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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.

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**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
ELECTION OF NON-EXECUTIVE DIRECTOR,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF SHARE SCHEME,  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of MicroPort Scientific Corporation to be held at 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, the People's Republic of China on Monday, 19 June 2023 at 10:00 a.m. is set out on pages 55 to 60 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)).

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 10:00 a.m. on 17 June 2023 (Saturday) (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.

\* for identification purpose only

29 May 2023

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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:*

“Actual Selling Price”	the proceeds from the sale of the Award Shares net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs
“Adoption Date”	the date on which the Share Scheme becomes unconditional
“Annual General Meeting”	the annual general meeting of the Company to be held at 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, the People’s Republic of China on Monday, 19 June 2023 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 55 to 60 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
“Award”	an award granted under the Share Scheme, which may be a Share Option or a Share Award
“Award Shares”	new Shares underlying an Award
“Board”	the board of Directors
“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
“Core Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participants”	the Employee Participants, Related Entity Participants and the Service Provider Participants, and for the purposes of the Share Scheme, the Offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable)

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## DEFINITIONS

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“Employee Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards under the Share Scheme as inducement to enter into employment contracts with any member of the Group)
“Exercise Period”	in respect of any Award, the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Offer Date with respect of the relevant Award
“Exercised Award Shares”	such number of Award Shares that have been exercised by a Grantee upon vesting of an Award
“Exercise Price”	with respect to a particular Share Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Share Option
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 18 June 2020
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the Share 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
“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 55 to 60 of this circular
“Issue Price”	in respect to a particular Share Award, the price per Share at which the relevant Grantee is required to pay to subscribe for the Shares comprising the Share Award
“Latest Practicable Date”	22 May 2023, 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

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## DEFINITIONS

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“Memorandum of Association”	the memorandum of association of the Company currently in force
“Minimum Period”	with respect to an Award, the period commences on the Offer Date and ending on the day immediately prior to the first anniversary thereof
“New Articles”	the amended and restated memorandum of association and articles of association of the Company as described under the paragraph headed “PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION” in the letter from the Board section of this circular
“Offer”	an offer to an Eligible Participant for the grant of an Award
“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 Amendments”	has the meaning ascribed to it under the paragraph headed “PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION” in the letter from the Board section of this circular
“Related Entity Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries or associated companies of the Company
“Scheme Mandate Limit”	has the meaning defined in the paragraph headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix III
“Service Provider Participant”	has the meaning defined in the paragraph headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” of Appendix III
“Service Provider Participant Sublimit”	has the meaning defined in the paragraph headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix III
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

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## DEFINITIONS

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“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 Award”	an Award which vests as a right to subscribe for Award Shares at the Issue Price during the Exercise Period pursuant to the Share Scheme
“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 55 to 60 of this circular
“Share Option”	an Award which vests as a right to subscribe for Award Shares at the Exercise Price during the Exercise Period pursuant to the Share Scheme
“Share Scheme”	the share scheme proposed to be adopted by the Company at the Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“Termination Date”	close of the business day on which falls on the date immediately prior to the tenth anniversary of the Adoption Date
“Trust”	has the meaning defined in the paragraph headed “2. ADMINISTRATION OF THE SHARE SCHEME” of Appendix III
“%”	per cent

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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, Ugland 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:*

5/F, Manulife Place

348 Kwun Tong Road

Kowloon

Hong Kong

29 May 2023

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
ELECTION OF NON-EXECUTIVE DIRECTOR,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF SHARE SCHEME,  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
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) the re-election of retiring Directors; (ii) the election of non-executive Director; (iii) the granting of a Share Buy-back Mandate and Issuance Mandate; (iv) the adoption of Share Scheme; and (v) the amendments to Articles of Association.

\* for identification purpose only

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## LETTER FROM THE BOARD

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

In accordance with Article 16.18 of the Articles of Association, Dr. Zhaohua Chang, Dr. Yasuhisa Kurogi, Mr. Hongliang Yu and Mr. Chunyang Shao shall retire from offices as Directors at the Annual General Meeting. Except for Dr. Kurogi, who wants to devote more time to his other endeavours and does not offer himself for re-election, all of the above retiring Directors, being eligible, offer themselves for re-election at the Annual General Meeting.

