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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MicroPort Scientific Corporation, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 circular.

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**MicroPort Scientific Corporation**

**微創醫療科學有限公司\***

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

**(Stock code: 00853)**

**SCRIP DIVIDEND IN RELATION TO THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2020,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF SUBSIDIARY OPTION SCHEME,  
PROPOSED GRANT OF OPTIONS OF A SUBSIDIARY  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of MicroPort Scientific Corporation to be held at the Hilton Suzhou, No. 275 Suzhou Avenue, East Industrial Park Suzhou, Jiangsu, The People's Republic of China on Thursday, 24 June 2021 at 9:30 a.m. is set out on pages 33 to 38 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.microport.com](http://www.microport.com)). Persons entitled to attend and vote at the Annual General Meeting are also allowed to attend through teleconference (Dial-in number: 400-616-8835 (Mainland China) or 800-931-189 (Hong Kong); Meeting ID: 84864133460; Participant ID: 538551. Shareholders, who attend the Annual General Meeting through teleconference, will not be able to vote through the teleconference nor be counted as quorum of the Annual General Meeting. Shareholders who are attending through teleconference should cast their votes by appointing the chairman of the Annual General Meeting as their proxy to vote on the relevant resolution at the Annual General Meeting.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 9:30 a.m. on 22 June 2021 (Tuesday) (Hong Kong time). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

The following measures will be taken to prevent and control the spread of the COVID-19 pandemic at the Annual General Meeting, including:

- compulsory body temperature checks
- requirement of wearing a surgical face mask for each attendee

Any person who does not comply with the precautionary measures may be denied entry into the meeting venue. The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the meeting as an alternative to attending the meeting in person.

The Company will ensure that the Annual General Meeting will be conducted in compliance with the regulations or measures of the relevant regulatory authorities.

The Company will closely monitor the development of the COVID-19 pandemic and any regulations or measures introduced or to be introduced by the relevant regulatory authorities in relation to the COVID-19 pandemic. Further announcements will be made by the Company as soon as possible if there is any update to the preventive measures as mentioned above.

\* for identification purpose only

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> . . . . .	1
<b>Letter from the Board</b>	
1. Introduction . . . . .	5
2. Scrip Dividend Scheme . . . . .	6
3. Proposed Re-election of Retiring Directors. . . . .	7
4. Proposed Granting of the Share Buy-back Mandate . . . . .	8
5. Proposed Granting of the Issuance Mandate . . . . .	8
6. Proposed Adoption of Subsidiary Option Scheme . . . . .	8
7. Proposed Grant of Options. . . . .	11
8. Responsibility Statement . . . . .	14
9. Annual General Meeting and Proxy Arrangement. . . . .	14
10. Recommendation . . . . .	15
<b>Appendix I – Details of the Directors Proposed for Re-election</b> . . . . .	16
<b>Appendix II – Explanatory Statement on the Share Buy-back Mandate</b> . . . . .	21
<b>Appendix III – Principal Terms of the Subsidiary Option Scheme</b> . . . . .	24
<b>Notice of Annual General Meeting.</b> . . . . .	33

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at the Hilton Suzhou, No. 275 Suzhou Avenue, East Industrial Park Suzhou, Jiangsu, The People’s Republic of China on Thursday, 24 June 2021 at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 33 to 38 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day on which securities are traded on the Stock Exchange
“Company”	MicroPort Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Core Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	has the meaning ascribed thereto in the Appendix III to this circular
“Final Dividend”	the proposed final dividend of HK4.3 cents (tax inclusive) per Share for the year ended 31 December 2020
“Grantee”	means any Eligible Person who accepts an Offer in accordance with the terms of the Subsidiary Option Scheme
“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 PRC

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## DEFINITIONS

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“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting as set out on pages 33 to 38 of this circular
“Latest Practicable Date”	20 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association”	the memorandum of association of the Company currently in force
“Offer”	means an offer of the grant of an Option made in accordance with paragraph 6 of Appendix III to this circular
“Offer Date”	means the date on which an Offer is made to an Eligible Person, which must be a Business Day
“Offer Letter”	has the meaning ascribed to it under paragraph 6 of Appendix III to this circular
“Option”	the option(s) to be granted under the Subsidiary Option Scheme
“Option Period”	means a period to be determined and notified by the Subsidiary Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option (subject to the provisions for early termination contained in paragraph 15 of Appendix III to this circular)
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of PRC and Taiwan
“Proposed Grant”	the proposed grant of Options to subscribe for approximately 1.6% equity interest in the equity capital of the Subsidiary to the Proposed Grantee
“Proposed Grantee”	Mr. Cheng Zhiguang (程智廣)

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## DEFINITIONS

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“Qualifying Shareholders”	the Shareholders whose registered addresses are in Hong Kong as shown on the register of members of the Company on the Record Date, other than Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are outside Hong Kong (if any) to whom the Directors, based on legal advice provided by legal advisers and on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient to exclude such Shareholder(s) from the Scrip Dividend Scheme
“Record Date”	5 July 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Scrip Dividend Scheme”	the scheme proposed by the Directors in relation to the Final Dividend which offer the Qualifying Shareholders an alternative to elect to receive such dividend wholly or partly by an allotment and issue of new Shares credited as fully paid in lieu of cash payment
“Scrip Share(s)”	new Share(s) to be allotted and issued pursuant to the Scrip Dividend Scheme
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of Shares of the Company in issue as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 33 to 38 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Subscription Price”	the price at which the relevant equity interest in the equity capital (or issued shares if the Subsidiary becomes a company limited by shares) of the Subsidiary subject to an Option may be subscribed for upon exercise of that Option, subject to paragraph 7 and paragraph 19 of Appendix III to this circular
“Subsidiary”	Shenzhen Microport Surgical (Group) Co., Ltd, a limited liability company established in the PRC and is indirectly owned as to 61.29% by the Company as at the Latest Practicable Date
“Subsidiary Articles”	the articles of association of the Subsidiary, as may be amended, supplemented or otherwise modified from time to time
“Subsidiary Board”	the board of directors of the Subsidiary
“Subsidiary Group”	means the Subsidiary and its subsidiaries
“Subsidiary Shares”	equity interest in the equity capital of the Subsidiary and if the Subsidiary becomes a company limited by shares, then the ordinary shares in the capital of the Subsidiary (or, if there has been a sub-division, consolidation, reduction, re-classification or reconstruction of the share capital of the Subsidiary, ordinary shares forming part of the equity share capital of the Subsidiary of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time)
“Subsidiary Option Scheme”	the equity option scheme of the Subsidiary proposed to be adopted by ordinary resolution at the AGM, a summary of principal terms of which is set out in Appendix III to this circular
“Subsidiary Shareholder(s)”	the shareholder(s) of the Subsidiary
“%”	per cent
“Takeovers Code”	the Codes on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time

