# Shanghai Bio-heart Biological Technology Co., Ltd.
# 上海百心安生物技術股份有限公司

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

**(Stock Code: 2185)**

## FURTHER CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to (i) the prospectus issued by Shanghai Bio-heart Biological Technology Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated December 13, 2021 (the "**Prospectus**") in relation to the proposed use of net proceeds from the initial public offering of the Company (the "**Net Proceeds**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); (ii) the announcements of the Company dated March 31, 2023 and February 8, 2024 in relation to the changes in the use of Net Proceeds (the "**Announcements**"); and (iii) the interim report of the Company for the six months ended June 30, 2024 published on September 26, 2024 (the "**Interim Report**") in which the utilization of the Net Proceeds was disclosed. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Interim Report.

### USE OF PROCEEDS DISCLOSED IN THE PROSPECTUS AS REVISED PURSUANT TO THE ANNOUNCEMENTS

The original intended use of the Net Proceeds, which amounted to approximately HK$441.69 million (after deducting the underwriting commissions and expenses payable by the Company in relation to the Global Offering), was disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

On March 31, 2023, the Board has reallocated approximately HK$17.25 million of the Net Proceeds originally for "to fund the research and development, ongoing preclinical studies and planned clinical trials of other product candidates in our pipeline, including Bio-Leap™, Bioheart Ultra™, our Bioheart® balloon dilatation catheter, our Bioheart® non-compliant (high-pressure) balloon dilatation catheter and our Bioheart® impulse balloon dilatation catheters" to "to fund the research and development of DCB". For details, please refer to the announcement of the Company dated March 31, 2023.

On February 8, 2024, the Board has resolved to change the use of Net Proceeds as follows:

(i) reallocating approximately HK$26.37 million, which was originally allocated for "funding the ongoing randomized controlled clinical trial in China for, and the continuous development of, the Group's RDN product candidate, Iberis® 2nd", to "funding the acquisition of the manufacturing facility for the Group's RDN product candidate, Iberis® 2nd", which was completed in March 2024; and

(ii) reallocating approximately HK$70 million, which was originally allocated for "funding the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart®", to "funding the research and development of DCB".

For details, please refer to the announcement of the Company dated February 8, 2024.

As disclosed in the Interim Report, the Net Proceeds which remained unutilized as of June 30, 2024 amounted to approximately HK$124.65 million as follows:

(i) approximately HK$96.28 million for funding the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart®;

(ii) approximately HK$19.50 million for funding the ongoing randomized controlled clinical trial in China for, and the continuous development of, the Group's RDN product candidate, Iberis® 2nd;

(iii) approximately HK$4.41 million for general corporate and working capital purposes; and

(iv) approximately HK$4.46 million for funding the research and development of DCB.

**FURTHER CHANGE IN USE OF PROCEEDS**

As of the date of this announcement, the unutilized Net Proceeds amounted to approximately HK$95.77 million, which were deposited with certain licensed banks in Hong Kong or the PRC. In light of the reasons set out in the paragraph headed "Reasons for and Benefits of the Change in Use of Proceeds" below, the Board has resolved to further change the use of the unutilized Net Proceeds as follows:

(i) **Construction of Manufacturing Facility and Sales Center** – reallocating approximately HK$51.48 million, which was originally allocated for "funding the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart®", to "funding the construction of manufacturing facility and sales center and the subsequent commercial operation";

(ii) **Research and Development of the Group's RDN Product Candidate, Iberis® 2nd** – reallocating approximately HK$10 million, which was originally allocated for "funding the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart®", to "funding the ongoing randomized controlled clinical trial in China for, and the continuous development of, the Group's RDN product candidate, Iberis® 2nd"; and

(iii) **General Corporate and Working Capital** – reallocating approximately HK$8 million, which was originally allocated for "funding the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart®", to "general corporate and working capital purposes".

Details of the use of the Net Proceeds disclosed in the Interim Report, the change of allocation of the unutilized Net Proceeds, the revised allocation of the Net Proceeds and the expected timeline for utilizing the Net Proceeds are as follows:

| Use of Net Proceeds | Allocation of the Net Proceeds disclosed in the Interim Report *(HK$ million)* | Change of allocation of the Net Proceeds *(HK$ million)* | Revised allocation of the Net Proceeds *(HK$ million)* | Utilized amount as of the date of this announcement *(HK$ million)* | Unutilized amount as of this announcement *(HK$ million)* | Expected timeline of full utilization of the unutilized Net Proceeds |
|---|---|---|---|---|---|---|
| To fund the ongoing confirmatory clinical trial, preparation for registration filings, and planned commercial launch of the Company's Core Product, Bioheart® | 203.85 | (69.48) | 134.37 | 114.15 | 20.22 | December 2027 |
| To fund the ongoing randomized controlled clinical trial in China for, and the continuous development of, the Group's RDN product candidate, Iberis® 2nd | 67.71 | 10 | 77.71 | 64.88 | 12.83 | December 2027 |
| To fund the acquisition of manufacturing facility for the Group's RDN product candidate, Iberis® 2nd | 26.37 | – | 26.37 | 26.37 | – | N/A |
| To fund the construction of manufacturing facility and sales center and the subsequent commercial operation | – | 51.48 | 51.48 | – | 51.48 | December 2027 |
| To fund the research and development, ongoing pre-clinical studies and planned clinical trials of other product candidates in the Group's pipeline, including Bio-Leap™, Bioheart Ultra™, our Bioheart® balloon dilatation catheter, our Bioheart® non-compliant (high-pressure) balloon dilatation catheter and our Bioheart® impulse balloon dilatation catheters | 12.34 | – | 12.34 | 12.34 | – | N/A |
| General corporate and working capital purposes | 44.17 | 8 | 52.17 | 44.05 | 8.12 | December 2027 |
| To fund the research and development of DCB | 87.25 | – | 87.25 | 84.13 | 3.12 | December 2027 |
| | 441.69 | – | 441.69 | 345.92 | 95.77 | |

## REASONS FOR AND THE BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Having considered the expected timetable for commercialization of the Group's products, the Group has decided to construct a manufacturing facility and sales center for production and commercialization of its products, including the Company's Core Product, Bioheart®. In addition, the Group has decided to allocate more financial resources for the continuous development of its RDN Product Candidate, Iberis® 2nd, with reference its development progress. Therefore, the Board considers that the reallocation of the unutilized Net Proceeds is fair and reasonable as it allows the Group to improve operational efficiency and reduce operational costs and is in line with the business strategy of the Group.

In view of the above, the Board is of the view that the aforesaid change in the use of the Net Proceeds will facilitate an effective use of the financial resources of the Group, strengthen the future development of the Group and is in the best interest of the Company and its shareholders as a whole. The Board confirms that there is no material change in the nature of business of the Group as set out in the Prospectus and proposed change in the use of Net Proceeds will not have any material adverse impact on the operations and business strategies of the Group.

By order of the Board
**Shanghai Bio-heart Biological Technology Co., Ltd.**
**Philip Li WANG**
*Chairman and executive Director*

Shanghai, the People's Republic of China, October 30, 2024

*As at the date of this announcement, the board of directors of the Company comprises Mr. Philip Li WANG as Chairman and executive director, Mr. Yunqing WANG and Ms. Peili WANG as executive directors, and Mr. Yiqing CHEN, Mr. Xubo LU and Mr. Yifei JIANG as independent non-executive directors.*