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

### **3. PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR**

The Board recommends the election of Mr. Hiroshi Shirafuji (“Mr. Shirafuji”) as a non-executive Director of the Company with effect from the conclusion of the Annual General Meeting in view of his extensive knowledge and experience in the medical sector. The Board considers that he will provide significant contributions to the strategy and businesses of the Group with his experience, perspectives and knowledge and the Board diversity will be enhanced. The biographical details of Mr. Shirafuji are set out in Appendix I to this circular. Save as disclosed in this circular, there are no other matters in relation to the proposed election of Mr. Shirafuji as a non-executive Director that need to be brought to the attention of the Shareholders, and there is no information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

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

At the annual general meeting of the Company held on 23 June 2022, 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 55 to 60 of this circular (i.e. a total of 183,257,921 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.

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## LETTER FROM THE BOARD

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### 5. PROPOSED GRANTING OF THE ISSUANCE MANDATE

At the annual general meeting of the Company held on 23 June 2022, 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 55 to 60 of this circular (i.e. a total of 366,515,842 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 SHARE SCHEME

#### (1) Introduction

The Company proposes to adopt the Share Scheme in compliance with the amendments of Chapter 17 of the Listing Rules that came into effect on 1 January 2023 to replace the Existing Share Option Scheme.

As at the Latest Practicable Date, there were 77,152,725 and 89,541,616 outstanding share options under the Existing Share Option Scheme and the share option scheme adopted by the Company on 3 September 2010 respectively.

A summary of the principal terms of the Share Scheme is set out in the Appendix III to this circular.

#### (2) The purpose

The purpose of the Share Scheme is set out in the paragraph headed “1. PURPOSE” in Appendix III.

#### (3) The conditions

The adoption of the Share Scheme is conditional upon:

- (1) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Awards that may be granted under the Share Scheme.

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## LETTER FROM THE BOARD

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### **(4) The Eligible Participants**

The Eligible Participants and the criteria for determination of their eligibility are set out in the paragraph headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix III.

Whilst the scope of the Eligible Participants is not limited to the employees of the Group and the Directors, the Company considers that the Related Entity Participants and the Service Provider Participants have made and may continue to make contributions to the Group.

The details of the criteria for the selection of Service Provider Participants as Grantee are set out in the paragraph headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix III.

The Board (including the independent non-executive Directors) is of the view that the inclusion of Service Provider Participants as Eligible Participants, the criteria of selection of the Eligible Participants, and the terms of the grants are fair and reasonable and align with the purpose of the Share Scheme to recognise contributions made and to be made to the growth and development of the Group and the long term interests of the Company and its Shareholders.

### **(5) Vesting Period**

The vesting period of the Awards is set out in the paragraph headed “5. VESTING PERIOD” in Appendix III. The same paragraph also sets out circumstances in which the Board may grant Awards with a vesting period shorter than the Minimum Period.

The Board and the remuneration committee of the Company are of the view that (i) there are certain instances (for example in circumstances set out in the paragraph headed “5. VESTING PERIOD” of Appendix III to this circular) where a strict twelve (12)-month vesting requirement would not be fair to the holder(s) of the Awards; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting period or in exceptional circumstances where justified; and (iii) the Company should be allowed to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition. It should have the flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

As such, the Board and the remuneration committee of the Company are of the view that the circumstances when vesting period is shorter than the Minimum Period prescribed in the paragraph headed “5. VESTING PERIOD” of Appendix III to this circular are appropriate and align with the purpose of the Share Scheme.

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## LETTER FROM THE BOARD

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### **(6) Maximum number of Shares subject to the Share Scheme**

The total number of Shares which may be issued in respect of all Awards which may be granted under the Share Scheme is set out in the paragraph headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” in Appendix III.

As at the Latest Practicable Date, the number of issued Shares was 1,832,579,210 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Awards to be granted under the Share Scheme together with all options and awards which may be granted under any other schemes for the time being of the Company would be 183,257,921 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the Share Scheme.