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LETTER FROM THE BOARD

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**MicroPort Scientific Corporation**

**微創醫療科學有限公司\***

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

**(Stock code: 00853)**

*Executive Director:*

Dr. Zhaohua Chang (*Chairman*)

*Non-executive Directors:*

Mr. Norihiro Ashida

Dr. Yasuhisa Kurogi

Mr. Hongliang Yu

*Independent Non-executive Directors:*

Mr. Jonathan H. Chou

Dr. Guoen Liu

Mr. Chunyang Shao

*Registered Office:*

P.O. Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

*Head Office in PRC:*

1601 Zhangdong Road

Zhangjiang Hi-Tech Park

Shanghai 201203

The People's Republic of China

*Principal Place of Business in*

*Hong Kong:*

Level 54, Hopewell Centre

183 Queen's Road East, Hong Kong

25 May 2021

*To the Shareholders*

Dear Sir/Madam,

**SCRIP DIVIDEND IN RELATION TO THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2020,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF SUBSIDIARY OPTION SCHEME,  
PROPOSED GRANT OF OPTIONS OF A SUBSIDIARY  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting for the approval of, among other matters, (i)

\* for identification purpose only

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## LETTER FROM THE BOARD

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the payment of a Final Dividend (including the Scrip Dividend Scheme); (ii) the re-election of Directors; (iii) the granting of a Share Buy-back Mandate and Issuance Mandate; (iv) the adoption of the Subsidiary Option Scheme; and (v) the Proposed Grant.

### **2. SCRIP DIVIDEND SCHEME**

We refer to the announcement of the Company dated 30 March 2021 in relation to the annual results of the Company for the year ended 31 December 2020 (the “Announcement”). It was stated in the Announcement that the Directors had resolved to recommend the payment of a Final Dividend of HK4.3 cents (tax inclusive) per Share for the year ended 31 December 2020 to the Shareholders whose names appear on the register of members of the Company on the Record Date and also to recommend the Scrip Dividend Scheme to the Qualifying Shareholders, subject to the approval of the Shareholders on the payment of Final Dividend at the Annual General Meeting and the grant by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant thereto.

The Board considers it appropriate to distribute the Final Dividend in recognition of Shareholders’ support. After taking into account a number of factors including cash flow and financial position of the Company, the Board considers it appropriate and proposes that the Final Dividend be paid out of the Share Premium Account. The scrip dividend is also offered as an opportunity for Shareholders who wish to increase their stake in the company. The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group.

Qualifying Shareholders are entitled to elect to have the Final Dividend to be paid wholly or partly in Shares instead of in cash. Shareholders whose registered addresses are outside Hong Kong (if any) as shown in the register of members of the Company on the Record Date may not be permitted to participate in the Scrip Dividend Scheme if the Directors consider that the circulation of an offer of such election to such Shareholders would or might be unlawful or impracticable and accordingly no form of election will be sent to such Shareholders and they will receive the Final Dividend wholly in cash. The Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Shareholder from the Scrip Dividend Scheme and it may only exclude such Shareholder on the basis that, having made such enquiry, it would be necessary or expedient to do so.

For the purpose of calculating the number of Scrip Shares, the value of the Scrip Shares will be fixed by the Board at its discretion with reference to the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ending on (and including) the Record Date less a discount of 20% of such average price or the par value of Shares, whichever is higher. In determining the price at which the Scrip Shares will be issued, the Board will take into consideration the average closing price of the Shares for the five trading days immediately preceding the Record Date and market conditions.



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## LETTER FROM THE BOARD

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The number of Scrip Shares to be issued will be rounded down to the nearest whole number of Scrip Shares and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to Scrip Shares will be aggregated and sold for the benefit of the Company.

The Scrip Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Final Dividend for the year ended 31 December 2020.

On the condition that the payment of the above Final Dividend by way of the Scrip Dividend Scheme is approved by the Shareholders at the Annual General Meeting, a circular containing details of the Scrip Dividend Scheme, together with a form of election (to the Qualifying Shareholders only), will be despatched to the Shareholders on or about Monday, 19 July 2021.

Subject to the passing of the resolution concerned at the Annual General Meeting, application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares. No part of the Scrip Shares will be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought. The proposed Final Dividend is expected to be paid on or about Wednesday, 18 August 2021. Dividend warrants and share certificates for new shares to be issued under the Scrip Dividend Scheme will be despatched by ordinary mail on or about Wednesday, 18 August 2021. The dealings in the Scrip Shares on the Stock Exchange are expected to commence on or around Thursday, 19 August 2021.

### **Closure of register of members**

In order to determine the entitlement to the proposed Final Dividend, the register of members of the Company will be closed from Wednesday, 30 June 2021 to Monday, 5 July 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed Final Dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 29 June 2021 (Hong Kong time), being the last registration date.

### **3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 16.18 of the Articles of Association, Dr. Zhaohua Chang, Mr. Hongliang Yu and Mr. Chunyang Shao shall retire from offices as Directors at the Annual General Meeting. In addition, in accordance with Article 16.3 of the Articles of Association, Dr. Yasuhisa Kurogi, who was appointed as Director by ordinary resolution on 18 June 2020, shall hold office until the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Details of the Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

#### **4. PROPOSED GRANTING OF THE SHARE BUY-BACK MANDATE**

At the annual general meeting of the Company held on 18 June 2020, a general mandate was granted to the Directors to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 33 to 38 of this circular (i.e. a total of 181,551,090 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

#### **5. PROPOSED GRANTING OF THE ISSUANCE MANDATE**

At the annual general meeting of the Company held on 18 June 2020, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting as set out on pages 33 to 38 of this circular (i.e. a total of 363,102,180 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

#### **6. PROPOSED ADOPTION OF SUBSIDIARY OPTION SCHEME**

The purpose of the Subsidiary Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Subsidiary Group and for such other purposes as the Board may approve from time to time.

