The Offeror has no plans to make any major disposal or redeployment of assets of the Company.

It is expected that there will be changes in the board composition of the Company at, or after, the earliest time permitted under the Takeovers Code or by the SFC. Any such changes will only take effect in accordance with the applicable laws and regulations including the Takeovers Code and the Listing Rules and in compliance with any requirements of any relevant authorities. Pursuant to the Irrevocable Undertakings, Mr. Ke Tang and Mr. Chen Chen will resign as Directors in accordance with the Takeovers Code.

### *Comments*

The Company has been listed on the Stock Exchange since 24 August 2021 (“IPO”) and its principal business remains the same since then. The Offeror and its parent company are engaged in development, manufacturing and commercialisation of medical devices, which is largely in line with the principal businesses of the Group. If the Partial Offer becomes unconditional, the Offeror will hold at least 50.01% but not more than 65% of the Company’s issued share capital as at the date of the Joint Announcement. The takeover of the Company by the Offeror will enable the Offeror and the Group to collaborate from multiple aspects. In China, they may explore collaboration to offer an expanded portfolio of products from both companies to physicians and patients. For overseas markets, the Offeror may partner with the Company to register and commercialise the Company’s products globally. For manufacturing and R&D facilities, the Offeror could expand certain manufacturing and R&D activities in Company facilities and both the Offeror and the Company could be partnered to identify potential product development in new areas.

The Partial Offer not only provides the Qualifying Shareholders with an opportunity to exit partially but, by retaining some shareholding, also enjoy the potential benefits brought about by the synergistic relationship between the Offeror and the Group after the Partial Offer.

---

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

**2. Analyses of the financial information of the Group**

*(i) Financial performance of the Group*

Set out below are the summarised consolidated income statements of the Group for (i) the six months ended 30 June 2021 and 2022 as extracted from the 2022 Interim Report; and (ii) the years ended 31 December 2020 and 2021 as extracted from the 2021 Annual Report.

**TABLE 1: SUMMARISED CONSOLIDATED INCOME STATEMENTS OF THE GROUP**

	Six months ended		Year-on-year %	Year ended		Year-on-year %
	30 June			31 December		
	2022	2021		2021	2020	
<i>(In RMB'000)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>		<i>(Audited)</i>	<i>(Audited)</i>	
<b>Revenue</b>	<b>175,322</b>	<b>140,195</b>	<b>25%</b>	<b>303,813</b>	<b>193,975</b>	<b>57%</b>
<b>Gross profit</b>	<b>144,770</b>	<b>123,677</b>	<b>17%</b>	<b>265,939</b>	<b>163,780</b>	<b>62%</b>
Other net income	15,102	1,577	858%	(8,837)	730	n.a.
(Loss)/Gain on fair value change of preferred shares	-	-	-	(33,458)	447	n.a.
Selling and distribution expenses	(24,729)	(28,517)	(13)%	(58,801)	(32,581)	80%
R&D expenses	(77,070)	(61,375)	26%	(141,288)	(83,487)	69%
Listing expenses	-	(17,146)	n.a.	(41,129)	(10,317)	299%
<b>Profit/(Loss) attributable to the Shareholders</b>	<b>31,096</b>	<b>(12,536)</b>	<b>n.a.</b>	<b>(79,077)</b>	<b>(43,842)</b>	<b>80%</b>

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### a. Revenue

Set out below is a summary of the Group's segmental revenue for (i) the six months ended 30 June 2021 and 2022; and (ii) the years ended 31 December 2020 and 2021.

**TABLE 2: SEGMENTAL REVENUE OF THE GROUP**

(In RMB'000)	Six months ended		Year-on- year %	Year ended		Year-on- year %
	30 June			31 December		
	2022	2021		2021	2020	
	(Unaudited)	(Unaudited)		(Audited)	(Audited)	
• DCB products	142,898	138,300	3%	299,165	190,279	57%
– AcoArt Orchid <sup>®</sup> & Dhalia <sup>™</sup>	123,756	122,704	1%	275,071	187,246	47%
– AcoArt Tulip <sup>™</sup> & Litos <sup>™</sup>	19,142	15,596	23%	24,094	3,033	694%
• Venous intervention and vascular access products <sup>(1)</sup> / PTA balloon products <sup>(2)</sup>	30,575	1,863	1,541%	4,581	3,696	24%
• Others	1,849	32	5,678%	67	–	n.a.
<b>Total</b>	<b>175,322</b>	<b>140,195</b>	<b>25%</b>	<b>303,813</b>	<b>193,975</b>	<b>57%</b>

*Notes:*

(1) The venous intervention and vascular access products primarily include PTA balloon products and AcoStream<sup>™</sup> which was launched in the PRC since November 2021. The figures for the six months ended 30 June 2021 and 2022 are referred to the venous intervention and vascular access products.

(2) The figures for the year ended 31 December 2020 and 2021 are referred to the PTA balloon products.

For the six months ended 30 June 2021 and 2022

The Group's revenue for the six months ended 30 June 2022 was RMB175.3 million, representing an increase of 25.1% compared to RMB140.2 million for the six months ended 30 June 2021. The increase was primarily attributable to (i) an increase in the sales of core product AcoArt Tulip<sup>™</sup> & Litos<sup>™</sup> and PTA balloon products; (ii) the launch of the new product AcoStream<sup>™</sup> in the PRC since November 2021; and (iii) the sales promoted as a result of the marketing and advertising activities in both PRC and overseas market. For the six months ended 30

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

June 2022, revenue from sales of DCB products accounted for 81.5% of the Group's total revenue, as compared to 98.6% for the six months ended 30 June 2021.

For the years ended 31 December 2020 and 2021

The Group's revenue for the year ended 31 December 2021 was approximately RMB303.8 million, representing an increase of approximately 56.6% compared to approximately RMB194.0 million for the year ended 31 December 2020. The increase was primarily attributable to (i) an increase in the number of surgeries performed with the Group's medical devices; (ii) new core product AcoArt Tulip™ & Litos™ launched in the PRC since January 2021; and (iii) the normalisation of COVID-19 epidemic prevention and control which has enabled patients to seek medical treatment normally. Revenue from sales of DCB products accounted for approximately 98.5% of the Group's total revenue, as compared to approximately 98.1% for the year ended 31 December 2020.

*b. Gross profit and gross profit margin*

For the six months ended 30 June 2021 and 2022

The gross profit of the Group increased by 17.1% from RMB123.7 million for the six months ended 30 June 2021 to RMB144.8 million for the six months ended 30 June 2022, which was in line with the increase in the Group's revenue. Gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group decreased from 88.2% for the six months ended 30 June 2021 to 82.6% for the six months ended 30 June 2022, mainly due to an increase in sales volume of venous intervention and vascular access products but relatively lower sales prices of that kind of products, leading to a decrease in overall gross profit margin.

For the years ended 31 December 2020 and 2021

The gross profit of the Group increased by 62.4% from RMB163.8 million for the year ended 31 December 2020 to RMB265.9 million for the year ended 31 December 2021. The gross profit margin of the Group increased from 84.4% for the year ended 31 December 2020 to 87.5% for the year ended 31 December 2021, mainly due to an increase in sales volume of DCB products.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*c. Other net income*

For the six months ended 30 June 2021 and 2022

The other net income primarily consisted of gain on fair value change of financial assets measured at fair value through profit or loss, loss on fair value change of preferred shares, net exchange gain, losses on disposal of property, plant and equipment, net losses on disposal of raw materials and others. The Group recorded other net income for the six months ended 30 June 2022 of RMB15.1 million, representing an increase of 857.6% compared to RMB1.6 million for the six months ended 30 June 2021. The increase was mainly due to foreign exchange gain.

For the years ended 31 December 2020 and 2021

The Group recorded net other losses of RMB8.8 million for the year ended 31 December 2021, as opposed to a gain of RMB0.7 million for the year ended 31 December 2020. The decrease was mainly due to foreign exchange loss.

*d. (Loss)/gain on fair value change of preferred shares*

For the six months ended 30 June 2021 and 2022

No further gain or loss is incurred on fair value changes from the preferred shares after its conversion into ordinary shares upon the IPO.

For the years ended 31 December 2020 and 2021

The Group recorded loss on fair value change of preferred shares of approximately RMB33.5 million for the year ended 31 December 2021, compared to a gain of approximately RMB0.4 million for the year ended 31 December 2020. All the then existing preferred shares were converted to ordinary shares upon the IPO in August 2021.

*e. Selling and distribution expenses*

For the six months ended 30 June 2021 and 2022

The Group's selling and distribution expenses for the six months ended 30 June 2022 was RMB24.7 million, representing a decrease of 13.3% compared to RMB28.5 million for the six months ended 30 June 2021. The decrease was primarily attributable to (i) less share-based payment expenses in 2022; and (ii) less business travelling expenses incurred in the first half of 2022 due to the impact of COVID-19.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

For the years ended 31 December 2020 and 2021

The Group's selling and distribution expenses for the year ended 31 December 2021 were RMB58.8 million, representing an increase of 80.5% compared to approximately RMB32.6 million for the year ended 31 December 2020. The increase was primarily attributable to (i) employee stock ownership plan ("ESOP") expense in January 2021; (ii) the fact that fewer conferences were held in the first half of 2020 due to the impact of COVID-19; and (iii) an increase in the number of sales staff in 2021 and therefore an increase in staff cost.

*f. R&D expenses*

For the six months ended 30 June 2021 and 2022

The Group's R&D expenses for the six months ended 30 June 2022 was RMB77.1 million, representing an increase of 25.6% compared to RMB61.4 million for the six months ended 30 June 2021. The increase was primarily attributable to (i) the R&D expense of the Shenzhen R&D center, which was acquired in May 2020, and the American R&D center, which was established in November 2021; and (ii) the increased investments in the on-going R&D projects.

For the years ended 31 December 2020 and 2021

The Group's R&D expenses for the year ended 31 December 2021 were RMB141.3 million, representing an increase of 69.2% as compared to RMB83.5 million for the year ended 31 December 2020. The increase was primarily attributable to (i) the R&D expense of the Shenzhen R&D center which was acquired in May 2020; (ii) an increase in staff cost; (iii) ESOP expense in 2021; and (iv) the increased investments in the on-going R&D projects.

*g. Profit/(Loss) attributable to the Shareholders*

For the six months ended 30 June 2021 and 2022

Profit attributable to the Shareholders was RMB31.1 million for the six months ended 30 June 2022, as opposed to the loss of RMB12.5 million for the six months ended 30 June 2021. The improvement in the financial performance of the Group was primarily attributable to (i) the increase in revenue and other net income; and (ii) the Group no longer incurring any listing expenses after its IPO.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

For the years ended 31 December 2020 and 2021

Loss attributable to the Shareholders was RMB79.1 million for the year ended 31 December 2021, as compared to that of RMB43.8 million for the year ended 31 December 2020. The increase in loss attributable to the Shareholders was primarily attributable to loss on fair value change of preferred shares, which was a non-cash and non-recurrence item after its IPO, and listing expenses arising from its IPO.

### *Comments*

As stated in the 2022 Interim Report, AcoArt Orchid<sup>®</sup> & Dhalia<sup>™</sup> and AcoArt Tulip<sup>™</sup> & Litos<sup>™</sup> are the two core products of the Group. The increase in revenue generated from the sales of the two core products and the first full year contribution from AcoSteam<sup>™</sup> have contributed to the Group's turnaround from loss making to profitable in the first half of 2022. In the absence of listing expenses after its IPO, the profit attributable to the Shareholders amounted to RMB31.1 million for the six months ended 30 June 2022.

The Group uses a combination of its in-house sales and marketing team, its connections with hospitals and a network of independent distributors to sell its products in the PRC. The Group's products are sold not only in the PRC but also overseas countries. While a substantial portion of the revenue is generated in the PRC, continuous efforts have been made on obtaining overseas approvals for distribution of the Group's products, such as U.S. and Brazil. Other than the core products, as at 30 June 2022, the Group has (i) in vascular surgery, five other commercialised products and 12 product candidates in pipeline; (ii) in cardiology, ten product candidates in pipeline; (iii) in nephrology, two product candidates in pipeline; and (iv) in neurology, two product candidates in pipeline. The Group's capability to sell its core products in the overseas markets and commercialisation of product candidates would be the key to its profitability in the near future.

The Company has not declared any dividend since its listing.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

(ii) *Financial position of the Group*

Set out below are the summarised consolidated balance sheets of the Group as at (i) 30 June 2022 as extracted from the 2020 Interim Report; and (ii) 31 December 2020 and 2021 as extracted from the 2021 Annual Report.

**TABLE 3: SUMMARISED CONSOLIDATED BALANCE SHEETS OF THE COMPANY**

<i>(in RMB'000)</i>	As at 30 June 2022 <i>(Unaudited)</i>	% compared to 31 December 2021	As at 31 December 2021 <i>(Audited)</i>	As at 2020 <i>(Audited)</i>	Year-on- year %
<b>Total assets</b>	1,319,082	1%	1,307,366	272,941	379%
Property, plant and equipment	44,201	32%	33,398	22,655	47%
Cash and cash equivalents	1,062,621	(7)%	1,137,184	147,097	673%
<b>Total liabilities</b>	93,773	(6)%	100,172	553,950	(82)%
Bank borrowings	–	n.a.	6,000	20,000	(70)%
<b>Equity attributable to equity holders of the Company ("NAV")</b>	1,225,309	2%	1,207,194	(281,009)	n.a.
<b>NAV per Share (RMB)<sup>(Note)</sup></b>	3.91	2%	3.85	n.a.	n.a.

*Note:* It is calculated based on 313,389,171 Shares in issue as at the Latest Practicable Date.

a. *Property, plant and equipment*

Over 50% of the Group's property, plant and equipment is attributable to machinery. As at 31 December 2020 and 2021 and 30 June 2022, the property, plant and equipment was RMB22.7 million, RMB33.4 million and RMB44.2 million, respectively, representing increases of 47% and 32%. The increase for 2021 was mainly due to the extension of Shenzhen R&D center and production capacity of Beijing and the increase for the first half of 2022 was mainly due to purchase of new production lines and machinery and the establishment of a R&D center in the U.S..

b. *Cash and cash equivalents*

The Group had cash and cash equivalent of RMB147.1 million, RMB1,137.2 million and RMB1,062.6 million as at 31 December 2020 and 2021 and 30 June 2022, respectively, representing an increase of 673% and a decrease of 7%. The increase as at 31 December 2021 was mainly due to the

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

proceeds from IPO and the decrease as at 30 June 2022 was mainly due to repayment of bank borrowings and increase in R&D expenditure.

*c. Bank borrowings*

The borrowings of the Group as at 31 December 2020 and 2021 and 30 June 2022 were RMB20 million, RMB6 million and nil, respectively. The decrease in bank borrowings was mainly due to the Group having held sufficient cash after its IPO.

*d. NAV*

The NAV of the Group was -RMB281.0 million, RMB1,207.2 million and RMB1,225.3 million as at 31 December 2020 and 2021 and 30 June 2022, respectively. The increase as at 31 December 2021 was largely due to the proceeds from the IPO and the increase as at 30 June 2022 was due to the net profit generated for the six months ended 30 June 2022. The NAV per Share as at 31 December 2021 and 30 June 2022 was RMB3.85 and RMB3.91, respectively.