Within the Scheme Mandate Limit, the Service Provider Participant Sublimit would be 36,651,584 Shares, representing approximately 2% of the total number of Shares in issue on the date of approval of the Share Scheme. The basis for determining the Service Provider Participant Sublimit is that (i) the potential dilution effect arising from grants to the Service Provider Participants; (ii) the importance of striking a balance between achieving the purpose of the Share Scheme and protecting the Shareholders from the dilution effect from granting a substantial number of Awards to the Service Provider Participants; (iii) the extent of use of the Service Provider Participants in the Group’s businesses; (iv) the expected contribution to the development and growth of the Company attributable to the Service Provider Participants; and (v) the Company expects that a majority of the Awards will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. The Company considers that the proportionately low limit of 2% would provide sufficient number of Shares as incentive to the Service Provider Participants should the occasion requires and yet it would not lead to excessive dilution of existing Shareholders’ shareholdings while allowing for the Board to grant Awards to the clearly identified categories of Service Provider Participants which would benefit the Company. Having considered the innovation-driven and technological-driven nature of the Group’s principal business, the Company considers that the Service Provider Participant Sublimit is required to provide the Group with the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group. Notwithstanding the fact that the Company had only granted a limited number of share options or share awards to business associates (Service Provider Participants) in the past, the Board is of the view that the Service Provider Participant Sublimit is appropriate and reasonable. The Service Provider Participant Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### (7) Performance targets and clawback mechanism

Save as determined by the Board and provided in the offer letter of the grant of an Award, the Share Scheme does not stipulate any performance target a Grantee is required to achieve before the relevant Award can be exercised nor any clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participants.

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Awards under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group.

### (8) Others

As at the Latest Practicable Date, the Company has no concrete plans to grant Awards under the Share Scheme immediately after its adoption.

The Company understands that whilst the Share Scheme is not restricted to executives and employees of the Group, the adoption of the Share Scheme would not constitute an offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

None of the Directors is and will be trustee of the Share Scheme nor has a direct or indirect interest in the trustee.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Share Scheme.

The Company has adopted a share award scheme (the “**Share Award Scheme**”) in 2011 to provide incentives to attract and retain employees, consultants and advisers whose contributions will be beneficial to the growth and development of the Group. The Share Award Scheme has an initial term of ten years. On 27 August 2020, the Board resolved to extend the term of the Share Award Scheme for a further ten years from the date of resolution of the Board.

From the date of adoption of the Share Award Scheme to the Latest Practicable Date, all the awards under the Share Award Scheme were made through secondary Shares purchased by the trustee in the open market and the trustee of the Share Award Scheme has never subscribed for any new Shares under the scheme. As of 31 December 2022, the number of Shares held by the trustee that may be made available for future grant was 28,713,227 Shares, representing approximately 1.57% of the total issued share capital of the Company as at 31 December 2022, all of which are secondary Shares purchased by the trustee from the open market.

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## LETTER FROM THE BOARD

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As the trustee will not subscribe for new Shares under the Share Award Scheme and only secondary shares will be involved, the Company intends to continue to maintain the Share Award Scheme notwithstanding the adoption of the Share Scheme. The Company will amend the rules of the Share Award Scheme to prohibit the trustee from subscribing for new Shares for the purpose of the scheme. Upon the amendments of the rules of the Share Award Scheme, the Share Award Scheme would be a scheme for existing Shares under Chapter 17 of the Listing Rules. Save for the Existing Share Option Scheme which will be cancelled upon the adoption of the Share Scheme, and the Share Award Scheme, the Company has no other share schemes to provide incentives to employees or other eligible participants.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the Share Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Scheme.

### **(9) Application for Listing**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Award that may be granted under the Share Scheme.

### **(10) Document on display**

A copy of the Share Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at <http://www.microport.com> for a period of not less than 14 days before the date of the Annual General Meeting and is also made available for inspection at the Annual General Meeting.

## **7. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 30 March 2023 in relation to the proposed adoption of the New Articles.

The Board proposes that certain amendments (the “**Proposed Amendments**”) be made to the existing Memorandum of Association and Articles of Association to, among other things, bring the existing Memorandum of Association and Articles of Association in line with the Core Shareholder Protection Standards set out in Appendix 3 of the Listing Rules, reflect certain updates in relation to the applicable laws of the Cayman Islands and the Listing Rules and make other house-keeping amendments that are consistent with the Proposed Amendments.