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## LETTER FROM THE BOARD

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The Subsidiary Option Scheme will provide the Eligible Persons an opportunity to have a personal stake in the Subsidiary with the view to achieving the following objectives:

- (i) motivate the Eligible Persons to optimize their performance efficiency for the benefit of the Subsidiary Group; and
- (ii) attract and retain or otherwise maintain an on-going relationship with the Eligible Persons whose contributions are or will be beneficial to the long-term growth of the Subsidiary Group.

The Subsidiary Option Scheme will take effect on the date of its adoption at the Annual General Meeting and is conditional upon:

- (a) the approval by the Subsidiary Shareholder(s); and
- (b) the passing of the ordinary resolution by the Shareholders to approve and adopt the Subsidiary Option Scheme and to authorise the Subsidiary Board to grant Options under the Subsidiary Option Scheme and to allot and issue Subsidiary Shares pursuant to the exercise of any Options;

As at the Latest Practical Date, none of the conditions has been satisfied.

Except that the selection of grantees subject to an offer of the Options shall also be approved by the remuneration committee of the Company, the Subsidiary Option Scheme shall be subject to the administration of the Subsidiary Board whose decision shall be final and binding on all parties. The Subsidiary Board may by resolution authorise a committee comprising of any director(s) of the Subsidiary to exercise any or all of its powers in administration of the Subsidiary Option Scheme. As the Latest Practicable Date, the committee has not been formed and the Subsidiary does not have specific timetable for the formation of such committee.

The Subsidiary Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option may be exercised. However, under the Subsidiary Option Scheme, the Subsidiary Board may at its discretion specify any conditions which must be satisfied before the Option may be exercised in the Offer Letter whereby the Option is offered. The Subsidiary Board believes that this will provide the Subsidiary Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Subsidiary Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Subsidiary Group and for the benefit of the Company and the Shareholders as a whole.

The aggregate Subsidiary Shares which may be issued upon exercise of all options to be granted under the Subsidiary Option Scheme and any new Subsidiary Option Scheme of the Subsidiary which may be adopted hereinafter must not, in aggregate, exceed 5% of the equity capital or issued shares if the Subsidiary becomes a company limited by shares of the Subsidiary at the date of adoption of the Subsidiary Option Scheme. The maximum aggregate Subsidiary Shares which may be issued upon exercise of all outstanding options

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## LETTER FROM THE BOARD

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granted and yet to be exercised under the Subsidiary Option Scheme and any other share option schemes of the Subsidiary, must not, in aggregate, exceed 30% of equity capital or issued shares if the Subsidiary becomes a company limited by shares of the Subsidiary from time to time. As at the Latest Practicable Date, the Subsidiary has a registered capital of RMB195 million. Assuming that there is no change in the registered capital of the Subsidiary between the Latest Practicable Date and the date of the Annual General Meeting, the total equity capital which may be issued upon exercise of all Options to be granted under the Subsidiary Option Scheme would represent a registered capital of RMB9.75 million.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the Subsidiary Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the Subscription Price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the Subsidiary Option Scheme, and if so, the amount of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Subsidiary Board to impose any performance targets that have to be achieved before the Options can be exercised and any other terms and conditions that the Subsidiary Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Subsidiary Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances.

The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Subsidiary Option Scheme. The issue of Subsidiary Shares under the Subsidiary Option Scheme will constitute a deemed disposal of the Company of its equity interest in the Subsidiary under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, the highest applicable percentage ratio applied in accordance with Rule 14.07 of Listing Rules in respect of the issuance of the maximum equity capital allowed to be granted pursuant to the Subsidiary Option Scheme is less than 5%, this does not constitute a discloseable transaction under Chapter 14 of the Listing Rules. The Company will re-comply with the relevant requirements under Chapter 14 of the Listing Rules when the Scheme Mandate Limit (as defined below) is refreshed.

A summary of the principal terms of the Subsidiary Option Scheme is set out in Appendix III to this circular. A copy of the Subsidiary Option Scheme will be available for inspection at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, during normal business hours from the date hereof up to and including the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE SUBSIDIARY

The Subsidiary is principally engaged in the development, production and sale of cardiopulmonary bypass products.

Set out below are the financial information of the Subsidiary for the two years ended 31 December 2020.

	<b>For the year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	27,202.91	31,017.73
Net profit/(loss) before tax	(13,652.60)	(17,542.19)
Net profit/(loss) after tax	(13,654.39)	(17,542.19)

Subject to the Subsidiary Option Scheme becoming effective, as at the Latest Practicable Date, in addition to the Proposed Grant, the Company intends to grant Options representing approximately 1.07% of the equity capital of the Subsidiary in the third quarter of 2021. The proposed grantees are expected to include not more than five employees of the Subsidiary Group, who are in charge of research and development for cardiac surgery and ICU management products. For further details of the Proposed Grant, please refer to the section headed “PROPOSED GRANT OF OPTIONS” set out below.

Shareholders and other investors are reminded that the proposed grant is subject to, among other things, the final decisions of the Subsidiary Board, market conditions and other considerations, and may or may not materialise.

The term of the Subsidiary Option Scheme under paragraph 8 of Appendix III applies only to Director, chief executive and substantial Shareholder at the Company's level. As at the Latest Practicable Date, none of the Director, chief executive and substantial Shareholder of the Company is an Eligible Person.

### 7. PROPOSED GRANT OF OPTIONS

#### (i) The Proposed Grant

Subject to the Subsidiary Option Scheme becoming effective, it is proposed that Options be granted to the Proposed Grantee. Details of the Proposed Grant are set out below:

Date of grant:

The date when the last of the conditions set out in the paragraph “conditions” below is satisfied.

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## LETTER FROM THE BOARD

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Subscription price: Approximately RMB3.85 for RMB1.00 of the registered capital of the Subsidiary.

The subscription price was determined with reference to (i) the valuation of the Subsidiary in its recent round of financing, in particular the subscription price represents the pro-rata contribution by the Group in the latest round of capital increase of the Subsidiary that took place in 2021; and (ii) the financial condition of the Subsidiary.

Subsidiary Shares to be subscribed:

The total equity capital which may be issued upon exercise of the Options under the Proposed Grant represents a registered capital of RMB3,120,000, and represents approximately 1.6% of the total equity capital of the Subsidiary as at the Latest Practicable Date and 1.57% of the total equity capital of the Subsidiary as enlarged by the issue of the equity capital under the Proposed Grant.

The number of Options proposed to be granted was determined with reference to the Proposed Grantee's expertise in the medical device industry and his track record. Please also refer to the section headed "Reasons of the Proposed Grant" for further details.