### *Comments*

The Group is debt-free with 87% of its NAV attributable to cash and cash equivalents as at 30 June 2022. The Group is asset-light on book. As stated in the 2021 Annual Report, development expenses incurred on the Group's procedural medical product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. The management of the Group needs to assess the progress of each of the R&D projects and determines whether the criteria are met for capitalisation. During the year ended 31 December 2021 and the six months ended 30 June 2022, all R&D costs are expensed when incurred.

As the Group has become profitable for the six months ended 30 June 2022, its NAV has increased by 2% to RMB1,225.3 million or RMB3.91 per Share.

The Offer Price represents a premium of 356.9% over the Group's NAV per Share as at 30 June 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 3. Industry Overview

As advised by the management of the Group, the Group's products are mainly vascular interventional medical devices used to treat cardiovascular diseases ("CVD") and a substantial portion of the Group's revenue is generated from sales of those medical devices in the PRC.

**TABLE 4: CVD IN THE PRC**

Year	Population aged 65 and above (million persons) <sup>(1)</sup>	Estimated deaths due to CVD per 10,000 population <sup>(2)</sup>	Age-standardised CVD related mortality rate per 100,000 population <sup>(2)</sup>
2005	100.55	309.11	286.85
2010	118.94	347.93	273.79
2015	145.24	384.33	259.72
2020	190.64	457.66	245.39

*Notes:*

1. Source: National Bureau of Statistics of China.
2. Source: An article headed "Mortality and years of life lost of cardiovascular diseases in China, 2005-2020: Empirical evidence from national mortality surveillance system" published in International Journal of Cardiology (a peer-reviewed medical journal that publishes research articles on cardiac disease) in 2021 by National Center for Chronic and Noncommunicable Disease Control and Prevention, Chinese Center for Disease Control and Prevention (a governmental and national-level technical organisation specialised in disease control and prevention and public health). The estimated figures are arrived at based on 24% of the PRC population.

On one hand, the aging of population in the PRC is accelerated and it has seen an increasing prevalence of CVD among Chinese population. The population aged 65 and above increased from 100 million in 2005 to 190 million in 2020, representing a 90% increase in 15 years. Also as shown in the above table, the estimated deaths claimed by CVD per 10,000 population rose from 309.11 in 2005 to 457.66 in 2020, although the age-standardised CVD related mortality rate per 100,000 population dropped which was possibly due to the improvement of public health system as discussed below.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

**TABLE 5: HEALTHCARE INSTITUTIONS AND HEALTHCARE EXPENDITURE IN THE PRC**

<b>Year</b>	<b>Healthcare institutions</b>	<b>Healthcare spending (RMB billion)</b>	<b>Healthcare expenditure per capita (RMB)</b>
2017	986,649	5,260	1,451
2018	997,433	5,912	1,685
2019	1,007,579	6,584	1,902
2020	1,022,922	7,218	1,843
2021	1,030,935	7,684	2,115

*Source:* National Bureau of Statistics of China.

On the other hand, benefited from the economic success in the past decades, PRC public health system has been improved as evidenced by a continuous increase in the number of healthcare institutions in the PRC and healthcare spending. As compared to 2017, the number of healthcare institutions has increased by 44,286 and the healthcare spending increased by 46% in 2021. With increasing income per capita and raising health awareness, Chinese people tend to spend more in healthcare. The healthcare expenditure per capita has seen a 10% cumulative annual growth in the past five years, rising from RMB1,451 in 2017 to RMB2,115 in 2021.

Chinese government has rolled out various policies to encourage innovation and advancement in medical devices. In 2019, the National Medical Products Administration of the PRC issued the Guidelines for Conditional Approval for Marketing of Medical Devices (醫療器械附條件批准上市指導原則) which aims to accelerate the reviewing process for medical devices targeting life-threatening diseases. The Fourteenth Five-Year Development Plan of Medical Device Industry (“十四五”醫療裝備產業發展規劃) released in 2021 indicates that one of the key areas of development in the next five year is interventional medical devices.

### *Comments*

Aging population, rising prevalence of CVD, heightened healthcare awareness and increasing healthcare spending in the PRC call for more supply of vascular interventional medical devices. Coupled with the initiatives and favorable policies implemented by Chinese government, the Group is presented with considerable opportunities for growth should the Group be able to roll out and market the pipeline candidates successfully and further expand its distribution network to remain competitive in the market.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

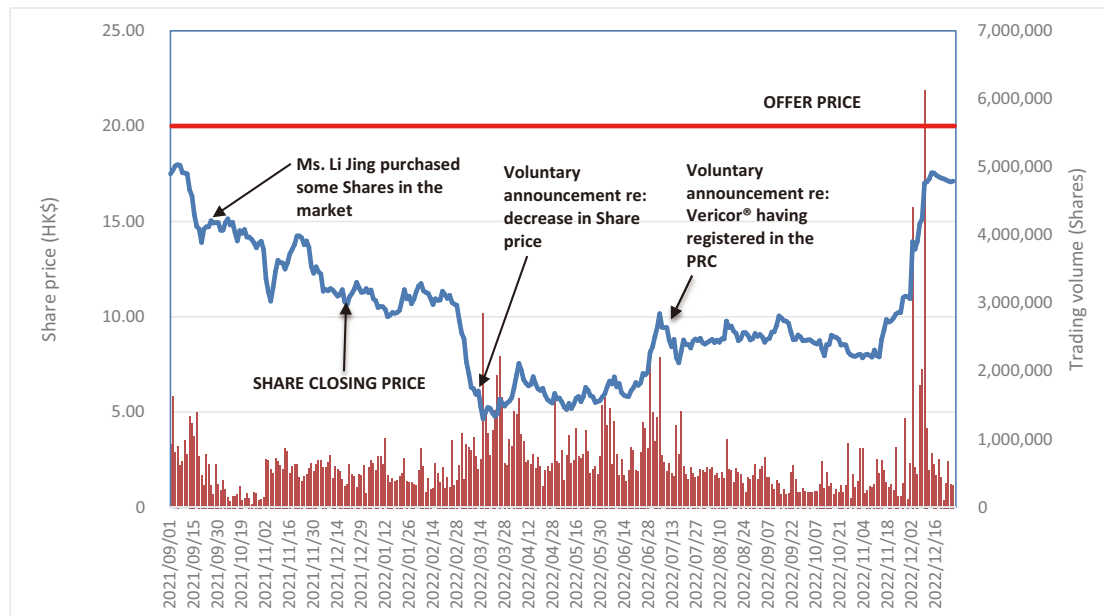
---

### 4. Analysis of price performance and trading liquidity

#### (a) Price performance of the Shares

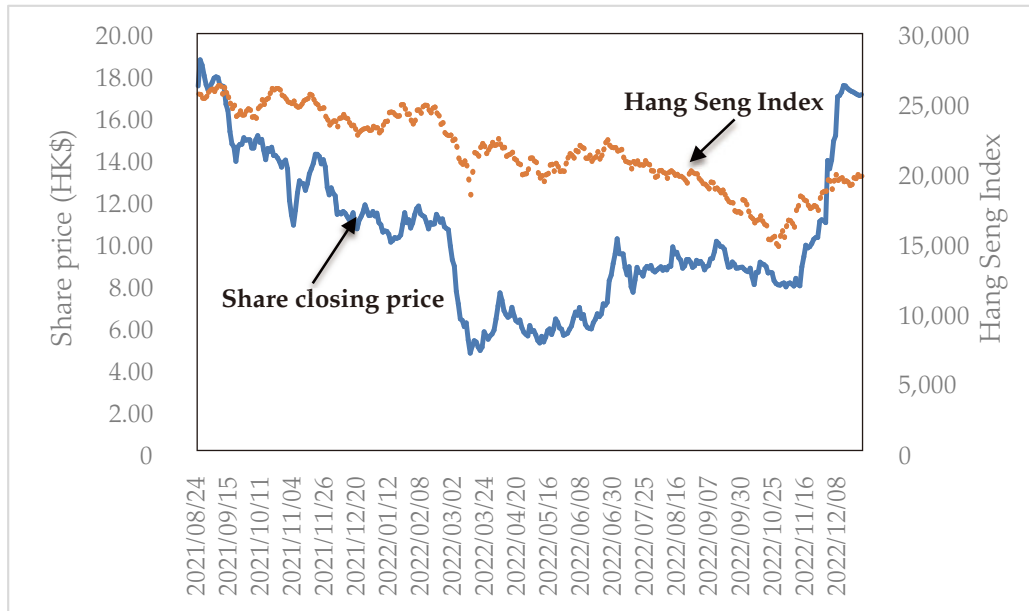
Set out below is the movement of the closing prices of the Shares during the period from 24 August 2021 (being the date of listing of the Shares) to the Latest Practicable Date (the “Review Period”):

**FIGURE 1: SHARE PRICE PERFORMANCE COMPARED TO OFFER PRICE**



Source: website of the Stock Exchange

FIGURE 2: SHARE PRICE PERFORMANCE COMPARED TO HANG SENG INDEX (“HSI”)



Source: Bloomberg and website of the Stock Exchange

The Offer Price is higher than the closing prices of the Shares since its listing but lower than its IPO price of HK\$23.80.

During the Review Period, the Share recorded the highest closing price of HK\$18.86 on 25 August 2021, which is the second day of its trading, and the lowest closing price of HK\$4.70 on 15 March 2022. The Share closed at HK\$17.60, being 26.05% lower than its IPO price of HK\$23.80, on its first day of trading on 24 August 2021. The closing price of the Share fell gradually. In September 2021, Ms. Li Jing, the chairperson of the board and the chief executive officer and an executive director of the Company, purchased some Shares in the market to express her confidence in the overall development prospects and the potential growth of the Company. The Share closed between HK\$13.94 and HK\$15.20 in the 30-day following such purchase by Ms. Li and the price of the Share then continued its downward trend.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Company issued some voluntary announcements from time to time to update the developments of its products but the Share price did not quite react to them. The closing price of the Share continued to oscillate downward and fell below HK\$10.00 in March 2022. The Company issued an announcement on 9 March 2022 that the Board was not aware any reasons for the then decrease in the Share price and the management team had full confidence in the future development of the Company. After the Share price hit its lowest at HK\$4.70 on 15 March 2022, the Share rebounded slightly and closed between HK\$5.00 and HK\$8.50 during April to end of June 2022. The closing Share price picked up its momentum and reached HK\$10.00 in early July 2022. On 14 July 2022, the Company announced that that the Group received the registration certificate from the PRC National Medical Products Administration for Vericor<sup>®</sup>, a peripheral support catheter designed to enhance access to peripheral vessels and the Company will carry out marketing activities in PRC market when appropriate. The Share then closed between HK\$7.00 and HK\$11.00 until the end of November 2022. The Share price surged commencing from the end of November 2022 and closed at HK\$15.20 before the publication of the Joint Announcement. We have discussed this with the management of the Group and, save for the Joint Announcement, they are unaware of the reason for such increase.

As shown in the above Figure 2, it is observed that both the Share price and HSI were on the downward trend during the Review Period but the Share fell more than the HSI. Both the Share closing price and the HSI before the publication of the Joint Announcement were on the uptrend but the Share closing price outperformed the HSI. We have discussed this with the management of the Group and, save for the Joint Announcement, they are unaware of the reason for such increase. The Shares closed at HK\$17.08 on the first trading day following the Last Trading Day and moved in a narrow range of HK\$17.08-HK\$17.62 thereafter until the Latest Practicable Date, representing 11.9%-14.6% discounts to the Offer Price, as this is a partial offer.

Following the Joint Announcement, we consider the Share price has been largely influenced by the Offer Price of HK\$20.00 per Share. The Shares closed at HK\$17.18 as at the Latest Practicable Date. The Offer Price of HK\$20.00 per Share represents a premium of approximately 16.4% over the closing Share price on the Latest Practicable Date.

---

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

**(b) Trading Liquidity**

Set out below are the monthly total trading volumes of the Shares and the percentages of the monthly total trading volume to the total issued Shares and public float of the Company since 24 August 2021, being the date of the listing of the Shares:

**TABLE 6: TRADING LIQUIDITY OF THE SHARES**

	Closing Share price range (HK\$)	Monthly total trading volume of the Shares <sup>(1)</sup>	Percentage of the monthly total trading volume of the Shares to the total issued Shares <sup>(2)</sup>	Percentage of the monthly total trading volume of the Shares to public float of the Company
<b>2021</b>				
August	17.40-18.86	50,207,400	16.02%	63.52%
September	13.96-18.04	17,138,596	5.47%	21.78%
October	13.68-15.20	3,583,500	1.14%	4.55%
November	10.88-14.30	13,165,161	4.20%	16.73%
December	10.70-12.68	11,827,200	3.77%	15.03%
<b>2022</b>				
January	10.06-11.48	11,478,000	3.66%	14.58%
February	10.66-11.80	8,319,000	2.65%	10.57%
March	4.70-9.87	25,846,461	8.25%	32.84%
April	5.53-7.61	15,712,531	5.01%	19.96%
May	5.19-6.35	15,865,692	5.06%	20.16%
June	5.87-8.47	20,475,000	6.53%	26.02%
July	7.64-10.22	15,848,669	5.06%	20.14%
August	8.62-9.83	12,110,200	3.86%	15.39%
September	8.72-10.10	8,258,000	2.64%	10.49%
October	8.00-9.09	7,020,000	2.24%	8.92%
November	7.90-11.14	10,734,000	3.43%	13.64%
December (up to the Latest Practicable Date)	11.00-17.62	23,088,779	7.37%	29.34%

Source: website of the Stock Exchange

Notes:

- (1) The calculation is based on the monthly total trading volumes of the Shares divided by the total issued share capital of the Company as at the last trading day of each of the calendar month and the Latest Practicable Date.
- (2) The calculation is based on the monthly total trading volumes of the Shares divided by the total number of Shares held by the public as at the last trading day of each of the calendar month and the Latest Practicable Date.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Based on the above table, the significant downtrend of Share price was paired increasing trading volume. The monthly turnover in August 2021, when the Shares were listed, represented 63.52%, and that in March 2022, when the Share closing price fell from HK\$10.00 level to its lowest at HK\$4.70, represented 32.84%, of the public float. The relatively higher trading volume in December 2022, representing 29.34% of the public float, is in our view principally related to Shareholders' positive expectation regarding the Partial Offer, and may not continue after it closes. If the Partial Offer becomes unconditional, there will be less Shares in the market and trading may therefore become slightly less liquid.

