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Peijia Medical Limited

沛嘉醫療有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9996)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTERESTS IN OVERSEAS MINORITY INVESTMENT OF THE COMPANY

THE MERGER

Marvel Finder Limited, a wholly-owned subsidiary of the Company, holds a minority interest of approximately 1.91% of JenaValve's share capital (calculated on a fully-diluted and as-converted basis), which is recorded as financial assets at fair value through profit or loss in the Company's consolidated financial statements.

The Board is pleased to announce that JenaValve has informed the Company that on July 23, 2024 (U.S. Time), Edwards Lifesciences (through its wholly-owned subsidiary) has agreed to acquire JenaValve by way of a merger. Immediately after the Closing, the Company will cease to hold any equity interests in JenaValve. The Merger Agreement provides for an upfront payment at Closing of US\$500 million, subject to customary adjustments, and contingent consideration of up to US\$445 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Merger are more than 5% but less than 25%, the transaction contemplated under the Merger Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

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THE MERGER AGREEMENT

Set out below are the principal terms of the Merger Agreement:

Date

July 23, 2024 (U.S. Time)

Parties

- (1) JenaValve;
- (2) Edwards;
- (3) the Merger Sub; and
- (4) Securityholder Representative (acting for and on behalf of all stockholders of JenaValve, including Marvel Finder Limited, which is wholly-owned by the Company).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Edwards, the Merger Sub and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

The Merger

The Board of Directors of JenaValve has approved and recommended, and the stockholders of JenaValve have approved the sale of JenaValve to Edwards by way of the Merger. Upon completion of the Merger, the Merger Sub will merge into JenaValve, the separate corporate existence of the Merger Sub will cease and JenaValve will continue as the surviving corporation of the Merger and as a wholly-owned subsidiary of Edwards.

Consideration

The Merger Agreement provides for an upfront payment at Closing of US\$500 million, subject to customary adjustments, and contingent consideration of up to US\$445 million.

It is expected that the Group will receive an initial payment of approximately US\$13.10 million, and contingent consideration of up to approximately US\$8.40 million.

Basis of Determination of the Consideration

To the best knowledge of the Company, the consideration for the Merger was determined after arm's length negotiations between JenaValve and Edwards. Having taken into accounts the factors set out herein, the Company considers that consideration to be paid in connection with the Merger is fair and reasonable.

Conditions Precedent

The Closing of the Merger is subject to the satisfaction or waiver on or prior to the date of customary closing conditions, including regulatory approval where required.

EFFECTS ON THE GROUP'S LICENSE WITH JENAVALVE

In December 2021, the Group obtained the exclusive license to develop, manufacture and commercialize JenaValve Trilogy™ Transcatheter Heart Valve System for aortic regurgitation (AR) and aortic stenosis (AS) in the Greater China region. Subsequently, the Company elected to re-brand the technology to be TaurusTrio™ and carried out a multi-center registration clinical trial for severe AR in China (the “**Trial**”). The patient enrollment of the Trial was completed successfully in January 2024.

The Merger shall not affect the Group's exclusive license with JenaValve or the Group's rights to develop and commercialize TaurusTrio™ in the Greater China region.

REASONS FOR AND BENEFITS OF THE MERGER

The Directors are of the view that the Merger will enable the Group to monetize the value in its investment in JenaValve accumulated over a period of time since investment and represents an opportunity to enhance the financial flexibility of the Group at this point of time. The Group intends to apply proceeds received from the Merger to supplement the Group's working capital, to support the growth and development of the Group's pipeline candidates.

The Merger signifies confidence in the future prospects of treating AR with JenaValve's technology. JenaValve will be able to leverage on the expertise of Edwards. The Company anticipates that the Merger will enhance the competitiveness of JenaValve's technologies.

The Directors (including the independent non-executive Directors) consider that the Merger Agreement was negotiated on an arm's length basis between Edwards and JenaValve, was entered into on normal commercial terms, are fair and reasonable, and the Merger Agreement and the transaction contemplated thereunder is in the interests of the Company and its Shareholders as a whole.

FINANCIAL IMPACT OF THE MERGER

JenaValve is a minority investee company of the Group and its financial results are not consolidated into the financial statements of the Group. Upon completion of the Merger, the Group will cease to hold any equity interests in JenaValve. Based on the Company's preliminary analysis, the Group is expected to recognize a pre-tax disposal gain of approximately US\$5.1 million for the financial year in which the Merger closes. The actual effect of the Merger on the consolidated financial statements of the Group is to be determined as at completion and subject to audit. The Company will record and recognize the Merger in accordance with the applicable financial reporting standards.