Vesting schedule:

Vesting of the Options is conditional upon achievement of certain performance targets. The performance targets for vesting include annual targets of the Subsidiary as determined by the Subsidiary Board including annual progress or milestones on the research and development of medical products to be made with reference to the annual financial results of the Subsidiary.

Exercise period:

Exercisable within a period of ten years from the date of grant, subject to the vesting schedule.

Consideration:

Upon acceptance of the Proposed Grant, the Proposed Grantee shall pay nil consideration to the Subsidiary as consideration for the grant.

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## LETTER FROM THE BOARD

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Conditions:

The Proposed Grant is conditional upon:

- (a) the Subsidiary Option Scheme having been adopted becoming effective; and
- (b) the Shareholders passing an ordinary resolution to approve the Proposed Grant at the Annual General Meeting.

As at the Latest Practicable Date, none of the conditions have been satisfied.

### **(ii) Reasons of the Proposed Grant**

The Proposed Grantee is the president of the Subsidiary. The Proposed Grantee is a veteran with over 20 years of experience in cardiac, vascular surgery and ICU management. He has participated in nearly 3,000 cases of various types of cardiac surgery, specializing in the surgical treatment of coronary heart disease, valvular heart disease, pediatric congenital heart disease and severe heart failures. He has a proven track record of success in medical devices development and leadership skills including the launch of the first left ventricular assisted device in the PRC. The Proposed Grantee is responsible for the development of leadership team, product portfolio roadmap and clinical training program of the Subsidiary. The Board believes that the Proposed Grant is consistent with the remuneration policy of the Subsidiary and provides the Proposed Grantee with an incentive for his commitment and contribution to further apply his expertise, experience and leadership skills to the growth of the Subsidiary in the future. The Board believes that the Proposed Grant would help maximise shareholder value by aligning senior management and shareholder interests.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms the Proposed Grant are fair and reasonable.

### **(iii) Listing Rules implications**

As at the Latest Practicable Date, the registered capital of the Subsidiary is RMB195 million. No option has been granted to the Proposed Grantee under any share option scheme of the Company in the 12 months immediately preceding the date of grant. The Proposed Grant exceeds 1% of the total equity capital of the Subsidiary. Accordingly, the Proposed Grant would be subject to the approval of the Shareholders at a general meeting pursuant to the Note to Rule 17.03(4) of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquires, there is no Shareholder who has any material interest in the adoption of the Subsidiary Option Scheme and/or the Proposed Grant, and therefore no Shareholder is required to abstain from voting on the ordinary resolutions proposed to adopt the Subsidiary Option Scheme and to approve the Proposed Grant.



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## LETTER FROM THE BOARD

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### 8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

### 9. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 33 to 38 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Article 13.6 of the Articles of Association provides that, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. According to Article 14.1 of the Articles of Association, every shareholder present in person or by proxy shall have one vote for each share registered in his name in the register. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the Annual General Meeting. The Company will publish an announcement of the poll results on the websites of the Stock Exchange and the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.microport.com](http://www.microport.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 9:30 a.m. on 22 June 2021 (Tuesday) (Hong Kong time). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, your proxy form shall be deemed to be revoked.



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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

The Directors consider that the resolutions in relation to, among others, (i) the proposed payment of a Final Dividend (including the Scrip Dividend Scheme), (ii) the proposed re-election of retiring Directors, (iii) the granting of the Share Buy-back Mandate and the Issuance Mandate; (iv) the adoption of the Subsidiary Option Scheme; and (v) the Proposed Grant are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**Dr. Zhaohua Chang**  
*Chairman*

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## APPENDIX I DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

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The following are the details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

### (1) Dr. Zhaohua Chang

Dr. Zhaohua Chang (“Dr. Chang”), born in 1963, is the Chairman, Executive Director and Chief Executive Officer of the Company. He has over 30 years’ experience in the medical device industry, and currently also serve as a full professor at School of Medical Device, University of Shanghai for Science and Technology. Before establishing Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司) (“MP Shanghai”) in 1998, from 1996 to 1997, Dr. Chang served as Vice President of R&D at Endocare Inc., a NASDAQ listed medical device company based in California, U.S.. From 1990 to 1995, he served as Senior Engineer, Chief Scientist, Director of R&D and Vice President of Engineering at Cryomedical Sciences Inc., a public medical device company in Maryland U.S.. Dr. Chang received his bachelor’s degree in refrigeration engineering in 1983 and master’s degree in cryogenic engineering in 1985, both from University of Shanghai for Science and Technology. In 1992, he received his doctoral degree in Biological Science from State University of New York (Binghamton). Dr. Chang has published extensively in biomedical fields and holds several dozens of patents in the United States and in China.

Save as disclosed above, Dr. Chang did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, and he is not related to any Directors, senior management, other substantial or controlling Shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

## APPENDIX I DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Dr. Chang had the following interests in shares or underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

Name of the Company/associated corporations	Number of Shares held	Number of underlying Shares	Total number of Shares/ underlying Shares held	Approx. Percentage of the issued share capital of the Company/ associated corporations
The Company	20,461,135 (Note 1)	72,517,145	92,978,280	5.12%
Suzhou Microport Orthopedics Scientific (Group) Co., Ltd.	5,305,218	–	5,305,218	1.41%
MicroPort NeuroTech Limited	12,105,300	–	12,105,300	12.11%
AccuPath Medical (Jiaxing) Co., Ltd.	29,444,444	–	29,444,444	27.89%
MicroPort Vision Power MedTech (Shanghai) Co., Ltd.	2,000,000	–	2,000,000	1.87%
Shanghai MicroPort Rhythm MedTech Co., Ltd.	5,900,000	–	5,900,000	1.97%
MicroPort Cardioflow MedTech Corporation	–	6,000,000 (Note 2)	6,000,000	0.25%

*Note:*

1. Dr. Chang was interested in (i) 20,461,135 Shares represent Shares awarded to him under the share award scheme of the Company, the vesting of which are subject to the satisfaction of certain conditions; and (ii) 72,517,145 underlying shares of the Company by virtue of the options granted to him under the share option scheme of the Company.
2. Dr. Chang was interested in the underlying shares of MicroPort Cardioflow MedTech Corporation by virtue of the options granted to him under the share option scheme of the MicroPort Cardioflow MedTech Corporation.

Save as disclosed above, Dr. Chang did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Company has issued a letter of appointment to Dr. Chang for a term of three years. Dr. Chang is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. He is entitled to receive remuneration which shall be fixed by the Board.