(c) *Offer Price comparison*

**TABLE 7: OFFER PRICE AND SHARE PRICE COMPARISON**

	<b>Closing/ average closing price/ IPO price</b>	<b>Premium/ (discount) over/to the Share price</b>
(i) Last Trading Day	HK\$15.20	31.6%
(ii) Last 5 trading days prior to and including the Last Trading Day	HK\$14.35	39.4%
(iii) Last 10 trading days prior to and including the Last Trading Day	HK\$12.63	58.3%
(iv) Last 30 trading days prior to and including the Last Trading Day	HK\$10.03	99.4%
(v) Last 180 trading days prior to and including the Last Trading Day	HK\$8.09	147.4%
(vi) One year prior to and including the Last Trading Day	HK\$8.62	132.0%
(vii) Latest Practicable Date	HK\$17.18	16.4%
(viii) IPO price	HK\$23.80	(16.0)%
	<b>NAV per Share</b>	<b>Premium over the Share price</b>
(ix) as at 31 December 2021 as set out in the 2021 Annual Report and based on 313,389,171 Shares in issue as at the Latest Practicable Date	HK\$4.31	363.8%
(x) as at 30 June 2022 as set out in the 2022 Interim Report and based on 313,389,171 Shares in issue as at the Latest Practicable Date	HK\$4.38	356.9%

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Offer Price represents a premium of 31.6% - 147.4% over the closing/average closing Share price on the Last Trading Day and during 5-day, 10-day, 30-day, 180-day and one-year period prior to and including the Last Trading Day but a discount of 16.0% to its IPO price.

Details of the share price comparison of the partial cash offer precedents are set out in the section headed “5. Comparable analysis — (b) Partial cash offer precedents” below.

### *Comments*

The Shares have traded below the Offer Price as well as its IPO price since its listing and between HK\$4.70 and HK\$15.20 during the period from 1 January 2022 to the Last Trading Day. The Offer Price represents a 16.0% discount to the IPO price of the Share but premiums of 325.5% and 31.6% over its lowest and highest closing price for the period from 1 January 2022 to the Last Trading Day.

Both the Share price and HSI were on the uptrend before the Joint Announcement but the Share price outperformed the HSI. The management of the Group is unaware of the reason for this. The Share price moved about 12.4% higher to HK\$17.08 following the issue of the Joint Announcement and closed at HK\$17.18 as at the Latest Practicable Date.

Qualifying Shareholders, especially those with significant stakes, should note that if they wish to realise their investments in the Company they might not be able to dispose of the Shares in the market without exerting a downward pressure on the market price of the Shares. Given that the high level of trading volume may not be sustained, the Partial Offer, if it becomes unconditional, provides an opportunity for the Qualifying Shareholders to dispose of some of their holdings at a price substantially higher than the Share price in the last 12 months. Because this is a partial offer, accepting Shareholders may retain some of their shareholdings.

## 5. Comparable analysis

### *(a) Comparable Companies*

Given that the Company is a Hong Kong listed company which is mainly engaged in research and development of vascular interventional medical devices with a market capitalisation of HK\$4.8 billion as at the date of the Joint Announcement, we have, based on Bloomberg equity screening tools, identified, Hong Kong listed companies which are engaged in similar business with market capitalisation below HK\$10 billion (the “**Comparable Companies**”). The Comparable Companies, based on the above selection criteria are exhaustive and are thus considered to be fair and representative samples. Although the Company turned profitable in the first half of 2022, considering that the Company was loss making in the past twelve consecutive months ended 30 June 2022 and so were most of the Comparable Companies, we have compared the price/revenue ratio (“**P/Revenue**”) and enterprise value/revenue multiples (“**EV/Revenue**”) of the Company and the Comparable Companies, a summary of which is set out in the table below:

---

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

**TABLE 8: COMPARABLE COMPANIES**

Company	Principal business	Market capitalisation as at the Last Trading Day (HK\$ billion)	P/Revenue	EV/ Revenue <sup>(2)(3)</sup>
Zylox-Tonbridge Medical Technology Co., Ltd. (stock code: 2190)	Provision of solutions to patients and physicians with the product portfolio covering neurovascular and peripheral vascular intervention devices in the PRC and other countries	4.1	14.1	10.1
MicroPort CardioFlow Medtech Corporation (stock code: 2160)	Research, development, manufacture and commercialisation of interventional medical devices primarily targeting structural heart diseases	6.9	25.6	17.5
Peijia Medical Limited (stock code: 9996)	Research and development of transcatheter valve therapeutic medical devices and neurointerventional procedural medical devices in the PRC and other countries	6.3	27.8	18.8
Shanghai Kindly Medical Instruments Co., Ltd. (stock code: 1501)	Research and development, manufacturing and sales of interventional and implantable medical devices in the PRC	4.7	8.2	7.3
		<b>Highest</b>	27.8	18.8
		<b>Lowest</b>	8.2	7.3
		<b>Average</b>	18.9	13.4
The Company		4.8	12.5 <b>16.5<sup>(4)</sup></b>	9.4 <b>13.4<sup>(4)</sup></b>

*Source:* Bloomberg, the website of the Stock Exchange and the latest published financial statements/information of the respective company

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

- (1) the P/Revenue is calculated based on the market capitalisation of the respective companies as at the Last Trading Day divided by the revenue of the relevant companies for the trailing 12 months ended 30 June 2022 as referenced from their annual reports for the year ended 31 December 2021 and interim reports for the six months ended 30 June 2022.
- (2) the enterprise value is calculated based on the market capitalisation as at the Last Trading Day added by the preferred equity (if any), debt and minority interest value of the respective companies, and then subtracted by the cash and cash equivalents as at 30 June 2022 as referenced from their interim reports for the six months ended 30 June 2022.
- (3) the EV/Revenue is calculated based on the enterprise value divided by the revenue of the relevant companies for the trailing 12 months ended 30 June 2022 as referenced from their annual reports for the year ended 31 December 2021 and interim reports for the six months ended 30 June 2022.
- (4) the P/Revenue and EV/Revenue of the Company are calculated based on the Offer Price of HK\$20.

Based on the aforementioned criteria, we have identified a total of 4 Comparable Companies. As shown above, the P/Revenue of the Comparable Companies ranged from 8.2 times to 27.8 times with an average of 18.9 times. The EV/Revenue ranged from 7.3 times to 18.8 times with an average of 13.4 times. The Company's P/Revenue of 16.5 times and EV/Revenue of 13.4 times as represented by the Offer Price are higher than two Comparable Companies' but lower than the other two.

*Comments*

4 Comparable Companies which have been identified are considered to engage in similar business segment as the Company despite their operations, size, and prospects being not exactly the same as those of the Company. Given that (i) biotech companies spend considerable investment in R&D and could be loss making at early stage of their business, as is the case for the Company; and (ii) their investment in R&D can only be capitalised when they can demonstrate the technical feasibility and commercial feasibility and therefore a significant portion or even all of which are expensed during the reporting periods, P/Revenue and EV/Revenue, as most commonly used valuation multiples in this sector, are considered more appropriate valuation tool as compared to price-to-earnings ratio or the price-to-book ratio. It is noted that the Company's P/Revenue and EV/Revenue as implied by the Offer Price are within the range of the Comparable Companies and are higher than two Comparable Companies' but lower than the other two. As the results of the peers analysis are not very useful, we tend to place more weight on the analysis of Share price performance and trading liquidity in section 4 above.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### (b) *Partial cash offer precedents*

We have also compared the Partial Offer with other partial cash offer precedents in Hong Kong identified from the website of the Stock Exchange. Given the Partial Offer, if success, will be a takeover situation, we have identified all the successful partial cash offer proposals with (i) the shareholding held by the offeror increased from 0% to over 50% upon completion, which is similar to the Partial Offer; and (ii) valid acceptances received over the required partial offer percentage in the past 10 years involving Hong Kong listed companies (the “**Precedents**”). There were only a few takeovers by way of partial offer in the past and none of the concerned listed companies were engaged in the similar business as the Company’s. However, the comparison of the offer price with the prevailing market prices, in our view, is the key factor that the shareholders would consider before deciding whether they should accept the offer or not, therefore it is considered the Precedents in the past 10 years would be appropriate and meaningful for analysis purpose. A summary of the Precedents based on our research on the website of the Stock Exchange in accordance with the above criteria (which are exhaustive, and are thus considered to be fair and representative samples) are set out in the table below:

**TABLE 9: PRECEDENTS**

Announcement date	Company name	Sector	Premium over the average share price prior to partial offer proposal <sup>(1)</sup>				Premium over/ (discount) to the consolidated NAV per share <sup>(1)</sup>	Shareholding of the offeror in the company	
			Last trading day	5- trading days	10- trading days	30- trading days		Before the offer	After the offer if it is successful
7 August 2013	Chong Hing Bank Limited (stock code: 1111) (“ <b>Chong Hing Bank</b> ”)	Provision of banking and financial related services	99.0% <sup>(2)</sup>	97.5% <sup>(2)</sup>	101.9% <sup>(2)</sup>	111.8% <sup>(2)</sup>	183.2% <sup>(2)</sup>	0.0%	75.0%
15 September 2015	Baoxin Auto Group Limited (stock code: 1293)	Sale and service of automobiles	132.2%	145.9%	146.2%	94.4%	155.7%	0.0%	75.0%
9 April 2018	AAG Energy Holdings Limited (stock code: 2686)	Coal-bed methane exploration and development	15.1%	26.8%	28.7%	30.6%	(2.8)%	0.0%	50.5%
9 February 2021	Kerry Logistics Network Limited (stock code: 636) (“ <b>Kerry Logistics</b> ”)	Integrated logistics, international freight forwarding and supply chain solution	16.3% <sup>(2)</sup>	65.1% <sup>(2)</sup>	85.0% <sup>(2)</sup>	99.8% <sup>(2)</sup>	57.5% <sup>(2)</sup>	0.0%	51.5%
		<b>Highest</b>	132.2%	145.9%	146.2%	111.8%	183.2%		
		<b>Lowest</b>	15.1%	26.8%	28.7%	30.6%	(2.8)%		
		<b>Average</b>	65.7%	83.8%	90.4%	84.2%	98.4%		
	<b>The Company</b>		31.6%	39.4%	58.3%	99.4%	356.9%	0.0%	65%

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

1. The premiums or discounts are quoted from their respective partial offer document and rounded to one decimal place.
2. The premiums represented by the partial offer price over the average share prices or NAV per share which involve Chong Hing Bank and Kerry Logistics are computed after having deducted a special dividend in connection with the partial offer from the average share prices or NAV per share.

The premiums of the Precedents represented by the offer price over their respective share closing price on the last trading day, 5-, 10- and 30-trading day average share price (up to and including the last trading day) ranged from 15.1% - 132.2%, 26.8% - 145.9%, 28.7% - 146.2% and 30.6% - 111.8% with averages of 65.7%, 83.8%, 90.4% and 84.2%, respectively. The premiums represented by the Offer Price over the Last Trading Day, 5-, 10- and 30- trading day average Share prices (up to and including the Last Trading Day) are 31.6%, 39.4%, 58.3% and 99.4%, respectively, all within the ranges of, and those for the last trading day, 5- and 10-trading day average Share price (up to and including the Last Trading Day) are lower than, but that for 30- trading day average Share price (up to and including the Last Trading Day) is higher than, the average of those of the Precedents.

The Offer Price represents a premium over the NAV per Share of 356.9%, well above the range of the premiums or discount of the Precedents represented by the offer price over/to their respective NAV per share.

*Comments*

The premium over the prevailing share prices as represented by the offer price is a factor common to all the precedents and in our opinion is generally the key consideration for shareholders in such proposals. We have identified four Precedents where the shareholding held by the offeror increased from 0% to a statutory controlling position (i.e. over 50%) following the close of the offer, which is similar to the Partial Offer. We noted that the premiums represented by the Offer Price over the Last Trading Day, 5-, 10- and 30-trading day average Share price (up to and including the Last Trading Day) are within the ranges of those of the Precedents with those for the Last Trading Day, 5- and 10- trading day average Share price (up to and including the Last Trading Day) lower than, but that for the 30-trading day average Share price (up to and including the Last Trading Day) higher than, the average of those of the Precedents. Considering that the Shares have traded below the Offer Price as well as its IPO price since its listing and closed below HK\$10.00 in 180 out of a total of 233 trading days since the beginning of 2022 up to the Last Trading Day, we are of the view that the Partial Offer may provide an opportunity for Qualifying Shareholders who wish to exit part of their investment in the Company at a price higher than the recent prevailing market price.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### DISCUSSION

The Partial Offer of HK\$20.00 in cash per Share is made for a maximum of 203,702,962 Shares (representing 65% of those in issue as at the date of the Joint Announcement). There had been only a few partial offers made for Hong Kong listed companies for the purpose of obtaining their control. The main reason for such arrangement, in this case, is to assist the Offeror in maintaining the listing status of the Company. However, if there are heavy acceptances of the Partial Offer, there may be some initial difficulty in maintaining sufficient public float and temporary suspension of trading in the Shares may occur. This has been mitigated by the Irrevocable Undertaking given by certain IU Shareholders, where, in particular, the existing controlling Shareholder, through CMI and CIW, has agreed and undertaken to place down and/or dispose of its shareholding to below 10% so that its shareholding in the Company will be accounted for as public float.

The Partial Offer is conditional on, amongst others, approval being obtained and acceptances being received in respect of at least 156,725,925 Shares (i.e. just over 50% of the number of Shares in issue as at the Latest Practicable Date). This should be achieved as the IU Shareholders have already undertaken to accept and approve the Partial Offer in respect of more than this minimum number of Shares to satisfy the requirements under Rule 28.5 of the Takeovers Code.

One consequence of the Partial Offer is that if acceptances are received for over 203,702,962 Shares, acceptances will be scaled down pro rata, so the Shareholders accepting the Partial Offer will nonetheless retain some Shares. Their remaining holdings will most probably include an odd lot (the board lot of Shares is 1,000). Odd lots are generally less marketable than whole board lots and realisable at a lesser market value. With this in mind, Computershare Hong Kong Investor Services Limited has been appointed to match sales and purchases of odd lot holdings on a best effort basis for a period of six weeks after the close of the Partial Offer. The matching of odd lots is not guaranteed. It is stated in section headed "Expected timetable" of the Composite Document that the First Closing Date of the Partial Offer is 26 January 2023. Pursuant to the Irrevocable Undertakings, the Partial Offer will be approved and accepted by the IU Shareholders in respect of all Relevant Shares (other than the CPE Excluded Shares) on or prior to the First Closing Date. It is therefore expected that the Partial Offer will become unconditional on or prior to the First Closing Date. Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on the First Closing Date, then the Final Closing Date would be 35 days after the despatch date of the Composite Document.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Offer Price is higher than the closing Share price, which ranged from HK\$4.70 on 15 March 2022 to HK\$18.86 on 25 August 2021 since its listing but is lower than its IPO price, which is HK\$23.80. The Group has spent significant efforts in registration and commercialisation of its products in PRC and overseas markets. The Company issued some voluntary announcements from time to time to update its product development but the Share price did not quite react to them. Before the publication of the Joint Announcement, the Shares closed lower than HK\$10.00 in 180 out of a total of 233 trading days from 1 January 2022 to the Last Trading Day. The Offer Price represents premiums of 31.6% - 325.5% over the closing Share price during such period. Both the Share price and the HSI were on the uptrend before the issue of the Joint Announcement but the Share closing price outperformed the HSI. After the Joint Announcement, the Share price diverged somewhat from the HSI trend and has hovered at HK\$17.08 - HK\$17.62 which might be supported by the Offer Price of HK\$20.00. The Partial Offer, if it becomes unconditional, represents an attractive opportunity for the Shareholders to exit partially.

