Suzhou Basecare Medical Corporation Limited
蘇州貝康醫療股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2170)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST IN CELLPRO BIOTECH

Reference is made to the announcement of Suzhou Basecare Medical Corporation Limited (the "**Company**") dated November 3, 2021 (the "**Announcement**") in relation to a discloseable transaction relating to the acquisition of 51% equity interest in Cellpro Biotech (the "**Transaction**") and change in use of Net Proceeds. Unless otherwise defined herein, capitalized terms used shall have the same meanings ascribed to them in the Announcement.

The Company wishes to provide the shareholders and potential investors of the Company with additional information on the Acquisition.

ADDITIONAL FACTOR BEING CONSIDERED WHEN DETERMINING THE CONSIDERATION FOR THE ACQUISITION

As disclosed in the Announcement, the Consideration was reached after arms' length negotiation among the parties primarily based on the factors mentioned therein, in addition to which, the historical estimate valuation of Cellpro Biotech was also one of the factors being considered.

In the latest round of private equity financing of Cellpro Biotech in May 2015, five then investors of Cellpro Biotech subscribed for an aggregate of 15% of Cellpro Biotech's increased registered capital at a total consideration of RMB30 million (the "**Historical Financing**"). The post-money valuation of Cellpro Biotech upon the completion of the Historical Financing was approximately RMB200 million, which is considered by the Company to be a benchmark when justifying the fairness and reasonableness of the Consideration.

In addition to the financial information (including the asset value) of Cellpro Biotech, the Company has also considered thoroughly, among others, the R&D capabilities of Cellpro Biotech as detailed below, the robust product pipeline and its synergy with the Group's business as well as the market potential of the segments that Cellpro Biotech has been focused on.

Based on the above, the Directors believe that the Consideration is fair and reasonable and are in the interests of the Company and the shareholders as a whole.

PRODUCTS PORTFOLIO, PRODUCT CANDIDATES PIPELINE AND RESEARCH AND DEVELOPMENT CAPACITY OF CELLPRO BIOTECH

The following table sets forth key commercialized product portfolio of Cellpro Biotech as of the date of this announcement:

Product Category	Product Name	Trade Name	Usage
Product system for physiological function testing of sperm cells	Sperm Nuclear Integrity Test Kit (精子核完整性檢測試劑盒)	Fragmented Nuclear Test (碎核檢)	Testing sperm nuclear DNA damage
	Semen Enhancement and Sperm Nuclear Integrity Test Kit (精液優化處理與精子核完整性檢測試劑盒)	Enhanced Nuclear Test (優核檢)	Testing sperm nuclear DNA damage of live sperms in semen samples
	Sperm Nuclear DNA Fluorescent Staining Kit (精子核 DNA熒光染色試劑盒)	AI-DFI	Testing sperm nuclear DNA damage based on artificial intelligence technology
	Sperm Induced Acrosome Reaction Test Kit (精子誘發頂體反應檢測試劑盒)	Acrosome Reaction Test (頂應檢)	Testing the sperm's acrosome reaction ability
	Sperm Tail Mid-section Staining Kit (精子尾部中段染色試劑盒)	Sperm Mitochondria Test (精粒檢)	Testing the level of the potential of the mitochondrial membrane of sperms
	Sperm Pap Smear Kit (精子巴氏檢測試劑盒)	AI-Morphology (AI-形態學)	Testing sperm morphology based on artificial intelligence technology
Product system for genetic testing related to male infertility	Folate Metabolism Gene Detection (葉酸代謝基因檢測)	MTHFR&MTRR	Detecting mutations in genes related to folate metabolism

* All of the commercialized products are Class I medical devices regulated by the National Medical Products Administration of the PRC

The following table sets forth key product candidates of Cellpro Biotech as of the date of this announcement:

Product Name	Designed usage	Current development stage	Expected time for commercialization (if applicable)
Flow-DFI (Containing Quality Control Products) Test Kit (流式-DFI（含質控品）檢測試劑盒)	Sperm nuclear DNA damage detection kit with a quality control system based on flow cytometry technology	Pre-clinical design and validation stage	Expected to obtain Class II medical device registration certificate in 2024
Flow-ROS (Containing Quality Control Products) Test Kit (流式-ROS（含質控品）檢測試劑盒)		Pre-clinical design and validation stage	Expected to obtain Class II medical device registration certificate in 2024
Flow-Cytokines (Containing Quality Control Products) Test Kit (流式-細胞因子（含質控品）檢測試劑盒)		To enter clinical stage soon	Expected to obtain Class I/II medical device registration certificate in 2023
Semi-automatic/Automatic Staining Machine (半／全自動染色機)	Improving the detective function of all kinds of flow cytometers and automating sample pretreatment	Pre-clinical design validation completed	Expected to obtain Class II medical device registration certificate in 2024
Male Infertility Related Heavy Metal Test Kit (Using Mass Spectrometry with Quality Control Products Contained) (男性不育相關重金屬檢測試劑盒（質譜法含質控品）)	Detecting trace amounts of heavy metals leading to male infertility	Pre-clinical design validation completed	Expected to obtain Class III medical device registration certificate after 2024
Male Infertility Related Hormone Test Kit (Using Mass Spectrometry with Quality Control Products Contained) (男性不育相關荷爾蒙檢測試劑盒（質譜法含質控品）)	Detecting trace amounts of hormones leading to male infertility	Pre-clinical design and validation stage	Expected to obtain Class III medical device registration certificate after 2024
Male Infertility Related Gene (NGS) Test Kit (男性不育相關基因（NGS）檢測試劑盒)	Detecting and analyzing genetic factors leading to male infertility	Pre-clinical design validation completed	Expected to obtain Class III medical device registration certificate after 2024

As stated in the Announcement, strong research and development capacity of Cellpro Biotech is one of the Company's primary consideration factors and benefits of entering into the Investment Agreement. The research and development function of Cellpro Biotech was led by its founder, Xue Zhigang (薛志剛) ("**Dr. Xue**"). Dr. Xue obtained his doctor degree in genetics from XiangYa School of Medicine, Central South University (中南大學湘雅醫學院) and was a post-doctoral fellow at the University of California. He is also serving as a professor of Stem Cell Clinical Transformation Center of Tongji Hospital of Tongji University (同濟大學附屬同濟醫院幹細胞臨床轉化中心) and has approximately 13 years of experience in reproductive industry. He has led the research and development of flow DFI testing approach of Cellpro Biotech, which has been adopted and used by more than 300 clinical institutions in the PRC. As of December 31, 2020, Cellpro Biotech owned 20 patents and five software copyrights in the PRC, and it also operates a research and development center in Suzhou. Cellpro Biotech was granted the "Second Prize of National Science and Technology Progress Award" and the "First Prize of Jiangsu Science and Technology Progress Award" granted by the State Council of the PRC and the Jiangsu's Provincial People's Government, respectively.

ALTERNATIVE SOURCE OF FUNDS TO SETTLE THE CONSIDERATION

In the case that the resolution of change in the use of the Net Proceeds is not passed, the Company will settle the Consideration with its internal resources of the remaining funds from its pre-IPO financing, which is sufficient to cover the Consideration.

Completion of the Acquisition is conditional upon fulfilment of the conditions precedent set out in the Investment Agreement. There is no assurance that completion will take place or as to when it may take place. The Company cannot guarantee that the products and product candidates of Cellpro Biotech will be developed or ultimately marketed successfully. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

By Order of the Board
Suzhou Basecare Medical Corporation Limited
Dr. Liang Bo
Chairman and General Manager

Suzhou, PRC, November 16, 2021

As at the date of this announcement, the Board comprises Dr. LIANG Bo, Mr. KONG Lingyin and Mr. RUI Maoshe as executive Directors; Mr. XU Wenbo, Mr. ZHANG Jiecheng and Mr. WANG Weipeng as non-executive Directors; and Dr. KANG Xixiong, Dr. HUANG Taosheng and Mr. CHAU Kwok Keung as independent non-executive Directors.