There is no information which is discloseable nor is Dr. Chang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Dr. Chang that need to be brought to the attention of the Shareholders.

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## APPENDIX I DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

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### (2) Mr. Hongliang Yu

Mr. Hongliang Yu (“Mr. Yu”), born in 1974, was appointed as our non-executive Director on 21 June 2018. Mr. Yu is currently the general manager of Zhangjiang Science & Technology Venture Capital Co., Ltd. Mr. Yu joined Shanghai Zhangjiang (Group) Co., Ltd. in November 2000, and successively served as the vice manager and executive vice manager of investment management department of Shanghai Zhangjiang (Group) Co., Ltd., vice general manager of Shanghai Zhangjiang Biotech & Pharmaceutical Base Development Co., Ltd., vice general manager of Shanghai Zhangjiang Science & Technology Venture Capital Co., Ltd. and general manager of Shanghai Zhangjiang Technology Microfinance Co., Ltd.. Mr. Yu graduated from East China University of Metallurgy majoring in Ferrous Metallurgy with a bachelor degree in July 1996, and graduated from University of Shanghai for Science and Technology majoring in management engineering with a master degree in April 2001. Mr. Yu holds the professional title of economist and qualification of certified public accountant.

Save as disclosed above, Mr. Yu did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, and he is not related to any Directors, senior management, other substantial or controlling Shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Yu did not have or was not deemed to have any interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Company has issued a letter of appointment to Mr. Yu for a term of three years. Mr. Yu is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. His emolument, if any, will be reviewed by the Board from time to time under the authority granted to the Board by the shareholders and in accordance with the recommendation of the remuneration committee of the Board by reference to his experience and responsibilities, the Company’s performance, remuneration policy and prevailing market conditions.

There is no information which is discloseable nor is Mr. Yu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Yu that need to be brought to the attention of the Shareholders.

### (3) Mr. Chunyang Shao

Mr. Chunyang Shao (“Mr. Shao”), born in 1964, was appointed as our independent non-executive Director on 23 September 2016. Mr. Shao is currently a partner of JunHe LLP and a member of the All China Lawyers Association and Shanghai Bar Association. Mr. Shao specializes in practice such as corporate, foreign investment, real estate, mergers and acquisitions, securities, infrastructure and project finance. From July 1988 to October 1993, Mr. Shao worked in Anhui Foreign Economy Law Office. From November 1995 to March 2002, Mr. Shao worked in the London, Hong Kong and China offices of major international

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## APPENDIX I DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

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law firms, including in Simmons & Simmons as PRC legal counsel and Sidley Austin as a senior PRC legal consultant. Mr. Shao joined JunHe LLP in April 2002. Mr. Shao is currently the independent director of Changjiang & Jingong Steel Building (Group) Co., Ltd. (長江精工鋼結構(集團)股份有限公司, a company listed on Shanghai Stock Exchange (stock code: 600496)), Zhejiang Aishida Electric Co., Ltd. (浙江愛仕達電器股份有限公司, a company listed on Shenzhen Stock Exchange (stock code: 002403)) and Pharma Resources Shanghai Co., Ltd. (上海泓博智源醫藥股份有限公司). Mr. Shao received his bachelor degree in law from East China University of Political Science and Law in 1987, and was admitted to practice PRC law in 1988. From 1993 to 1994, Mr. Shao worked as visiting lawyer in Sino-Britain Young Lawyers' Exchange Program in the UK. In 2002, he received his master degree in law from East China University of Political Science and Law.

Save as disclosed above, Mr. Shao did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, and he is not related to any Directors, senior management, other substantial or controlling Shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Shao was interested in 80,645 underlying shares of the Company by virtue of the options granted to him under the share option scheme of the Company, representing approximately 0.00% of the issued share capital of the Company. Saved as disclosed above, Mr. Shao did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Company has issued a letter of appointment to Mr. Shao for a term of three years. Mr. Shao is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Shao's emolument will be reviewed by the Board from time to time under the authority granted to the Board by the shareholders and in accordance with the recommendation of the remuneration committee of the Board by reference to his experience and responsibilities, the Company's performance, remuneration policy and prevailing market conditions.

There is no information which is discloseable nor is Mr. Shao involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Shao that need to be brought to the attention of the Shareholders.

#### **(4) Dr. Yasuhisa Kurogi**

Dr. Yasuhisa Kurogi ("Dr. Kurogi"), born in 1964, was appointed as our non-executive Director on 18 June 2020. He is Head of Business Development of Otsuka Holdings, a substantial shareholder of the Company holding approximately 21.10% of the issued share capital of the Company as at the Latest Practicable Date. Dr. Kurogi is currently holding directorship in certain subsidiaries of Otsuka Holdings. He is also a director of the Licensing Executive Society JAPAN. Before joining Otsuka Holdings in August 2017, he was a Deputy Director of Business Development of Otsuka Pharmaceutical Co., Ltd ("OPC") from 2015 to 2017. From 2007 to 2015, he was responsible for business development at Astex Pharmaceutical, Inc. and OPC. From 1992 to 2007, he was responsible for R&D at Cambridge Isotope Laboratories, Inc., Otsuka Maryland Research Laboratory, Inc., OPC, and

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## **APPENDIX I    DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION**

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Otsuka Pharmaceutical Factory, Inc. Dr. Kurogi received his Ph.D. degree in medicinal chemistry from the Hiroshima University in 1992 and was a fellow at Okazaki National Research Institutes in 1990. He also was a visiting lecturer of Tohoku University in 2000.

Save as disclosed above, Dr. Kurogi did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, and he is not related to any Directors, senior management, other substantial or controlling Shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Dr. Kurogi was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company or any of its associated corporations pursuant to Part XV of the SFO.

The Company has issued a letter of appointment to Dr. Kurogi for a term of three years. Dr. Kurogi is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. His emolument, if any, will be reviewed by the Board from time to time under the authority granted to the Board by the shareholders and in accordance with the recommendation of the remuneration committee of the Board by reference to his experience and responsibilities, the Company's performance, remuneration policy and prevailing market conditions.

There is no information which is discloseable nor is Dr. Kurogi involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Dr. Kurogi that need to be brought to the attention of the Shareholders.