The Company reported net losses since its listing until the period for the six months ended 30 June 2022. The Group reported a net profit of RMB31.1 million in the first half of 2022, due to (i) the increased contribution from its two core products; (ii) the first full year contribution from its venous intervention and vascular access product; and (iii) the absence of IPO listing expenses. The Group is debt-free with 87% of its NAV attributable to cash and cash equivalents as at 30 June 2022. The Group is asset-light on its balance sheet as all the R&D costs are expensed when incurred so far. The Offer Price represents a premium of 356.9% over the Group's NAV per Share as at 30 June 2022.

We have compared the premiums of 31.6%-99.4% represented by the Offer Price with the Precedents. The companies involved are in differing industries and have different financial characteristics but we consider some useful comparisons can be made on the structure of the Partial Offer and the premium involved. All four Precedents are takeovers situation where the offerors would obtain statutory control over the listed companies upon close of the offers. The premiums represented by the Offer Price are all within the range of those of the Precedents with the premium over the Last Trading Day, 5- and 10- trading day average Share price lower than, but the 30-trading day average Share price higher than, the average of those of the Precedents.

4 Comparable Companies which have been identified are considered to engage similar business as the Company and have a market capitalisation close to that of the Company. Given that biotech companies are capital intensive and stringent on capitalisation of their investment, the P/Revenue and EV/Revenue have been adopted to assess the Offer Price. The Company's P/Revenue and EV/Revenue as implied by the Offer Price are within the ranges of the Comparable Companies and are higher than two Comparable Companies' but lower than the other two. The results of the peers analysis are not very useful and we therefore place more weight on the analysis of Share price performance since its listing.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Both the Offeror and the Group are engaged in medical device businesses. A key rationale for the Partial Offer is to create synergistic value for both the Offeror and the Company. It is expected that the collaboration between the Offeror and the Group might lie from commercialisation of their products in PRC as well as overseas markets to carrying out manufacturing and R&D activities within the Group's facilities to identify potential product development. However, no detailed plan for their collaboration has been disclosed and therefore it would be difficult to assess the benefits, if any, brought about by the change in control and the profitability of the Group in the future. Because this is a partial offer, accepting Shareholders may retain some of their shareholdings to enjoy the possible synergistic benefits brought about by the collaboration between the Offeror and the Group.

The Offeror must make a further announcement if the Partial Offer does become unconditional, in which case it must be kept open for a further 14 days (but cannot be kept open to a day beyond the 14th day after the First Closing Date in accordance with Rule 28.4 of the Takeovers Code). Qualifying Shareholders who are interested in the Partial Offer are advised to read the timetable carefully as set out in the Composite Document and the relevant announcements to be issued jointly by the Offeror and the Company.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors set out in this letter and summarised in the section headed "Discussion" above, in particular, (i) the Offer Price is higher than the closing Share price since its listing despite it is lower than its IPO price; (ii) the Shares closed lower than HK\$10.00 in 180 out of a total of 233 trading days from 1 January 2022 to the Last Trading Day; (iii) the Offer Price represents premiums of 31.6% - 325.5% over the closing Share price from 1 January 2022 to the Last Trading Day; and (iv) given the Shares closed at HK\$17.08 - HK\$17.62 following the Last Trading Day and up to and including the Latest Practicable Date which might be supported by the Partial Offer of HK\$20.00, it is uncertain as to whether the Share price will continue at current level after the closing of the Partial Offer, we consider that the terms of the Partial Offer (including the Offer Price) are fair and reasonable so far as the independent Shareholders are concerned and accordingly we advise the Independent Board Committee to recommend the Qualifying Shareholders to accept the Partial Offer.

Those Qualifying Shareholders who, after considering the information on the Offeror and the future intentions of the Offeror regarding the Group, are attracted by the future prospects of the Group following the Partial Offer, in particular, synergy potential and growth opportunities arising from the future collaboration between the Offeror and the Group as discussed in the section 1.(iii) above, may consider retaining their Shares or tendering less than all their Shares under the Partial Offer. If acceptances are received in respect of more than 203,702,962 Shares, not all Shares tendered will be taken up under the Partial Offer, so Qualifying Shareholders will continue to hold some Shares in any event, unless they sell in the market.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Some Shareholders, particularly those holding a small number of board lots, who are concerned about the drawbacks of being left with an odd lot, may consider selling their Shares in the market before the close of the Partial Offer to achieve a complete sale if the proceeds from such sale will exceed the aggregate of the consideration receivable from the acceptance of the Partial Offer and the value of the remaining Shares. The procedures for acceptance of the Partial Offer, which is somewhat unusual in Hong Kong, are set out in Appendix I to the Composite Document and the accompanying Form of Approval and Acceptance. Qualifying Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and the Company carefully and act accordingly if they wish to accept the Partial Offer.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Jenny Leung**  
*Director*

*Ms. Jenny Leung is a licensed person registered with the SFC and as a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

**1. PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER**

To accept the Partial Offer, you should complete and sign the accompanying Form of Approval and Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Partial Offer.

- 1.1 If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) in respect of the Shares is/are in the name of the Qualifying Shareholder(s), and he/she/it wishes to accept the Partial Offer whether in full or in respect of part of his/her/its holding of the Shares, he/she/it should complete and return the accompanying Form of Approval and Acceptance in accordance with the instructions printed in this Composite Document and on the Form of Approval and Acceptance. The instructions in this Composite Document should be read together with the instructions on the Form of Approval and Acceptance (which instructions form part of the terms of the Partial Offer).
- 1.2 In order to be valid, the completed Form of Approval and Acceptance should be forwarded, together with the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for not less than the number of Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Partial Offer, by post or by hand to the Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in an envelope marked "Acotec Scientific Holdings Limited — Partial Offer" as soon as possible after receipt of the Form of Approval and Acceptance but in any event so as to reach the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.
- 1.3 Unless the Partial Offer is extended or revised in accordance with the Takeovers Code, no Form of Approval and Acceptance received after the Final Closing Date will be accepted.
- 1.4 If the Form of Approval and Acceptance is executed by a person other than the registered holder, appropriate documentary evidence of authority (e.g, a grant of probate or certified copy of a power of attorney) to the satisfaction of the Share Registrar must be delivered to the Share Registrar with the completed Form of Approval and Acceptance.
- 1.5 Only one Form of Approval and Acceptance will be accepted from each Qualifying Shareholder by the Share Registrar.

- 1.6 No acknowledgement of receipt of any Form of Approval and Acceptance, Share certificate(s), transfer receipt(s) or other document(s) of title (and/or any indemnity or indemnities in respect thereof) (if applicable) will be given.
- 1.7 In relation to any acceptance(s) of the Partial Offer in respect of Shares held in CCASS, the Company reserves the right to make such alterations, additions or modifications to the terms of the Partial Offer as may be necessary or desirable to give effect to any purported acceptance of the Partial Offer, whether to comply with the facilities or requirements of CCASS or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeovers Code and any applicable laws and regulations or are otherwise made with the Executive's consent.

## 2. Acceptance of the Partial Offer

- 2.1 Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for 203,702,962 Shares or fewer Shares, all Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 203,702,962 Shares, the total number of Shares to be taken up by the Offeror from each Qualifying Shareholder will be determined in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 203,702,962 Shares (being the maximum number of Shares for which the Partial Offer is made)

B = the total number of Shares tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

## 3. Partial nature of the Partial Offer and effect of fractions

- 3.1 It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror and in any event, the total number of Shares to be taken up by the Offeror will not exceed the maximum number of 203,702,962 Shares under the Partial Offer.

**4. Nominee holdings**

- 4.1 If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of a Qualifying Shareholder's Share(s) is/are in the name of a nominee company or some name other than his/her/its own, and such Qualifying Shareholder wishes to accept the Partial Offer (either in full or in respect of part of his/her/its holding(s) of Shares), he/she/it must either:
- (a) lodge the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) with the nominee company, or other nominee, with instructions authorising it to accept the Partial Offer on his/her/its behalf and requesting it to deliver the Form of Approval and Acceptance duly completed and signed together with the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Share Registrar, within such deadline (which may be earlier than the deadline specified under the Partial Offer) as may be stipulated by the nominee; or
  - (b) arrange for the Shares to be registered in his/her/its name by the Company through the Share Registrar, and send the Form of Approval and Acceptance duly completed and signed together with the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Share Registrar before 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve; or
  - (c) where his/her/its Shares have been deposited in CCASS via his/her/its licensed securities dealer/broker/custodian bank, instruct his/her/its licensed securities dealer/broker/custodian bank to authorise HKSCC Nominees Limited to accept the Partial Offer on his/her/its behalf on or prior to the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, that Qualifying Shareholder should check with his/her/its licensed securities dealer/broker/custodian bank for the timing on processing his/her/its instruction, and submit such instruction to his/her/its licensed securities dealer/broker/custodian bank as required by them; or

- (d) if the Shares have been lodged with his/her/its investor participant account with CCASS, authorise his/her/its instruction via the CCASS phone system or CCASS internet system no later than one business day before the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited.

- 4.2 Qualifying Shareholders with a nominee holding of Shares should ensure that they undertake the above applicable course of action promptly to allow their nominee(s) sufficient time to complete the acceptance procedure on his/her/its behalf before the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

## **5. Timing of acceptances under the Partial Offer**

- 5.1 Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or prior to 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date, being 21 days after the Despatch Date. If the Partial Offer is declared unconditional in all respects later than the seventh day after the Despatch Date, then the Final Closing Date would be at least 14 days after the date of such declaration. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

## **6. Recent transfers**

- 6.1 If a Qualifying Shareholder has lodged transfer(s) of Shares for registration in his/her/its name and has not yet received the Share certificate(s) and wishes to accept the Partial Offer, he/she/it should nevertheless complete and sign the Form of Approval and Acceptance and deliver it to the Share Registrar together with the transfer receipt(s) duly signed by him/her/it. Such action will be deemed to be an irrevocable authority to the Offeror and/or Citi and/or any of their respective agent(s) or such other person(s) as any of them may direct for the purpose of collecting from the Company or the Share Registrar on his/her/its behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s), subject to the terms of the Partial Offer, as if it was/they were delivered to the Share Registrar with the Form of Approval and Acceptance.



**7. Lost or unavailable share certificates**

- 7.1 If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost and a Qualifying Shareholder wishes to accept the Partial Offer, the Form of Approval and Acceptance should nevertheless be completed, signed and delivered, together with a letter stating that he/she/it has lost one or more of his/her/its Share certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily available, to the Share Registrar so as to reach the Share Registrar no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve. If the Qualifying Shareholder finds such document(s) or if it/they become available, the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) should be forwarded to the Share Registrar as soon as possible thereafter and in any event no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.
- 7.2 In addition, if a Qualifying Shareholder has lost his/her/its Share certificate(s), transfer receipt(s) and/or any other document(s) of title, he/she/it should also write to the Share Registrar and request a letter of indemnity in respect of the lost Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as the case may be) which, when completed in accordance with the instructions given, should be returned, together with the Form of Approval and Acceptance and any Share certificate(s), transfer receipt(s) and/or any other document(s) of title which are available, to the Share Registrar either by post or by hand, so as to arrive not later than 4:00 p.m. (Hong Kong time) on the Final Closing Date or such later time and/or date as the Offeror may decide and announce and the Executive may approve. In such cases, the Qualifying Shareholder will be informed of the fees and/or expenses payable to the Share Registrar for which he/she/it will be responsible. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the Share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

**8. Additional Form of Approval and Acceptance**

- 8.1 If a Qualifying Shareholder has lost the accompanying Form of Approval and Acceptance or such original has become unusable, and requires a replacement of such form, he/she/it should write to the Share Registrar or visit the Share Registrar at its office and request an additional Form of Approval and Acceptance for completion by such Qualifying Shareholder. Alternatively, he/she/it could download it from the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) or the website of the Company at [www.acotec.cn](http://www.acotec.cn).

**9. Settlement**

- 9.1 Provided that the Partial Offer becomes or is declared unconditional in all respects and a duly completed Form of Approval and Acceptance and the relevant documents required to tender the relevant acceptance under the Partial Offer are received by the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve, and are in good order in all respects and in accordance with the Takeovers Code, the Share Registrar will send to the relevant accepting Shareholder by ordinary post, at his/her/its own risk, (a) a remittance for the amount due to him/her/it under the Partial Offer (taking into account any scaling down of his/her/its acceptance, seller's ad valorem stamp duty payable by the relevant accepting Shareholder and, if applicable, the fees payable to the Share Registrar in respect of lost or unavailable Share certificates); and (b) (if applicable) any Share certificate(s) and/or any transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) for Shares not taken up by the Offeror, in each case, as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the Final Closing Date.
- 9.2 Settlement of the consideration to which any accepting Shareholder is entitled under the Partial Offer will be implemented in full in accordance with the terms of the Partial Offer (save with respect to payment of seller's ad valorem stamp duty as set out in paragraph above) without regard to any lien, right of set-off, counterclaim, or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.
- 9.3 No fractions of a cent will be payable and the amount of cash consideration payable to an accepting Shareholder will be rounded up to the nearest cent.
- 9.4 Cheque(s) not presented for payment within six months from the date of issue of the cheque will not be honoured and be of no further effect, and in such circumstances, cheque holder(s) should contact the Offeror for payment.

9.5 If the Partial Offer does not become unconditional in all respects, the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities in respect thereof) (as the case may be) will be returned and/or sent to each accepting Shareholder (by ordinary post at his/her/its own risk) as soon as possible but in any event within 10 days following the lapse of the Partial Offer. Where such accepting Shareholder has sent one or more transfer receipt(s) and in the meantime one or more Share certificate(s) have been collected on that accepting Shareholder's behalf in respect thereof, that accepting Shareholder will be sent (by ordinary post at his/her/its own risk) such Share certificate(s) in lieu of the transfer receipt(s).

#### **10. New shareholders**

10.1 Any new Shareholder may collect a copy of this Composite Document, together with a blank Form of Approval and Acceptance from the Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong during the period from the date of this Composite Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays). Such Shareholder may also contact the Share Registrar (through the enquiry general telephone line at +852 2862 8555) and request a copy of this Composite Document and a blank Form of Approval and Acceptance (as appropriate) to be sent to his/her/its registered address as recorded in the Register.

#### **11. Effect of accepting the Partial Offer**

Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Partial Offer are free from all encumbrances and sold together with all rights and benefits attaching to them as at the Final Closing Date, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared, or agreed to be made or paid thereon or in respect thereof on or after the Final Closing Date. As at the Latest Practicable Date, the Company (i) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and (ii) does not intend to announce, declare, make or pay any dividend, distribution or return of capital during the Offer Period in respect of the Partial Offer.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

### *11.1 Irrevocable acceptances*

That the Form of Approval and Acceptance which has been duly completed and received by the Share Registrar will constitute irrevocable acceptance of the Partial Offer in respect of the number of the Shares inserted in Box A of the Form of Approval and Acceptance and subject to the terms and conditions set out in this Composite Document, except in the circumstances that the Executive requires that such accepting Shareholder is granted a right to withdraw in accordance with Rule 19.2 of the Takeovers Code.