INFORMATION ABOUT THE PARTIES TO THE TRANSACTION

JenaValve

JenaValve is a U.S.-based medical device company, principally engaged in the business of the research and development of the transcatheter treatment of aortic regurgitation (AR).

Set out below is the audited consolidated financial information of JenaValve for the two financial years ended December 31, 2023:

	For the year ended	
	December 31,	
	2023	2022
	(audited)	(audited)
	<i>US\$ in</i>	<i>US\$ in</i>
	<i>thousands</i>	<i>thousands</i>
Net loss before after taxation	37,249	24,352
Net loss after taxation	37,258	25,467

As of December 31, 2023, JenaValve has a total asset value of approximately US\$56.75 million and a net liability of approximately US\$3.01 million.

The financial figures set out herein were extracted from the financial statements of JenaValve that were prepared under U.S. GAAP, whereas the financial figures of the Company are reported under IFRS. The Company believes that there are no material differences between the financial figures as reported under U.S. GAAP and such financial figures if reported under IFRS.

Edwards and the Merger Sub

Edwards is a wholly-owned subsidiary of Edwards Lifesciences. Edwards Lifesciences, which is listed on the New York Stock Exchange (NYSE:EW), is the global leader of patient-focused innovations for structural heart disease and critical care monitoring. Driven by its passion for patients, Edwards Lifesciences is dedicated to improving and enhancing lives through partnerships with clinicians and stakeholders across the global healthcare landscape.

The Merger Sub is a corporation organized in the State of Delaware of the United States and is formed for the purpose of effecting the Merger. As of the date of this announcement, the Merger Sub is wholly-owned by Edwards and to the best knowledge of the Company, the Merger Sub has not commenced any business of its own.

Securityholder Representative

The Securityholder Representative is a Colorado limited liability company, which entered into the Merger Agreement solely in its capacity as the representative, agent and attorney-in-fact of the stockholders of JenaValve, which includes certain institutional investors of JenaValve.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Merger are more than 5% but less than 25%, the transaction contemplated under the Merger Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors in the Company should note that the consummation of the Merger is subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement and the Merger Agreement may be terminated in certain circumstances. Accordingly, there is no assurance that the Merger will be completed. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Closing”	the closing of the Merger
“Company”	Peijia Medical Limited (沛嘉醫療有限公司), an exempt limited liability company incorporated under the laws of the Cayman Islands on May 30, 2012, principally engaged in the research and development of transcatheter valve therapeutic medical devices and neurointerventional procedural medical devices
“Directors”	the director(s) of the Company

“Edwards”	Edwards Lifesciences Holding, Inc., a Delaware corporation
“Edwards Lifesciences”	Edwards Lifesciences Corporation, a company listed on the New York Stock Exchange
“Group”	our Company and all of its subsidiaries
“IFRS”	the International Financial Reporting Standards as issued by the International Accounting Standards Board
“JenaValve”	JenaValve Technology, Inc., a Delaware corporation principally engaged in the business of the research and development of the transcatheter treatment of aortic regurgitation
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Merger”	the merger of Merger Sub into JenaValve with JenaValve surviving as a wholly-owned subsidiary of Edward Lifesciences as contemplated under the Merger Agreement
“Merger Agreement”	the merger agreement dated July 23, 2024 entered into between Edwards Lifesciences, the Merger Sub, JenaValve and the Securityholder Representative in relation to the acquisition by merger of all of the equity interests of JenaValve by Edwards
“Merger Sub”	Jupiter Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Edwards
“Securityholder Representative”	Shareholder Representative Services LLC, a Colorado limited liability company
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“US\$”	United States dollars, the lawful currency of the United States

“U.S.” or “U.S.A.”

the United States of America

“U.S. GAAP”

U.S. Generally Accepted Accounting Principles

By order of the Board
Peijia Medical Limited
Dr. Yi Zhang
Chairman and Executive Director

Hong Kong, July 26, 2024

As of the date of this announcement, the Board comprises Dr. Yi ZHANG, Mrs. Ping Ye ZHANG and Ms. Hong YE as executive Directors, Dr. Zhiyun YU, Mr. Jifeng GUAN, Mr. Fei CHEN and Mr. Jun YANG as nonexecutive Directors, and Dr. Stephen Newman OESTERLE, Mr. Robert Ralph PARKS, Mr. Wai Ming YIP and Mr. Huacheng WEI as independent non-executive Directors.