**1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprized 1,815,510,903 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 1,815,510,903 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 181,551,090 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

**2. REASONS FOR SHARE BUY-BACK**

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

**3. FUNDING OF SHARE BUY-BACK**

Share buy-backs pursuant to the Share Buy-back Mandate would be financed entirely from the Company's available cash flow or working capital facilities. The Company may only apply funds legally available for Shares buy-back in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

**4. IMPACT OF SHARE BUY-BACK**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2020) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2020</b>		
May	27.30	16.18
June	31.70	21.35
July	45.50	31.20
August	40.35	32.45
September	39.90	28.80
October	35.25	26.70
November	36.00	26.70
December	43.20	33.10
<b>2021</b>		
January	65.25	40.30
February	59.30	44.95
March	48.35	35.20
April	57.25	44.60
May ( <i>up to the Latest Practicable Date</i> )	62.50	53.00

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.



**7. TAKEOVERS CODE**

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Company did not have a controlling shareholder within the meaning of the Listing Rules. Otsuka Holdings is the single largest substantial shareholder holding 382,994,120 Shares, representing approximately 21.10% of the total number of Shares in issue. In the event that the Directors exercise the power to repurchase Shares in full pursuant to the Share Buy-back Mandate, (if the present shareholdings remain the same) the shareholding of Otsuka Holdings in the Company will be increased to approximately 23.44% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code.

To the best knowledge of the Company, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the proposed Share Buy-back Mandate.

**8. SHARE BUY-BACK MADE BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

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## APPENDIX III      PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME

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The following is a summary of the principal terms of the Subsidiary Option Scheme to be adopted at the AGM.

### 1.    PURPOSE

The purpose of the Subsidiary Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Subsidiary Group and for such other purposes as the Subsidiary Board may approve from time to time.

### 2.    WHO MAY JOIN

Eligible Persons include any employee (whether full-time or part-time) or director (including executive director, non-executive director and independent non-executive director) of the Subsidiary who the Subsidiary Board considers, in its sole discretion, have contributed or will contribute to the Subsidiary Group.

### 3.    DURATION OF THE SUBSIDIARY OPTION SCHEME

The Subsidiary Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders in general meeting or on the date on which it is approved by the Subsidiary Shareholder(s), whichever is later, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the Subsidiary Option Scheme shall remain in full force and effect.

### 4.    MAXIMUM SUBSIDIARY SHARES TO BE SUBSCRIBED

At the time of adoption of the Subsidiary Option Scheme or any new Subsidiary Option Scheme (the “**New Scheme**”), the aggregate Subsidiary Shares which may be issued upon exercise of all options to be granted under the Subsidiary Option Scheme, the New Scheme and all schemes existing at such time (the “**Existing Scheme(s)**”) of the Subsidiary must not in aggregate exceed 5% of the total equity capital or issued shares if the Subsidiary becomes a company limited by shares as at the date of adoption of the Subsidiary Option Scheme or the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”). For the purposes of calculating the Scheme Mandate Limit, Subsidiary Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted. The Scheme Mandate Limit may be refreshed by both ordinary resolution of the Shareholders and special resolution of the Subsidiary Shareholders in their respective general meeting, provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 5% of the equity capital or issued shares if the Subsidiary becomes a company limited by shares of the Subsidiary as at the date of the Shareholders’ approval or the date of the Subsidiary Shareholder(s) approval, whichever is later, of the refreshing of the Scheme Mandate Limit;

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## APPENDIX III      PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME

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- (b) options previously granted under any Existing Scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and
- (c) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders and Subsidiary Shareholders (if applicable) in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain the information which comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

The Company and the Subsidiary may seek separate approvals from the Shareholders and the Subsidiary Shareholders (if applicable) in their respective general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

- (a) the grant is to Eligible Persons specifically identified by the Subsidiary before the approval is sought; and
- (b) a circular regarding the grant has been despatched to the Shareholders and the Subsidiary Shareholders (if applicable) in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain a generic description of the specified participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose, and other information required to comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

Notwithstanding the foregoing, the maximum aggregate Subsidiary Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Subsidiary Option Scheme and any other share option schemes of the Subsidiary, must not, in aggregate, exceed 30% of the equity capital or issued shares if the Subsidiary becomes a company limited by shares of the Subsidiary from time to time. No options may be granted under the Subsidiary Option Scheme and any other share option schemes of the Subsidiary if this will result in such limit being exceeded.

### 5.    MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

No Option shall be granted to any Eligible Person (the “**Relevant Eligible Person**”) if, at the relevant time of grant, the Subsidiary Shares subscribed and to be subscribed upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period up to and including the date of such grant would exceed 1% of the total equity capital or issued shares if the Subsidiary becomes a company limited by shares at such time, unless:

- (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolutions of the Shareholders and Subsidiary Shareholders (if applicable) in their respective general meeting, at which the Relevant Eligible Person and his close associates (or his associates if the Relevant Eligible Person is a Connected Person of the Company) abstained from voting;
- (b) a circular regarding the grant has been despatched to the Shareholders and the Subsidiary Shareholders (if applicable) in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the Options to be granted (and Options previously granted to such participant), and other information required to comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time; and
- (c) the number and terms (including the Subscription Price) of such Options are fixed before the general meeting of the Company and the Subsidiary (if applicable) at which the same are approved.

## **6. GRANT OF OPTIONS**

Each offer of an Option (the “**Offer**”) shall be in writing made to an Eligible Person by letter in such form as the Subsidiary Board may from time to time determine at its discretion (the “**Offer Letter**”). The Offer Letter shall state, among others, the period during which the Option may be exercised (the “**Option Period**”), which period is to be determined and notified by the Subsidiary Board but shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option. The Subsidiary Board may specify in the Offer Letter any conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets (if any) and minimum periods for which an Option must be held before it can be exercised and any other terms in relation to the exercise of the Option, including without limitation such percentages of the Options that can be exercised during a certain period of time, as the Subsidiary Board may determine from time to time.

The Subsidiary Board shall specify in the Offer Letter a date by which the Grantee must accept the Offer, being a date no later than 28 days after the date on which the Option is offered (the “**Offer Date**”) or the date on which the conditions for the Offer are satisfied, whichever is earlier.

## **7. SUBSCRIPTION PRICE**

Subject to the effect of alterations to share capital as set out in paragraph 19, the price at which each Subsidiary Share subject to an Option may be subscribed for on the exercise of that Option shall be a price determined by the Subsidiary Board in its sole and absolute discretion and notified to an Eligible Person. Nil consideration will be payable on acceptance of a grant of Option.

In the event that the Shares of the Subsidiary become listed, then the Subscription Price shall be subject to further alteration in accordance with relevant requirements under note (2) to Rule 17.03(9) of the Listing Rules and any other applicable legal and regulatory requirements of the stock exchange on where it is listed.