Rule 19.2 of the Takeovers Code relates to failure to announce the results of the Partial Offer as set out in the section headed “Announcements” in this Appendix and provides that the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements of Rule 19 of the Takeovers Code can be met.

If acceptance of the Partial Offer is withdrawn by the accepting Shareholders with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event within 10 days thereof, return the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of such number of Shares lodged with the Form of Approval and Acceptance to the relevant accepting Shareholder(s) by ordinary post.

### *11.2 Representations and warranties*

- (a) That if he/she/it is a resident or a citizen of a jurisdiction outside Hong Kong, he/she/it hereby represents and warrants that (i) all local laws and requirements in connection with such acceptance have been complied with and (ii) the Partial Offer can be accepted by such Qualifying Shareholder under the laws and regulations of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Qualifying Shareholders should consult their professional advisers if in doubt.
- (b) That acceptance of the Partial Offer by any persons will be deemed to constitute a warranty by such persons to the Offeror and Citi that he/she/it has full power and authority to tender, sell, assign and transfer all the Shares (together with all rights accruing or attaching thereto) specified in such Form of Approval and Acceptance under the Partial Offer and that the Shares acquired under the Partial Offer are fully paid and sold by any such persons free from all liens, charges, options, claims, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights and benefits accruing and attaching thereto as at or after the Final Closing Date including all rights to any dividend or other distributions declared,

made or paid on or after the Final Closing Date. As at the Latest Practicable Date, the Company (i) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and (ii) does not intend to announce, declare, make or pay any dividend, distribution or return of capital during the Offer Period (as defined under the Takeovers Code) in respect of the Partial Offer.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

### *11.3 Appointment and authority*

That due execution of the Form of Approval and Acceptance constitutes: an irrevocable instruction to any director or officer of the Offeror or Citi, or such other person as any of them may direct to complete and execute the Form of Approval and Acceptance and/or any other document on behalf of the person accepting the Partial Offer and to do any other acts or things (such as, among others, due execution of instruments of transfer to effect transfers of Shares accepted by the Offeror pursuant to the Partial Offer to the Offeror and to tender the relevant Share certificate(s) for cancellation) as may be necessary, expedient or desirable for the purpose of the Offeror to acquire some or all of the Shares (as the Offeror may in its absolute discretion determine in accordance with the formula as set out in the section headed "Other terms of the Partial Offer" in the Letter from Citi in this Composite Document in respect of which such person has accepted the Partial Offer).

### *11.4 Undertakings*

That by executing the Form of Approval and Acceptance, he/she/it:

- (a) undertakes to deliver to the Share Registrar the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of the Shares for which the Partial Offer is accepted, or an indemnity or indemnities acceptable to the Offeror in lieu thereof, or to procure the delivery of such document(s) to the Share Registrar as soon as possible thereafter and, in any event, no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve;
- (b) undertakes to do all such acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to his/her/its acceptance of the Partial Offer, including, without limitation, to acquire any Shares in respect of which he/she/it has accepted the Partial Offer free from all liens, charges, options, claims, equities, adverse interests, third parties rights or encumbrances

whatsoever and together with all rights and benefits accruing and attaching thereto as at or after the Final Closing Date including all rights to any dividend or other distributions declared, made or paid on or after the Final Closing Date and/or to perfect any of the authorities expressed to be given hereunder.

### 11.5 *General*

That:

- (a) The provisions of the Form of Approval and Acceptance and the other terms and conditions in this Composite Document are deemed to be incorporated into the terms and conditions of the Partial Offer.
- (b) The Offeror or such other person as the Offeror may direct is authorised to despatch by post the consideration to which the Qualifying Shareholder is entitled at his/her/its risk to the address of the registered Shareholder or the first-named of joint registered Shareholders on the Register or, if different, to the name and address of the person as specified on the Form of Approval and Acceptance.
- (c) In making their decisions, the Qualifying Shareholders must rely on their own examination of the Group and the terms of the Partial Offer including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Approval and Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Citi or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice in relation to their decisions.
- (d) The Qualifying Shareholders may accept the Partial Offer by completing the Form of Approval and Acceptance in accordance with the instructions set out in the Form of Approval and Acceptance (which constitute part of the terms of the Partial Offer). A Form of Approval and Acceptance may be rejected as invalid if the procedures contained in this Composite Document and in the Form of Approval and Acceptance are not complied with.
- (e) The Partial Offer and all acceptances of it, the Form of Approval and Acceptance and all contracts made pursuant to the Partial Offer, and all action taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with Hong Kong laws. Delivery of a Form of Approval and Acceptance will constitute submission to the non-exclusive jurisdiction of the Hong Kong courts.

- (f) The accidental omission to despatch, or the failure of any person to receive this Composite Document or the Form of Approval and Acceptance will not invalidate any aspect of the Partial Offer. Extra prints of these documents are available to any Qualifying Shareholder at the office of the Share Registrar during the period from the date of this Composite Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays), and on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and Company's website at [www.acotec.cn](http://www.acotec.cn).
- (g) The Offeror reserves the right, subject to the Takeovers Code, any applicable law or regulatory requirements and the requirements of the Executive, to amend the Offer Price or other terms of the Partial Offer. In the event of such amendment, a supplemental document and new Form of Approval and Acceptance will be despatched to the Qualifying Shareholders. Any revised Partial Offer will be kept open for at least 14 days following the date on which the revised offer document is posted. If in the course of the Partial Offer, the Offeror revises the terms of the Partial Offer, all Qualifying Shareholders, whether they have accepted the Partial Offer or not, will be entitled to the revised terms.
- (h) The right of acceptance of the Partial Offer is personal to the Qualifying Shareholders and is not capable of being assigned or renounced in favour of others or otherwise transferred by the Qualifying Shareholders.
- (i) Subject to (i) the terms of the Partial Offer as set out in this Composite Document; (ii) the provisions of the Takeovers Code; and (iii) any requirements of the Executive, the Offeror shall determine the calculation of the number of Shares to be taken up by the Offeror from each accepting Shareholder, the Offer Price to be paid therefor, whether an acceptance tendered fully complies with the terms of the Partial Offer and all other questions as to the validity, form and eligibility (including the time of receipt) of an acceptance (provided that this is determined consistently with the requirement of the Takeovers Code or otherwise with the Executive's consent). In the absence of manifest error, such a determination by the Offeror shall be conclusive.
- (j) All communications, notices, the Form of Approval and Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any indemnity or indemnities in respect thereof) and remittances to be delivered or sent by, to or from any Shareholders will be delivered or sent by, to and from them, or their designated agents, at their own risks and none of the Offeror, the Company, Citi, Somerley Capital Limited, the Share Registrar or any of their respective directors or professional advisers or any other person involved in the Partial Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

## 12. Overseas Qualifying Shareholders

This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.

Based on the register of members of the Company as at the Latest Practicable Date, there are 2 overseas Qualifying Shareholders holding 6,272,065 Shares, in aggregate, (representing approximately 2% of the total issued share capital of the Company as at the Latest Practicable Date) with registered addresses in Germany and Switzerland, which are jurisdictions outside Hong Kong. The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Qualifying Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Qualifying Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Qualifying Shareholders in respect of such jurisdictions).

**Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Qualifying Shareholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders should consult their professional advisers if in doubt.**

## 13. Hong Kong stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.13% of (i) the market value of the Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).



**14. Taxation**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Partial Offer. It is emphasized that none of the Offeror, the Company and their ultimate beneficial owners and parties acting in concert with any of them, Citi, the Share Registrar or any of their respective directors or professional advisers or any persons involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Partial Offer.

**15. Announcements**

The announcement of the results of the Partial Offer will be jointly issued by the Offeror and the Company and posted on the website of the Stock Exchange by 7:00 p.m. on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which each accepting Shareholder's pro-rata entitlement was determined.

In any announcement of an extension of the Partial Offer, either the next closing date must be stated or, if the Partial Offer is unconditional in all respects, a statement may be made that the Partial Offer will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code. Pursuant to Rule 28.4 of the Takeovers Code, the Offeror cannot extend the Final Closing Date to a date beyond the 14th day after the First Closing Date. If the Partial Offer becomes or is declared unconditional in all respects by no later than the date falling 7 days following the Despatch Date, the Offeror shall be entitled to make an announcement to the effect that the Partial Offer will close for acceptance on the date falling 21 days following the Despatch Date.

The results announcements shall specify the total number of Shares:

- (a) for which acceptances of the Partial Offer have been received;
- (b) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and
- (c) acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it.

The results announcements must include the details of the way in which each of the accepting Shareholder's pro-rata entitlement was/is to be determined in compliance with Note 7 to Rule 19 of the Takeovers Code.

The results announcements must include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The results announcements shall include the percentages of the relevant classes of share capital of the Company, and the percentages of voting rights, represented by these numbers.

If the Offeror, any parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Partial Offer in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, will be published on the websites of the Stock Exchange and the Company.

## **16. Interpretation**

A reference in this Composite Document to a Qualifying Shareholder includes a reference to a person(s) who, by reason of an acquisition or transfer of Shares, is entitled to execute a Form of Approval and Acceptance and in the event of more than one person executing a Form of Approval and Acceptance, the provisions of this Composite Document apply to them jointly and severally.

A reference in this Composite Document and the Form of Approval and Acceptance shall include any extension and/or revision thereof.

A reference in this Composite Document and the Form of Approval and Acceptance to the masculine gender includes the feminine and neuter genders, and a reference to the singular includes the plural, and vice versa.

## I. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated results of the Group for each of the three financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 as well as the unaudited consolidated financial information of the Group for the six months ended 30 June 2022. The figures for each of the three financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 are extracted from the audited consolidated financial statements of the Group for 2021, 2020 and 2019, respectively. The auditor's reports prepared by Deloitte Touche Tohmatsu in respect of the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2019, 2020 and 2021 did not contain any qualification.

**Summary of consolidated income statement and consolidated statement of comprehensive income**

	<b>Six months ended 30 June 2022</b>	<b>Year ended 31 December</b>		
	<i>RMB'000</i>	<b>2021</b> <i>RMB'000</i>	<b>2020</b> <i>RMB'000</i>	<b>2019</b> <i>RMB'000</i>
Revenue	175,322	303,813	193,975	124,910
Profit (Loss) before taxation	31,290	(67,243)	(31,447)	26,708
Income tax expense	(194)	(11,834)	(12,845)	(3,603)
Profit (Loss) and total comprehensive income (expense) for the year	31,096	(79,077)	(44,292)	23,105
Profit (Loss) and total comprehensive income (expense) attributable to:				
– owners of the company	31,096	(79,077)	(43,842)	23,105
– non-controlling interests	–	–	(450)	–
Earning (Loss) per share				
– Basic (RMB Yuan)	0.10	(0.32)	(0.24)	0.14
– Diluted (RMB Yuan)	0.10	(0.32)	(0.24)	0.14
Dividends to owners	–	–	–	–

There was no item which was exceptional because of its size, nature or incidence that was recorded in the audited consolidated financial statements of the Group for each of the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019.

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial results of the Group for each of the three years ended 31 December 2021, 31 December 2020 and 31 December 2019.

## II. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”), (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”), (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”), (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”), together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The auditors’ reports issued by the auditors of the Group, Deloitte Touche Tohmatsu, in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2019, 31 December 2020 and 31 December 2021 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

The 2019 Financial Statements and the 2020 Financial Statements are set out on pages I-1 to I-72 in the prospectus of the Company dated 12 August 2021 (the “**Prospectus**”). The Prospectus was posted on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.acotec.cn](http://www.acotec.cn)), and is accessible via the following website addresses:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0812/2021081200017.pdf>

The 2021 Financial Statements are set out on pages 91 to 168 in the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”). The 2021 Annual Report was posted on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.acotec.cn](http://www.acotec.cn)), and is accessible via the following website addresses:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042200158.pdf>

The 2022 Interim Financial Statements are set out on pages 27 to 49 in the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”). The 2022 Interim Report was posted on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.acotec.cn](http://www.acotec.cn)), and is accessible via the following website addresses:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0926/2022092600567.pdf>

The 2019 Financial Statements, the 2020 Financial Statements, the 2021 Financial Statements and the 2022 Interim Financial Statements (but not any other part of the Prospectus and 2021 Annual Report) are incorporated by reference into this Composite Document and form part of this Composite Document.

### III. INDEBTEDNESS STATEMENT

At the close of business on 30 November 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had the following indebtedness:

#### **Bank Loans and Bank Overdrafts**

As at the close of business on 30 November 2022, the Group had no bank loans and bank overdrafts.

#### **Loan from Non-Controlling Interests**

As at the close of business on 30 November 2022, the Group had no loan from non-controlling interests.

#### **Pledge of Assets**

As at the close of business on 30 November 2022, the Group had no pledge of assets.

#### **Lease Liabilities**

As at the close of business on 30 November 2022, the Group had lease liabilities of approximately RMB35,094, of which approximately RMB9,628 were due within one year and approximately RMB25,466 were due after one year.

#### **Contingent Liabilities and Guarantees**

As at the close of business on 30 November 2022, the Group had no material contingent liabilities and guarantees.

Save as set out above and apart from intra-group liabilities and guarantees, the Group did not have material outstanding indebtedness in respect of mortgages, charges, debentures or loan capital, bank overdrafts, loans, debt securities or other similar indebtedness or acceptance credits (other than trade bills in the ordinary and usual course of the business) or hire purchase commitments or any guarantees or other material contingent liabilities at the close of business on 30 November 2022.

**IV. MATERIAL CHANGE**

The Directors confirm that, save that the Company reported consolidated profit attributable to equity holders of the Company of RMB31.1 million for the six months ended 30 June 2022 as a result of (i) the increase in revenue and other net income; and (ii) the Group no longer incurring any listing expenses after its initial public offering, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2021, being the date to which the latest audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

I. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated results (other than those stated as unaudited) of the Offeror Group for each of the three financial years ended 31 December 2021, 31 December 2020 and 31 December 2019. The figures for the three financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 are extracted from the audited consolidated financial statements of the Offeror Group for 2021, 2020 and 2019, respectively.

The auditors of the Offeror, Ernst & Young, did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion, disclaimer of opinion or material uncertainty related to going concern) on the respective audited consolidated financial statements and unaudited financial statements of the Offeror Group.

	Note	Year ended 31 December		
		2021 US\$'000	2020 US\$'000	2019 US\$'000
Turnover – continuing operations	2	22,959	22,771	23,064
Administrative expenses		(1,873)	(56,235)	(26,440)
Operating profit/(loss)		21,086	(33,464)	(3,376)
Interest payable and similar charges	3	(206,335)	(227,122)	(203,482)
Interest receivable and similar income	4	13,893	198,179	37,448
Income from shares in group undertakings	5	600,000	700,461	37,421,099
Other income	6	10,276	–	2,962,833
Other expenses	7	(17,022)	(966,278)	–
Profit/(loss) on ordinary activities before taxation	9	421,898	(328,224)	40,214,522
Tax charge on profit/(loss) on ordinary activities	10	(2,451)	(12,652)	–
Profit/(loss) on ordinary activities after taxation and profit/(loss) on ordinary activities after taxation attributable to the sole owner of the company		<u>419,447</u>	<u>(340,876)</u>	<u>40,214,522</u>
Other comprehensive income		–	–	–
Other comprehensive income for the year, net of tax		–	–	–
Total comprehensive income/(loss) for the year and total comprehensive income/(loss) for the year attributable to the sole owner of the company		<u>419,447</u>	<u>(340,876)</u>	<u>40,214,522</u>
No. of ordinary shares		1,360,000,003	1,360,000,003	1,360,000,003
No. of preferred shares		30	30	30
Earnings Per Share attributable to ordinary shares (excluding preferred shares) <sup>1,3</sup>		0.31	(0.25)	29.57
Earnings Per Share attributable to ordinary shares (including preferred shares) <sup>2,3</sup>		0.31	(0.25)	29.57

<sup>1</sup> Total comprehensive income/(loss) for the year divided by ordinary shares

<sup>2</sup> Total comprehensive income/(loss) for the year divided by the sum of ordinary shares and preferred shares

<sup>3</sup> Earnings Per Share calculations are not audited or reviewed by the Offeror’s auditors as they are not typically included in the financials pursuant to the Companies Act of 2014 or FRS 102

	Note	At 31 December				2019 US\$'000	2019 US\$'000
		2021 US\$'000	2021 US\$'000	2020 US\$'000	2020 US\$'000		
<b>FIXED ASSETS</b>							
Tangible assets	11	78		52		85	
Financial assets	12	<u>49,877,550</u>		<u>49,126,242</u>		<u>16,738,441</u>	
			49,877,628		49,126,294		16,738,526
<b>CURRENT ASSETS</b>							
<b>DEBTORS (amounts falling due within one year)</b>							
Cash at bank and in hand	13	34,756		8,579		3,282	
		<u>-</u>		<u>-</u>		<u>-</u>	
		34,756		8,579		3,282	
<b>CREDITORS (amounts falling due within one year)</b>							
	14	<u>(320,179)</u>		<u>(750,259)</u>		<u>(1,052,965)</u>	
<b>NET CURRENT LIABILITIES</b>							
			(285,423)		(741,680)		(1,049,683)
<b>DEBTORS (amounts falling due after one year)</b>							
	13		<u>-</u>		<u>2,474,417</u>		<u>36,526,963</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>							
			49,592,205		50,859,031		52,215,806
<b>CREDITORS (amounts falling due in more than one year)</b>							
	15		<u>(633,419)</u>		<u>(2,378,350)</u>		<u>(3,394,866)</u>
<b>NET ASSETS</b>							
			<u>48,958,786</u>		<u>48,480,681</u>		<u>48,820,940</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	16		188		188		188
Capital conversion reserve fund	17		-		-		-
Other reserves			1,481,912		1,423,254		1,422,637
Profit and loss account			<u>47,476,686</u>		<u>47,057,239</u>		<u>47,398,115</u>
<b>Shareholders' funds</b>							
			<u>48,958,786</u>		<u>48,480,681</u>		<u>48,820,940</u>



APPENDIX III FINANCIAL INFORMATION OF THE OFFEROR GROUP

	Share capital <i>US\$'000</i>	Income statement and other comprehensive income <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Total Equity <i>US\$'000</i>
<b>Balance at 1 January 2019</b>	188	7,183,593	1,066,605	8,250,386
Profit for the financial year	–	40,214,522	–	40,214,522
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	–	40,214,522	–	40,214,522
Capital contribution – share based payments	–	–	614	614
Capital contribution – finance cost on intergroup loans	–	–	355,418	355,418
Total contributions by and distributions to owners	–	–	356,032	356,032
<b>Balance at 31 December 2019</b>	188	47,398,115	1,422,637	48,820,940
Loss for the financial year	–	(340,876)	–	(340,876)
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive loss for the year</b>	–	(340,876)	–	(340,876)
Capital contribution – share based payments	–	–	617	617
Total contributions by and distributions to owners	–	–	617	617
<b>Balance at 31 December 2020</b>	188	47,057,239	1,423,254	48,480,681

APPENDIX III FINANCIAL INFORMATION OF THE OFFEROR GROUP

	Share capital <i>US\$'000</i>	Income statement and other comprehensive income <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Total Equity <i>US\$'000</i>
<i>Total comprehensive income for the year</i>				
Profit for the financial year	–	419,447	–	419,447
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	<u>–</u>	<u>419,447</u>	<u>–</u>	<u>419,447</u>
Capital contribution – share based payments	–	–	626	626
Capital contribution – finance cost on intergroup loans	–	–	58,032	58,032
Total contributions by and distributions to owners	<u>–</u>	<u>–</u>	<u>58,658</u>	<u>58,658</u>
<b>Balance at 31 December 2021</b>	<u>188</u>	<u>47,476,686</u>	<u>1,481,912</u>	<u>48,958,786</u>

For the years ended 31 December 2019, 2020 and 2021, no dividend had been declared by the Offeror Group. Save as disclosed above, the Offeror Group did not have any item of any income or expense which was material during each of the years ended 31 December 2019, 2020 or 2021.

II. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Note	2021 US\$'000	2020 US\$'000
Turnover – continuing operations	2	22,959	22,771
Administrative expenses		<u>(1,873)</u>	<u>(56,235)</u>
Operating profit/(loss)		21,086	(33,464)
Interest payable and similar charges	3	(206,335)	(227,122)
Interest receivable and similar income	4	13,893	198,179
Income from shares in group undertakings	5	600,000	700,461
Other income	6	10,276	–
Other expenses	7	<u>(17,022)</u>	<u>(966,278)</u>
Profit/(loss) on ordinary activities before taxation	9	421,898	(328,224)
Tax charge on profit/(loss) on ordinary activities	10	<u>(2,451)</u>	<u>(12,652)</u>
Profit/(loss) on ordinary activities after taxation		<u>419,447</u>	<u>(340,876)</u>
Other comprehensive income		<u>–</u>	<u>–</u>
Other comprehensive income for the year, net of tax		<u>–</u>	<u>–</u>
Total comprehensive income/(loss) for the year		<u>419,447</u>	<u>(340,876)</u>

**APPENDIX III FINANCIAL INFORMATION OF THE OFFEROR GROUP**

**STATEMENT OF FINANCIAL POSITION**

at 31 December 2021

	Note	2021 US\$'000	2021 US\$'000	2020 US\$'000	2020 US\$'000
<b>FIXED ASSETS</b>					
Tangible assets	11	78		52	
Financial assets	12	<u>49,877,550</u>		<u>49,126,242</u>	
			49,877,628		49,126,294
<b>CURRENT ASSETS</b>					
DEBTORS (amounts falling due within one year)					
	13	34,756		8,579	
Cash at bank and in hand		<u>-</u>		<u>-</u>	
		34,756		8,579	
CREDITORS (amounts falling due within one year)					
	14	<u>(320,179)</u>		<u>(750,259)</u>	
<b>NET CURRENT LIABILITIES</b>					
			(285,423)		(741,680)
DEBTORS (amounts falling due after one year)					
	13		<u>-</u>		<u>2,474,417</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			49,592,205		50,859,031
CREDITORS (amounts falling due in more than one year)					
	15		<u>(633,419)</u>		<u>(2,378,350)</u>
<b>NET ASSETS</b>					
			<u>48,958,786</u>		<u>48,480,681</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		188		188
Capital conversion reserve fund	17		-		-
Other reserves			1,481,912		1,423,254
Profit and loss account			<u>47,476,686</u>		<u>47,057,239</u>
<b>Shareholders' funds</b>					
			<u>48,958,786</u>		<u>48,480,681</u>

STATEMENT OF CHANGES IN EQUITY

	Share capital <i>US\$'000</i>	Income statement and other comprehensive income <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Total Equity <i>US\$'000</i>
<b>Balance at 1 January 2020</b>	<u>188</u>	<u>47,398,115</u>	<u>1,422,637</u>	<u>48,820,940</u>
Loss for the financial year	-	(340,876)	-	(340,876)
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>(340,876)</u>	<u>-</u>	<u>(340,876)</u>
Capital contribution – share based payments	<u>-</u>	<u>-</u>	<u>617</u>	<u>617</u>
Total contributions by and distributions to owners	<u>-</u>	<u>-</u>	<u>617</u>	<u>617</u>
<b>Balance at 31 December 2020</b>	<u>188</u>	<u>47,057,239</u>	<u>1,423,254</u>	<u>48,480,681</u>
<i>Total comprehensive income for the year</i>				
Profit for the financial year	-	419,447	-	419,447
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>419,447</u>	<u>-</u>	<u>419,447</u>
Capital contribution – share based payments	-	-	626	626
Capital contribution – finance cost on intergroup loans	<u>-</u>	<u>-</u>	<u>58,032</u>	<u>58,032</u>
Total contributions by and distributions to owners	<u>-</u>	<u>-</u>	<u>58,658</u>	<u>58,658</u>
<b>Balance at 31 December 2021</b>	<u>188</u>	<u>47,476,686</u>	<u>1,481,912</u>	<u>48,958,786</u>

**III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting Policies***Statement of compliance*

Boston Scientific Group plc is a company limited by shares and incorporated in Ireland. The registered office is Ballybrit Business Park, Galway, Ireland.

These financial statements have been prepared in compliance with applicable standards issued by the Financial Reporting Council, specifically FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland). The presentation currency of these financial statements and the functional currency of the Offeror is US Dollar.

The Offeror has availed of the exemption in Section 300 of the Companies Act 2014 from preparing consolidated group financial statements. These financial statements present information about the Offeror as an individual undertaking and not about its group. The results of the Offeror and all of its subsidiaries are included in the US GAAP consolidated financial statements of its ultimate parent undertaking, Boston Scientific Corporation. The consolidated financial statements of Boston Scientific Corporation are available to the public and may be obtained from its offices in Marlborough, Massachusetts, USA. In these financial statements, the Offeror is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period required by FRS 102.4 Statement of Financial Position;
- Cash Flow Statement and related notes required by FRS 102.7 Statement of Cash Flows; and
- Key Management Personnel compensation required by FRS 102.33 Related Party Disclosures.

As the consolidated financial statements of Boston Scientific Corporation include the equivalent disclosures, the Offeror has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and
- The disclosures required by FRS 102.11 Basic Financial Instruments

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### *Going Concern*

The Offeror has net current liabilities of US\$285.4 million at 31 December 2021, comprising US\$34.8 million of current assets offset by US\$320.2 million of creditors falling due within one year. Creditors falling due within one year is primarily comprised of amounts due to subsidiaries of the Offeror, and hence to entities which it controls.

The directors are satisfied that the Offeror will have unrestricted access to the profits of its operating subsidiaries sufficient to fund any short-term obligations which may arise during the period of 12 months from the date of approval of the financial statements. The Offeror has also received a letter of support from its ultimate parent, Boston Scientific Corporation, confirming that support will be provided by it, or another affiliated Boston Scientific company, if required, for a period of 12 months from the approval of the financial statements.

After making reasonable enquiries, and considering the resources available from its operating reasonable expectation that the Offeror has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year.

However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

### *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the Offeror performs impairment tests to determine the recoverable value. Recoverable value is based on a discounted cash flow model, with assumptions being made about the amount and timing of future cash flows, terminal growth rates and appropriate discount rates. The amount and timing of future cash flows within the DCF analysis are based on the most recent operational budgets, long range strategic plans and other estimates at that time. The recoverable value is typically most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used.

*Imputed interest rates*

Throughout the current and prior financial periods the Offeror had intercompany loans at below market interest rates. In accordance with FRS 102.11 Basic Financial Instruments, the Offeror has applied an effective interest rate to the loan balances to reflect what an independent third party would charge the Offeror for similar loan facilities.

Since the Offeror is not active in third party debt markets, it has determined that the Boston Scientific Corporation average cost of borrowing, as disclosed in its annual 10K filings, for the year in which the loan was initiated to be the most appropriate interest rate to use in these calculations.

*Measurement convention*

The financial statements are prepared on the historical cost basis.

*Foreign currency*

The Offeror's functional currency is US Dollar. Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement (except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income).

*Basic financial instruments**Trade and other debtors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.



*Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

*Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Offeror assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings	3 – 7 years
Computer Software & Hardware	3 – 5 years

Depreciation methods and useful lives are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Offeror expects to consume an asset's future economic benefits.

*Financial fixed assets*

Shares in subsidiary undertakings are stated at cost less impairment.

*Impairment excluding stocks and deferred tax assets*

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Offeror would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

*Non-financial assets*

The carrying amounts of the Offeror's non-financial assets, other than stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash generating unit**").

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

### *Employee benefits*

#### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the Offeror pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Termination benefits*

Termination benefits are recognised as an expense when the Offeror is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Offeror has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

#### *Share-based payment transactions*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value of stock options is determined using a Black-Scholes option-pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of Boston Scientific Corporation's (BSC's) shares (market conditions).

No expense is recognised for awards that do not ultimately vest.

At each statement of financial position date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and BSC management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

### *Provisions*

A provision is recognised in the statement of financial position when the Offeror has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Offeror enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Offeror treats the guarantee contract as a contingent liability until such time as it becomes probable that the Offeror will be required to make a payment under the guarantee.

### *Turnover*

The Offeror's turnover comprises management fee income from subsidiary undertakings.

### *Expenses*

#### *Interest receivable and Interest payable*

Interest payable and similar bank charges include bank interest payable, interest payable on loans from group undertakings, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**2. Turnover**

The Offeror’s turnover comprises management fee income from subsidiary undertakings.

No segmental analysis of turnover has been given as the directors are of the opinion that such disclosures would be prejudicial to the interests of the Offeror.

**3. Interest payable and similar charges**

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Interest payable to group undertakings:		
Actual interest payable to group undertakings	19,092	61,058
Imputed interest on loans from group undertakings	<u>187,243</u>	<u>166,064</u>
	<u><u>206,335</u></u>	<u><u>227,122</u></u>

4. Interest receivable and similar income

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Interest receivable from group undertakings	<u>13,893</u>	<u>198,179</u>

5. Income from shares in group undertakings

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Income from shares in group undertakings	<u>600,000</u>	<u>700,461</u>

6. Other income

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Gain on disposal of investments	<u>10,276</u>	<u>–</u>

7. Other expenses

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Impairment of investments in group undertakings	<u>17,022</u>	<u>966,278</u>

During the Offeror's review of the carrying value of its investments in the previous year, impairment indicators were identified relating to a number of investments. The Offeror performed an impairment test for a number of subsidiaries to determine the recoverable value based on a discounted cash flow model resulting in an impairment charge of \$966 million.