## **8. GRANT OF OPTIONS TO CONNECTED PERSONS**

Where an Option is to be granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is also a proposed Grantee of the Option.

Where an Option is to be granted to a substantial shareholder of the Company (as defined in the Listing Rules) or an independent non-executive Director or any of their respective associates, and the grant will, in the 12-month period up to and including the date of such grant, result in the number and value of the Subsidiary Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the relevant Eligible Person (i) exceeding 0.1% of the total equity capital or issued shares if the Subsidiary becomes a company limited by shares at the relevant time of grant, or (ii) if applicable, having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Subsidiary Shares at the date of each grant, such grant shall not be valid unless:

- (a) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain (a) details of the number and terms of the Options (including the Subscription Price and other information required under Rules 17.03(5) to 17.03(10)) to be granted to each participant, which must be fixed before the Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price; (b) a recommendation from the independent non-executive Directors of the Company (excluding independent non-executive Director who is also a proposed Grantee of the Options) to the independent Shareholders as to voting; (c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and (d) the information required under Rule 2.17; and
- (b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the proposed Grantee, his associate, and all Core Connected Persons of the Company abstained from voting in favour.

If the Subsidiary is listed on the Stock Exchange or any other stock exchanges, it will comply with the applicable legal and regulatory requirements of the stock exchange on which it is listed in relation to grant of options to connected persons.

**9.    RIGHTS OF SHARES**

The Subsidiary Shares to be subscribed upon the exercise of an Option shall be subject to the Subsidiary Articles and the provisions of the PRC laws. The Subsidiary Shares subscribed by the holder of an Option upon the exercise of an Option will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue. The Option itself (before exercise) will not entitle the Grantee to any of aforementioned Subsidiary Shareholder's rights.

**10.   RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

If the relevant inside information of the Company (as defined in the Listing Rules) is related to the Subsidiary and/or the Company, no offer shall be made after such inside information of the Company (as defined in the Listing Rules) has come to the knowledge of the Subsidiary, until such information has been announced by the Subsidiary and/or the Company as the case may be pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the board of directors of the Company (as such is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the result announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. The above requirements with respect to the grant of Options prior to publication of the results announcement shall also apply to the Subsidiary if the Subsidiary Shares become listed.

**11.   RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON**

- (a) If the Grantee's employment ceases for any reason other than death as described in paragraph (b) below, the Options may not be exercised after the date of such cessation, which date shall be his last actual working day with the Subsidiary Group whether salary is paid in lieu of notice or not;
- (b) If the Grantee dies while in service, then his/ her outstanding Options shall expire on the earlier of the following dates:
  - (i) the expiration date of the Option Period; or
  - (ii) the date twelve (12) months after the Grantee's death.

Prior to their expiry, his outstanding Options may be exercised by the executors or administrators of the Grantee's estate or by any person who has acquired this Option directly from the Grantee by beneficiary designation, bequest or inheritance (but only to the extent that this Option had become vested on the date of the Grantee's death).

## **12. RIGHTS ON GENERAL OFFER**

If a general offer (whether by way of a take-over, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Subsidiary Shareholders (or all such Subsidiary Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, all the Grantees and any Grantee (or his personal representatives) may by notice in writing to the Subsidiary within 21 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice.

## **13. RIGHTS ON LISTING**

If the Subsidiary is listed on the Stock Exchange or any other stock exchanges, the Subsidiary Shares to be issued upon the exercise of Options will, subject to relevant approvals from the stock exchange on which the Subsidiary is listed on, also be listed on such stock exchange and the Grantees will be entitled to the same rights with other shareholders of the Subsidiary upon exercise of the Options.

## **14. RIGHTS ON WINDING-UP**

In the event a notice is given by the Subsidiary to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Subsidiary other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Subsidiary shall on the same date as or soon after it despatches such notice to each member of the Subsidiary give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time no later than four Business Days prior to the proposed general meeting of the Subsidiary by giving notice in writing to the Subsidiary, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Subsidiary Shares in respect of which the notice is given whereupon the Subsidiary shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.



**15. LAPSE OF OPTION**

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the Option Period;
- (b) the date referred to in paragraph 11(a);
- (c) the date referred to in paragraph 11(b);
- (d) the expiry of the period referred to in paragraph 12;
- (e) subject to paragraph 14, the date of the commencement of the winding-up of the Subsidiary; or
- (f) the non-fulfilment of any condition to the Subsidiary Option Scheme on or before the date stated therein.

The Subsidiary shall owe no liability to any Grantee for the lapse of any Option under this paragraph.

**16. CANCELLATION OF OPTIONS**

The Subsidiary Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 18 below.

No Options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit from time to time.

**17. TERMINATION OF THE SUBSIDIARY OPTION SCHEME**

Subject to all applicable PRC laws and regulations, the Subsidiary may at any time terminate the operation of the Subsidiary Option Scheme and in such event no further Option will be offered but the provisions of the Subsidiary Option Scheme shall remain in full force and effect in all other respects and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Subsidiary Option Scheme. The Company does not have the discretion to terminate the operation of the Subsidiary Option Scheme.



**18. TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Subsidiary Board to cancel any outstanding Options or any part thereof granted to such Grantee.

**19. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration to the capital structure of the Subsidiary whilst any Option remains exercisable, arising from capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Subsidiary in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Subsidiary as a result of an issue of Subsidiary Shares as consideration in a transaction to which the Subsidiary and/or the Company is a party, adjustment (if any) shall be made to:

- (a) the amount of the Subsidiary Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price for Subsidiary Shares subject to the Option so far as unexercised; and/or
- (c) any combination thereof.

As of the date of this circular, there are no such unexercised adjustments as described in this paragraph 19.

In the event of any adjustment as described in this paragraph 19, the auditors of the Subsidiary (the “**Auditors**”) or the independent financial adviser to the Subsidiary (acting as expert not arbitrator) shall at the request of the Subsidiary certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with the requirements under the note to Rules 17.03(13) of the Listing Rules. If the Subsidiary is listed on the Stock Exchange or any other stock exchanges, it will comply with the applicable legal and regulatory requirements of the stock exchange on which it is listed in relation to such adjustment.