8. Employees and directors remuneration

The average number of persons employed by the Offeror during the year was as follows:

	<b>2021</b> <i>Number</i>	<b>2020</b> <i>Number</i>
Administration	<u>137</u>	<u>124</u>

The payroll cost of employees was as follows:

	<b>2021</b> <i>US\$'000</i>	<b>2020</b> <i>US\$'000</i>
Wages and salaries	13,165	12,056
Social welfare costs	1,604	1,372
Pension costs	927	861
Share based payments	<u>626</u>	<u>617</u>
	<u>16,322</u>	<u>14,906</u>

**Directors' remuneration**

	<b>2021</b> <i>US\$'000</i>	<b>2020</b> <i>US\$'000</i>
Aggregate emoluments in respect of qualifying services	965	736
Aggregate amount of the money or other assets under long term incentive schemes in respect of qualifying services	168	152
Aggregate gains in respect of share options	<u>–</u>	<u>–</u>
	<u>1,133</u>	<u>888</u>

9. Profit/(loss) on ordinary activities before taxation

	2021 US\$'000	2020 US\$'000
The profit/(loss) for the year before taxation is stated after charging:		
Depreciation on tangible fixed assets ( <i>note 11</i> )	33	33
Exchange (gain)/loss	(15,999)	35,335
– Audit fees	43	29
	<u>          </u>	<u>          </u>

10. Tax charge on profit/(loss) on ordinary activities

(a) Analysis of charge in year

	2021 US\$'000	2020 US\$'000
<i>Current tax</i>		
Corporation tax	<u>2,451</u>	<u>12,652</u>
Current tax charge for the year ( <i>note 10(b)</i> )	2,451	12,652
<i>Deferred tax</i>		
Deferred tax	<u>–</u>	<u>–</u>
Deferred tax charge for the year	<u>–</u>	<u>–</u>
Total tax charge	<u>          2,451</u>	<u>          12,652</u>



(b) *Factors affecting tax charge for the year*

The current tax assessed for the year differs from the standard rate of corporation tax in The Netherlands of 25% (2020: 25%). The differences are explained below:

	2021 US\$'000	2020 US\$'000
Profit/(loss) on ordinary activities before taxation	<u>421,898</u>	<u>(328,224)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in The Netherlands of 25% (2020: 25%)	105,475	(82,056)
<i>Effect of:</i>		
Participation exemption on dividends receivable	(150,000)	(175,115)
Other income/expenses not deductible	46,976	293,796
Losses utilised	<u>–</u>	<u>(23,973)</u>
Current tax charge for year ( <i>note 10(a)</i> )	<u>2,451</u>	<u>12,652</u>

(c) *Factors affecting future tax charges*

The tax charge in future periods will be affected by any changes to the corporation tax rates in force in The Netherlands.

11. Tangible fixed assets

The table below summarises the Offeror's tangible fixed assets as at 31 December 2021.

	Office equipment <i>US\$'000</i>	Computer hardware & software <i>US\$'000</i>	Total <i>US\$'000</i>
<i>Cost:</i>			
At 1 January	10	2,753	2,763
Additions	–	59	59
At 31 December	<u>10</u>	<u>2,812</u>	<u>2,822</u>
<i>Depreciation:</i>			
At 1 January	3	2,708	2,711
Charge for year	1	32	33
At 31 December	<u>4</u>	<u>2,740</u>	<u>2,744</u>
<i>Net book amounts:</i>			
31 December 2021	<u><u>6</u></u>	<u><u>72</u></u>	<u><u>78</u></u>
31 December 2020	<u><u>7</u></u>	<u><u>45</u></u>	<u><u>52</u></u>

12. Financial fixed assets

	2021 US\$'000	2020 US\$'000
Shares in group undertakings (i)	49,870,734	49,121,045
Other financial fixed assets (ii)	<u>6,816</u>	<u>5,197</u>
	<u><u>49,877,550</u></u>	<u><u>49,126,242</u></u>

(i) Shares in group undertakings (Unlisted at cost)

	2021 US\$'000	2020 US\$'000
At 1 January	49,121,045	16,731,812
Addition (a)	1,096,864	33,359,126
Return of capital (b)	(328,959)	–
Disposal	(1,194)	(3,615)
Impairment charge	<u>(17,022)</u>	<u>(966,278)</u>
At 31 December	<u><u>49,870,734</u></u>	<u><u>49,121,045</u></u>

(a) During the year the Offeror acquired all of the outstanding shares of Laguna Holdco Ltd., for US\$1.07 billion. The Offeror also acquired all of the issued shares of American Medical Systems Europe B.V. for US\$20 million.

(b) During the year the Offeror received dividends of US\$323.8 million and US\$5.2 million respectively from its wholly owned subsidiaries Symetis SA and StarMedTec GmbH. As a result, the net assets of those subsidiaries were reduced below the carrying amount of the Offeror's investment and accordingly the dividends were recorded as a return of capital rather than incomes from shares in group undertakings.

(ii) *Other financial fixed assets*

	2021 US\$'000	2020 US\$'000
Balance at 1 January	5,197	6,629
Addition	3,262	1,299
Disposal/impairment	(1,643)	(2,731)
	<u>6,816</u>	<u>5,197</u>
Balance at 31 December	<u><u>6,816</u></u>	<u><u>5,197</u></u>

Details of subsidiary undertakings are set out in note 23 to the financial statements. The fair value of financial fixed assets does not differ significantly from the carrying value stated above.

13. Debtors

	2021 US\$'000	2020 US\$'000
<i>Amounts falling due within one year</i>		
Prepayments and accrued income	4	–
Amounts owed by group undertakings (a)	34,465	8,579
VAT	287	–
	<u>34,756</u>	<u>8,579</u>

(a) All amounts owed by group undertakings falling due within one year are unsecured, interest free and repayable on demand.

	2021 US\$'000	2020 US\$'000
<i>Amounts falling due after one year</i>		
Amounts owed by group undertakings (b)	–	2,474,417
	<u>–</u>	<u>2,474,417</u>

(b) Amounts owed by group undertakings in the previous year comprised a loan receivable from the Offeror's wholly owned subsidiary Bravo Bidco Limited. The loan was repaid in full during the current year.

14. Creditors (amounts falling due within one year)

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Trade creditors	585	1,258
Other creditors	7,893	9,384
Amounts owed to group undertakings (a)	309,979	721,413
Corporation Tax	870	17,174
Payroll taxes	852	766
VAT	–	264
	<u>320,179</u>	<u>750,259</u>

(a) Amounts owed to group undertakings falling due within one year are unsecured, interest free and repayable on demand.

15. Creditors (amounts falling due after more than one year)

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Amounts owed to group undertakings	<u>633,419</u>	<u>2,378,350</u>

In November 2019 the Offeror entered into a loan agreement with Boston Scientific Corporation, for a principal amount of US\$3,816 million and a maturity date of 20 November 2022. The Offeror repaid this loan in full through 2019, 2020 and 2021. In September 2021 the Offeror entered into a loan agreement with Boston Scientific Corporation, for a principal amount of US\$1,077 million and a maturity date of 1 September 2023. The Offeror repaid principal of US\$414 million during 2021. The remaining amount payable on this loan at 31 December 2021 was US\$633 million after applying the effective interest method required by FRS 102.11 Basic Financial Instruments, using the BSC average cost of borrowing for 2021 of 3.6%.

16. Called up share capital

	2021	2020
	€	€
<i>Authorised share capital:</i>		
10,000,000 ordinary shares of €1.25 each	12,500,000	12,500,000
30 preferred shares of €1,270 each	38,100	38,100
	<i>US\$</i>	<i>US\$</i>
6,000,000,000 ordinary shares of \$0.0001 each	<u>600,000</u>	<u>600,000</u>
	<i>2021</i>	<i>2020</i>
	<i>US\$</i>	<i>US\$</i>
<i>Allotted, called up and fully paid:</i>		
3 ordinary shares of €1.25 each	3	3
30 preferred shares of €1,270 each	51,545	51,545
1,360,000,000 ordinary shares of \$0.0001 each	<u>136,000</u>	<u>136,000</u>
	<u>187,548</u>	<u>187,548</u>

Ordinary shares carry the right to attend, speak and vote at any general meeting of the Offeror and, subject to any special rights afforded to holders of other classes of shares, the right to receive any dividend paid by the Offeror (which is paid according to the amounts paid or credited as paid on the shares) and the right to participate in a return of assets on a winding up.

Preferred shares carry the right to attend, speak and vote at any general meeting of the Offeror only at such times as the Offeror has issued, and there continue to be issued, at least 100 ordinary shares.

Preferred shares entitle the holder(s) to receive, in priority to the holder of any other shares, a preferential cash dividend of an amount equal to 5% per annum of the amount paid up on each preferred share. The holders of preferred shares have no further right to participate in the profits of the Offeror and are not entitled to receive any fully paid shares on a capitalisation of profits or reserves by the Offeror. On a return of assets on a winding up of the Offeror, the preferred shares shall entitle the holder(s) thereof to receive, in priority to the holders of any other shares, the amount paid up on each preferred share plus an amount equal to the accrued but unpaid preferred dividend on such preferred share and the holder(s) of the preferred shares shall not be entitled to any further participation in the assets and profits of the Offeror.

**17. Capital conversion reserve fund**

	2021 <i>US\$</i>	2020 <i>US\$</i>
At 1 January and 31 December 2020	<u>0.052569</u>	<u>0.052569</u>

On 2 November 2001, the Offeror re-nominalised its shares from €1.269738 to €1.25 resulting in a reduction in the share capital of US\$0.052569. In accordance with the Economic & Monetary Union Act 1998, this has been taken to the capital conversion reserve fund.

**18. Share based payments**

	2021 <i>US\$'000</i>	2020 <i>US\$'000</i>
Share based payment expense	<u>626</u>	<u>617</u>

The share based payment expense recognised in the income statement include stock-based compensation expense recognised for options and restricted stock awards granted to employees under the Boston Scientific Corporation (BSC) 2011 Long-Term Incentive Plan (LTIP). Due to the immateriality of the plan's expense to the Offeror and the level of share options outstanding, detailed financial disclosures have not been provided in relation to the plan.

**19. Pension and other post-retirement benefits**

The Offeror operates defined contribution pension schemes for certain employees. The assets of the schemes are held separately from those of the Offeror in independently administered funds. The advice of a professionally qualified actuary was taken in the setting up and maintenance of the schemes. Total pension costs of the defined contribution schemes for the year ended 31 December 2021 amounted to US\$927,000 (2020: US\$861,000). There were nil contributions payable to the fund at year end (2020: nil).

20. Commitments

Operating lease commitments at 31 December 2021

	Land and buildings <i>US\$'000</i>	Other <i>US\$'000</i>	Total <i>US\$'000</i>
Total of future minimum lease payments under non-cancellable leases:			
Within one year	–	165	165
Within two to five years	–	156	156
Greater than five years	–	–	–
	<u>–</u>	<u>321</u>	<u>321</u>

Operating lease commitments at 31 December 2020

	Land and buildings <i>US\$'000</i>	Other <i>US\$'000</i>	Total <i>US\$'000</i>
Total of future minimum lease payments under non-cancellable leases:			
Within one year	–	188	188
Within two to five years	–	254	254
Greater than five years	–	–	–
	<u>–</u>	<u>442</u>	<u>442</u>

21. Parent undertakings

The Offeror's ultimate parent undertaking and controlling party is Boston Scientific Corporation, a company incorporated in the United States of America, which has its principal place of business at 300 Boston Scientific Way, Marlborough, Massachusetts, USA.

The immediate parent undertaking and controlling party is Target Therapeutics, Inc., a company incorporated in the United States of America.

The parent undertaking of the smallest and largest group of which the Offeror is a member and for which group financial statements are prepared is Boston Scientific Corporation. The group financial statements of Boston Scientific Corporation are available from its offices in Marlborough, Massachusetts, USA.



**22. Related party transactions**

The Offeror is a member of the Boston Scientific Corporation group of companies and the financial statements reflect the effect of this membership. The Offeror is not separately disclosing transactions with other group companies as it is availing of the wholly owned exemption available in Financial Reporting Standard 102.33 from disclosure of related party transactions with group undertakings. All related party transactions which the Offeror has entered into are with members of the Boston Scientific Corporation group. The consolidated financial statements of the group are publicly available.

**23. Subsidiary undertakings**

<b>Name</b>	<b>Nature of Business</b>	<b>% share</b>
Boston Scientific Limited	Holding company, research and development, and manufacture and sale of medical products	100%
Boston Scientific Clonmel Limited, in liquidation	Non-trading	100%
Boston Scientific International B.V.	Holding and distribution company	100%
Guidant Puerto Rico B.V.	Manufacture of medical products	100%
Guidant Europe NV	Regional support services	100%
Boston Scientific (UK) Limited	Non-trading	100%
StarMedTec GmbH, in liquidation	Non-trading	100%
Boston Scientific de Costa Rica S.R.L.	Manufacture of medical products	100%
BSC Medical Device Technology (Shanghai) Co., Ltd.	R&D services	100%
Boston Scientific Medical Device (Malaysia) Sdn. Bhd.	Manufacture of medical products	100%
Boston Scientific Medical Device Limited	Holder and manager of intellectual property	100%
Symetis SA	Manufacture and sale of medical products	100%
Bravo Bidco Limited	Holding company	100%
BTG IM Holdings Ltd.	Holding company	100%
American Medical Systems Europe B.V.	Finance company	100%
Laguna Holdco Ltd.	Holding company	100%

**24. Events after the reporting period**

In March 2022, American Medical Systems Europe B.V., a wholly owned subsidiary of the Offeror, completed a €3 billion issuance of senior notes. In connection with the issuance, the Offeror provided a comfort letter to American Medical Systems Europe B.V. committing to provide financial support to enable it to meet its future obligations to the holders of the bonds, should funds not otherwise be available to American Medical Systems Europe B.V.

**25. Approval of financial statements**

The financial statements were approved and authorised for issue by the Board of Directors on 22 September 2022.

**IV. MATERIAL CHANGE**

The directors of the Offeror confirm that there had been no material change in the financial or trading position or outlook of the Offeror Group since 31 December 2021, being the date to which the latest audited consolidated financial statements of the Offeror Group were made up, up to and including the Latest Practicable Date.

**RESPONSIBILITY STATEMENT**

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Partial Offer, the Offeror and the Company.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

**SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date, the authorized and issued share capital of the Company were as follows:

	<i>US\$</i>
<b>Authorized share capital</b>	
10,000,000,000 Ordinary Share of US\$0.00001 each	100,000
<b>Issued and fully paid-up share capital</b>	
313,389,171 Ordinary Share of US\$0.00001 each	3,133.89171

All the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital and dividends and voting. No Shares has been issued by the Company since 31 December 2021 (being the end of the last financial year of the Company).

The Company had no other outstanding shares, options, warrants, derivative or other securities that are convertible or exchangeable into Shares or other types of equity interest in issue as at the Latest Practicable Date.

**DISCLOSURE OF INTERESTS****I. Interest of the Offeror, its directors and parties acting in concert with it, in the Company**

As at the Latest Practicable Date, none of the Offeror, its director and parties acting in concert with it (for the avoidance of doubt, excluding Citi group's exempt principal traders and exempt fund managers) owned or controlled or had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

**II. Interests of the Directors in the Shares**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have been taken under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules or which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

Name of Director	Capacity/Nature of interest	Total number of Shares/ underlying Shares held <sup>(1)</sup>	Approximate percentage of shareholding interest in the Company (%) <sup>(1)</sup>
Ms. Li	Controlled corporation <sup>(2)</sup>	55,291,087 (L)	17.64%
Mr. Silvio Rudolf SCHAFFNER	Beneficial owner	4,272,065 (L)	1.36%

*Notes:*

- The letter "L" denotes the person's long position in the Shares.
- Cosmic Elite Holdings Limited is a subsidiary owned as to 95.31% by Nexus Partners Group Limited. Nexus Partners Group Limited is wholly owned by Vistra Trust (Singapore) Pte. Limited (as the trustee of Joy Avenue Family Trust which was established by Ms. Li as the settlor). The voting rights attached to the Shares held by Sino Fame Ventures Limited are vested with Ms. Li. Therefore, Ms. Li is deemed to be interested in the 43,062,647 Shares held by Cosmic Elite Holdings Limited and 12,228,440 Shares held by Sino Fame Ventures Limited under the SFO.

**III. Interests of the Company and the Directors in the Offeror**

As at the Latest Practicable Date, none of the Company and the Directors had any interest in the shares of the Offeror.

## IV. Other disclosures

- (i) As at the Latest Practicable Date and prior to the posting of this Composite Document, the Offeror has received the Irrevocable Undertakings from the IU Shareholders to tender or procure and cause to be tendered duly executed valid acceptance form for acceptance of the Partial Offer in respect of the Relevant Shares. Save as disclosed above, no other persons have irrevocably committed themselves to accept or reject the Partial Offer.

As at the Latest Practicable Date, the number of Shares and Relevant Shares held by each of the IU Shareholders is as follows:

IU Shareholder	Number of Shares	Approximate % in the issued share capital of the Company	Number of Relevant Shares	Approximate % in the issued share capital of the Company
CMI	158,614,642	50.61	146,208,184 to 158,614,642	46.65 to 50.61
CIW	3,263,000	1.04	0 to 3,263,000	0 to 1.04
Cosmic Elite	43,062,647	13.74	21,531,324	6.87
Bliss Way Limited	11,242,275	3.59	5,059,024	1.61

- (ii) Save as disclosed in paragraph (i) above and as at the Latest Practicable Date:
- (A) Other than the Lock-Up Undertaking, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any parties acting in concert with it (as defined under the Takeovers Code).
- (B) None of the Offeror and any parties acting in concert with it (for the avoidance of doubt, excluding Citi group's exempt principal traders and exempt fund managers) had borrowed or lent in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which had been either on-lent or sold.
- (C) None of the subsidiaries of the Company, any pension funds of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code, and any adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code (but excluding exempt principal traders) owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

- (D) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code.
- (E) No relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company.
- (F) Each of the Directors who had a beneficial holding in Shares had indicated that he/she intended to accept the Partial Offer in respect of his own beneficial ownership in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (G) Neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which had been either on-lent or sold.
- (H) Each of the Offeror and CPEChina Fund, L.P. (“**CPEChina Fund**”) indirectly owns 20% or more of the voting rights of a medical device company in the PRC. According to the relevant limited partnership agreements, the investment decision making powers of each of CPEChina Fund, CPEChina Fund III and CPE GOF are vested in the investment committee of the general partner of the respective fund. As at the Latest Practicable Date, the composition of the investment committee of each of CPEChina Fund, CPEChina Fund III and CPE GOF (collectively, “**CPE**”) is identical. As such, the Offeror and CPE are deemed to be associated company of each other and thus are presumed to be acting in concert with each other under class (1) presumption in the definition of “acting in concert” under the Takeovers Code (the “**Class (1) Presumption**”). The Offeror is of the view that CPE is not acting in concert with the Offeror in respect of the Company for the purposes of the Takeovers Code. The Offeror has submitted a formal application to the Executive for the rebuttal of the Class (1) Presumption, and has obtained the Executive’s ruling that the Class (1) Presumption is rebutted. Therefore, CMI and CIW shall be treated as independent Shareholders (within the meaning of Rule 28.5 of the Takeovers Code), who could indicate their approval of the Partial Offer under Rule 28.5.

- (I) Neither the Offeror nor any parties acting in concert with it (for the avoidance of doubt, excluding Citi group's exempt principal traders and exempt fund managers) has acquired any voting rights or rights over Shares (as defined under the Takeovers Code) during Relevant Period.

## DEALINGS IN SECURITIES

### I. During the Relevant Period:

- (i) None of the Offeror, its directors and parties acting in concert with the Offeror (for the avoidance of doubt, excluding Citi group's exempt principal traders and exempt fund managers) had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (ii) None of the IU Shareholders had dealt for value in the relevant securities of the Company.
- (iii) Neither the Company nor any of the Directors had dealt for value in the relevant securities of the Offeror.
- (iv) None of the Directors had dealt for value in the relevant securities of the Company.

### II. During the Offer Period and up to the Latest Practicable Date:

- (i) None of the subsidiaries of the Company, any pension funds of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code and any adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code (but excluding exempt principal traders) had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (ii) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" or of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

- (iii) No fund manager (other than exempt fund managers) connected with the Company who manage shareholdings in the Company on a discretionary basis had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

#### ARRANGEMENTS AFFECTING OR RELATING TO THE DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit would be given to any Director as compensation for loss of office or otherwise in connection with the Partial Offer;
- (ii) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Partial Offer;
- (iii) except the Irrevocable Undertakings, no agreement, arrangement or understanding (including any compensation arrangement) existed between (a) the Offeror or any person acting in concert with it on one hand; and (b) any Director, recent Directors, any Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Partial Offer;
- (iv) except the Irrevocable Undertakings, there was no agreement or arrangement to which the Offeror is party which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition; and
- (v) no material contracts had been entered into by the Offeror in which any Director has a material personal interest.



## DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months preceding the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

Name	Commencement date	Term of service	Amount of remuneration payable under the service agreement	Amount of variable remuneration payable under the service agreement
Ms. Li <sup>(Note 1)</sup>	24 August 2021	Three years	-	Ms. Li is entitled to receive remuneration including salaries and other allowances, retirement benefits schemes contribution, discretionary bonus and other benefits from the Group
Mr. Silvio Rudolf SCHAFFNER <sup>(Note 1)</sup>	24 August 2021	Three years	-	Mr. Silvio Rudolf SCHAFFNER is entitled to receive remuneration including salaries and other allowances, retirement benefits schemes contribution, discretionary bonus and other benefits
Mr. Ke TANG <sup>(Note 2)</sup>	24 August 2021	Three years or the third annual general meeting after 24 August 2021 (whichever date is earlier)	-	-
Mr. CHEN Chen <sup>(Note 2)</sup>	24 August 2021	Three years or the third annual general meeting after 24 August 2021 (whichever date is earlier)	-	-
Dr. Yuqi WANG	24 August 2021	Three years or the third annual general meeting after 24 August 2021 (whichever date is earlier)	HK\$240,000 per annum	-

Name	Commencement date	Term of service	Amount of remuneration payable under the service agreement	Amount of variable remuneration payable under the service agreement
Ms. Hong NI	24 August 2021	Three years or the third annual general meeting after 24 August 2021 (whichever date is earlier)	HK\$240,000 per annum	-
Ms. Kin Yee POON	24 August 2021	Three years or the third annual general meeting after 24 August 2021 (whichever date is earlier)	HK\$240,000 per annum	-

*Notes:*

- Ms. Li and Mr. Silvio Rudolf SCHAFFNER received salaries and other allowances, retirement benefits schemes contribution, discretionary bonus and other benefits from two subsidiaries of the Company for the total amount of approximately RMB4.7 million and RMB1.7 million for the year ended 31 December 2021, respectively. The salaries and other allowances and other benefits are subject to the discretion of the Board and remuneration committee of the Company from time to time. Other than that, neither Ms. Li nor Mr. Silvio Rudolf SCHAFFNER received any remuneration from any member of the Group under their respective service agreements.
- Neither Mr. Ke TANG nor Mr. CHEN Chen received any remuneration from any member of the Group under their respective service agreements.

**MARKET PRICES**

The table below shows the closing price per Share as quoted on the Stock Exchange on (a) the Latest Practicable Date; (b) the Last Trading Day; and (c) the last trading day of each of the calendar months during the Relevant Period.

Date	Closing price per Shares (HK\$)
30 June 2022	8.47
31 July 2022	8.93
31 August 2022	9.18
30 September 2022	8.81
31 October 2022	8.00
30 November 2022	11.14
9 December 2022 (Last Trading Day)	15.20
Latest Practicable Date	17.18

**HIGHEST AND LOWEST SHARE PRICE**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$17.62 per Share on 15 December 2022, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$5.87 per Share on 16 June 2022.

**MATERIAL LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**MATERIAL CONTRACTS**

Saved as disclosed below, the Group has not entered into any material contract (being contract not entered into in the ordinary course of business carried on or intended to be carried on by the Group) within the 2 years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date, which is or may be material:

- (a) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, China Universal Asset Management Co., Ltd (匯添富基金管理股份有限公司), Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which China Universal Asset Management Co., Ltd (匯添富基金管理股份有限公司) agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$20,000,000;
- (b) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, CPE Investment Wu Limited, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which CPE Investment Wu Limited agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (c) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, China International Capital Corporation Limited (中國國際金融股份有限公司), Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which China International Capital Corporation Limited (中國國際金融股份有限公司) agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;

- (d) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, The Valliance Fund, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which The Valliance Fund agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (e) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Perseverance Asset Management International (Singapore) Pte. Ltd., Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Perseverance Asset Management International (Singapore) Pte. Ltd. agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (f) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Dagan International Limited (達觀國際有限公司), Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Dagan International Limited (達觀國際有限公司) agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (g) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Athos Asia Event Driven Master Fund, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Athos Asia Event Driven Master Fund agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (h) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Panjing Harbourview Investment Fund, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Panjing Harbourview Investment Fund agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (i) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Dymon Asia Multi-Strategy Investment Master Fund, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Dymon Asia Multi-Strategy Investment Master Fund

agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;

- (j) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, Pinpoint Asset Management Limited, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Pinpoint Asset Management Limited agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (k) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, PRIMEONE LUCK LIMITED, Greenwoods Bloom Fund III, L.P., Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which PRIMEONE LUCK LIMITED agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (l) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, E Fund Management Co., Ltd. (易方達基金管理有限公司) (for and on behalf of E Fund Global Healthcare Sector Sponsored Hybrid Fund (易方達全球醫藥行業混合型發起式證券投資基金)), Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which E Fund Management Co., Ltd. (易方達基金管理有限公司) (for and on behalf of E Fund Global Healthcare Sector Sponsored Hybrid Fund (易方達全球醫藥行業混合型發起式證券投資基金)) agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (m) a cornerstone investment agreement dated 27 July 2021 entered into among the Company, New Journey Hospital Group Ltd (新里程醫院集團有限公司), Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which New Journey Hospital Group Ltd (新里程醫院集團有限公司) agreed to subscribe for Shares at the offer price of HK\$23.80 per Share of the global offering in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (n) a Hong Kong Underwriting Agreement dated 10 August 2021 relating to the Hong Kong public offering of the Company's shares entered into by, among others, the Company, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司) and Hong Kong underwriters in relation to the Hong Kong public offering; and

- (o) an International Underwriting Agreement dated 17 August 2021 relating to the international offering of the Company's shares entered into by among others, the Company, Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司) and international underwriters in relation to the international offering.

## EXPERTS AND CONSENTS

The following is the name and qualification of the expert whose letter, opinions or advices are contained or referred to in this Composite Document:

Name	Qualification
Citi	the financial adviser to the Offeror in relation to the Partial Offer. Citi is a company incorporated in Hong Kong with limited liability and licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities
Somerville Capital Limited	the independent financial adviser to the Independent Board Committee in relation to the Partial Offer which is a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of Citi and Somerville Capital Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name in the form and context in which it is included.

## MISCELLANEOUS

- I. Information regarding the Offeror and its principal concert party is set out below:
- (i) The registered office of the Offeror is Ballybrit Business Park, Galway, Ireland. The directors of the Offeror are Carla Madrid Magalhães Nascimbeni and Cindy Maria Mols-Duisings.
  - (ii) The entire issued share capital of the Offeror is indirectly held by BSC. The address of world headquarters of BSC is 300 Boston Scientific Way, Marlborough, Massachusetts, United States. The directors of BSC are Nelda J. Connors, Charles J. Dockendorff, Yoshiaki Fujimori, Michael F.

Mahoney, Donna A. James, Edward J. Ludwig, David Roux, John E. Sununu, David S. Wichmann and Ellen M. Zane.

- (iii) The Offeror is a public limited company incorporated under the laws of the Republic of Ireland, which is wholly-owned by BSC. BSC is a company incorporated under the laws of the State of Delaware, the U.S., whose shares are listed on the New York Stock Exchange. As at the Latest Practicable Date, BSC has no controlling shareholder.
  - (iv) As at the Latest Practicable Date, the Offeror had no agreement, arrangement or understanding to transfer, charge or pledge any of the Shares acquired pursuant to the Partial Offer to any other persons.
- II. The registered office of the Company is at PO Box 309, Uglund House, Grand Cayman KY1-1104, Cayman Islands.
  - III. Citi is making the Partial Offer for and on behalf of the Offeror. The address of Citi is at 50/F Champion Tower, Three Garden Road, Central, Hong Kong.
  - IV. The Independent Financial Adviser is Somerley Capital Limited whose address is at 20th Floor, China Building, 29 Queen's Road Central, Hong Kong.
  - V. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
  - VI. In case of inconsistency, the English text of this Composite Document and the Form of Approval and Acceptance shall prevail over the Chinese texts.

#### DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the Company at [www.acotec.cn](http://www.acotec.cn); and (ii) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk), from the date of this Composite Document until the end of the Offer Period:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the memorandum and articles of association of the Company;
- (iii) the prospectus of the Company dated 12 August 2021;
- (iv) the annual report of the Company for the year ended 31 December 2021;
- (v) the interim report of the Company for the six months ended 30 June 2022;

- (vi) the letter from Citi, the text of which is set out in the section headed letter from Citi in this Composite Document;
- (vii) the letter from the Board, the text of which is set out in the section headed letter from the Board in this Composite Document;
- (viii) the letter from the Independent Board Committee, the text of which is set out in the section headed Letter from the Independent Board Committee of this Composite Document;
- (ix) the letter from Somerley Capital Limited, the text of which is set out in the section headed Letter from the Independent Financial Adviser of this Composite Document;
- (x) the material contracts referred to in the section headed “Material Contracts” in this Appendix;
- (xi) the written consents of the experts as referred to in the section headed “Experts and Consents” in this Appendix;
- (xii) the service agreements referred to in the section headed “Directors’ Service Contracts” in this Appendix;
- (xiii) the Revolving Credit Agreement;
- (xiv) the Intra-Group Loan Agreement; and
- (xv) the Irrevocable Undertakings.