Any such adjustments must give a Grantee the same proportion of the equity capital of the Subsidiary as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme). The Subscription Price for the Subsidiary Shares subject to the Option as adjusted pursuant to the adjustments as described in this paragraph 19 shall be in compliance with Rule 17.03(9) of the Listing Rules and other applicable guidance and/or interpretation of the Listing Rules

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## **APPENDIX III     PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME**

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from time to time issued by the Stock Exchange. The capacity of the Auditors or the independent financial adviser to the Subsidiary in this paragraph 19 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Subsidiary and the Grantees. The costs of the Auditors or the independent financial adviser to the Subsidiary shall be borne by the Subsidiary. Notice of such adjustment shall be given to the Grantees by the Subsidiary.

### **20. ALTERATION OF THE SUBSIDIARY OPTION SCHEME**

The Subsidiary Option Scheme may be altered in any respect with the prior approval of the Subsidiary Board and the Subsidiary Shareholders in general meeting (if applicable) except that the provisions of the Subsidiary Option Scheme as to:

- (a) the definitions of “Eligible Person” and “Grantee”; and
- (b) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules, shall not be altered to the advantage of Grantees except with the prior approvals of the Shareholders, the Subsidiary Board and Subsidiary Shareholders in general meeting (if applicable) (with participants and their respective associates abstaining from voting).

Any change to the authority of the Subsidiary Board in relation to any alterations to the terms of the Subsidiary Option Scheme must be approved by the Shareholders, the Subsidiary Board and the Subsidiary Shareholders (if applicable).

Any alterations to the provisions of the Subsidiary Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by both the Shareholders, the Subsidiary Board and the Subsidiary Shareholders in general meeting (if applicable) except where the alterations take effect automatically under the existing provisions of the Subsidiary Option Scheme.

The amended terms of the Subsidiary Option Scheme or the Options must comply with Chapter 17 of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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**MicroPort Scientific Corporation**

**微創醫療科學有限公司\***

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

**(Stock code: 00853)**

Notice is hereby given that the Annual General Meeting of MicroPort Scientific Corporation (the “**Company**”) will be held at Hilton Suzhou, No. 275 Suzhou Avenue, East Industrial Park Suzhou, Jiangsu, The People’s Republic of China on Thursday, 24 June 2021 at 9:30 a.m. for the following purposes:

### **ORDINARY BUSINESS**

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2020.
2. To declare and approve a final dividend of HK4.3 cents (tax inclusive) per share in the capital of the Company for the year ended 31 December 2020 by way of a scrip dividend scheme with an option to elect to receive wholly or partly by an allotment and issue of shares credited as fully paid in lieu of cash payment.
3. To re-elect the following directors of the Company (the “**Directors**”) pursuant to the Articles of Association (the “**Articles of Association**”) of the Company:
  - (i) To re-elect Dr. Zhaohua Chang as an executive Director of the Company;
  - (ii) To re-elect Mr. Hongliang Yu as a non-executive Director of the Company;
  - (iii) To re-elect Mr. Chunyang Shao as an independent non-executive Director of the Company;
  - (iv) To re-elect Dr. Yasuhisa Kurogi as a non-executive Director of the Company.
4. To authorize the board of directors of the Company (the “**Board**”) to fix the respective Directors’ remuneration.
5. To re-appoint KPMG as auditor and to authorize the Board to fix its remuneration.

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

6. **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** conditional upon the passing of the resolutions set out in items 6 and 7 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 7 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

9. “**THAT:**

The equity option scheme (the “**Subsidiary Option Scheme**”) of Shenzhen MicroPort Surgical (Group) Co., Ltd, (the “**Subsidiary**”), a subsidiary of the Company, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, be and is hereby approved and adopted; and the directors of the Subsidiary be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Subsidiary Option Scheme, including without limitation to:

- (i) to administer or authorize a committee of the board to administer the Subsidiary Option Scheme under which share options will be granted to the Eligible Persons (as defined in the Subsidiary Option Scheme) eligible under the Subsidiary Option Scheme to subscribe for the ordinary shares of the Subsidiary (the “**Subsidiary Shares**”), including but not limited to determining and granting the share options in accordance with the terms of the Subsidiary Option Scheme;
- (ii) to modify and/or amend the Subsidiary Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Subsidiary Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);
- (iii) to allot and issue from time to time such equity interest of the Subsidiary which shall not in aggregate exceed 5% of the equity capital or issued shares if the Subsidiary becomes a company limited by shares of the Subsidiary as at the date of adoption of the Subsidiary Option Scheme, as may be required to be allotted and issued pursuant to the exercise of the share options under the Subsidiary Option Scheme and subject to the Listing Rules; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(iv) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Subsidiary Option Scheme.”

10. “**THAT** conditional upon the passing of resolution 9 above, the grant of 1.6% of the equity capital of the Subsidiary as at the date of adoption of the Subsidiary Option Scheme to Mr. Cheng Zhiguang be and is hereby approved and that any one Director be and is hereby authorized to do all such acts and/or execute all such documents as may be necessary, desirable or expedient to give full effect to the proposed grant.”

By Order of the Board  
**Dr. Zhaohua Chang**  
*Chairman*

Shanghai, the People's Republic of China, 25 May 2021

*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Article 13.6 of the Articles of Association provides that, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. According to Article 14.1 of the Articles of Association, every shareholder present in person or by proxy shall have one vote for each share registered in his name in the register. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the meeting. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. In view of the novel coronavirus (“**COVID-19 pandemic**”), the Company advises shareholders to preferably consider appointing the chairman of the meeting, who will attend the annual general meeting in person, as their proxy to vote on relevant resolutions for them at the annual general meeting. Persons entitled to attend and vote at the Annual General Meeting are also allowed to attend through teleconference (Dial-in number: 400-616-8835 (Mainland China) or 800-931-189 (Hong Kong); Meeting ID: 84864133460; Participant ID: 538551). Shareholders, who attend the Annual General Meeting through teleconference, will not be able to vote through the teleconference nor be counted as quorum of the Annual General Meeting. Shareholders who are attending through teleconference should cast their votes by appointing the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:30 a.m. on 22 June 2021 (Tuesday) (Hong Kong time). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Monday, 21 June 2021 to Thursday, 24 June 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 18 June 2021 (Friday) (Hong Kong time), being the last share registration date.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at any time between 6:30 a.m. and 9:00 a.m. on the day of the meeting, the meeting will be adjourned. The Company will post an announcement on the Company's website ([www.microport.com](http://www.microport.com)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and place of the adjourned meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.

6. A circular containing further details concerning items 2 to 3 and 6 to 10 set out in this Notice will be sent to all shareholders of the Company.