Accordingly, the Board proposes to adopt the amended and restated memorandum and articles of association (the “**New Articles**”) in substitution for, and to the exclusion of, the existing Memorandum of Association and Articles of Association.

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## LETTER FROM THE BOARD

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The Proposed Amendments (marked-up against the existing Memorandum of Association and Articles of Association) is set out in Appendix IV to this circular. The major areas of the Proposed Amendments include:

- (1) to update certain defined terms to align with the applicable laws of the Cayman Islands, and to include certain defined terms to align with the Proposed Amendments, including “Communication Facilities”, “Virtual Meeting”, and to update the relevant provisions in the New Articles in this regard;
- (2) to provide for the timing of convening annual general meetings, and the rights of shareholders to requisition general meetings;
- (3) to provide that members and other participants at general meetings may attend and participate at such general meetings by means of Communication Facilities, and to include provisions which allow the Company to hold entirely virtual general meetings which may be attended solely by means of such Communications Facilities, and without a physical location;
- (4) to clarify circumstances and procedures for postponement of general meetings, including in the case of adverse weather conditions;
- (5) to provide that every member present at a general meeting shall have the right to speak;
- (6) to clarify the term of a director appointed by the Board either to fill a casual vacancy or as an addition to the Board;
- (7) to provide that auditors of the Company shall be appointed at every annual general meeting, and that their remuneration shall be fixed at such annual general meeting, in each case by an ordinary resolution of the shareholders; and further to provide that the removal of an auditor at any time before the expiration of his term of office shall require the approval of an ordinary resolution in general meeting; and
- (8) to provide that the Company may by special resolution resolve to be wound up voluntarily.

The Chinese translation of the New Articles is for reference only. In case of any discrepancy between the English version and its Chinese translation, the English version shall prevail.

The Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution at the forthcoming Annual General Meeting and, if approved, will become effective upon such approval. Prior to the passing of the relevant special resolution at the Annual General Meeting, the existing Memorandum of Association and Articles of Association shall remain valid.

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## **LETTER FROM THE BOARD**

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The Company confirms that the New Articles comply with the core shareholder protection standards under Appendix 3 to the Listing Rules. The Company has received a confirmation from its legal adviser to Hong Kong laws confirming that the New Articles comply with the applicable provisions under the Listing Rules. The Company has also received a confirmation from its legal adviser to Cayman Islands laws confirming that the New Articles are not inconsistent with the laws of the Cayman Islands.

### **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 55 to 60 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 10:00 a.m. on 17 June 2023 (Saturday) (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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For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 14 June 2023 to Monday, 19 June 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, 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 13 June 2023 (Tuesday) (Hong Kong Time), being the last registration date.

### 10. RECOMMENDATION

The Directors consider that the resolutions in relation to, among others, (i) the proposed re-election of retiring Directors; (ii) the election of non-executive Director; (iii) the granting of the Share Buy-back Mandate and the Issuance Mandate; (iv) the adoption of the Share Scheme; and (v) the amendments to the Articles of Association 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*

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 is currently holding directorship in various subsidiaries of the Group. He has over 32 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) 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.

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	–	31,206,891 (Note 1)	31,206,891	1.70%
MicroPort Cardioflow MedTech Corporation	–	6,000,000 (Note 2)	6,000,000	0.24%

*Note:*

1. Dr. Chang was interested in the underlying Shares of the Company by virtue of the options granted to him under the share option schemes 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.

Dr. Chang will enter into a letter of appointment with the Company for no fixed term, subject to 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.

## **(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 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.

Mr. Yu will enter into a letter of appointment with the Company for no fixed term, subject to rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Yu's 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 Rule 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 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. From August 2018 to September 2021, Mr. Shao was an 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)). Mr. Shao is currently an independent director of 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)), Pharma Resources Shanghai Co., Ltd. (上海泓博智源醫藥股份有限公司, a company listed on Shenzhen Stock Exchange (stock code: 301230)), and Brite Semiconductor (Shanghai) Co., Ltd. (燦芯半導體(上海)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 161,290 underlying Shares of the Company by virtue of the options granted to him under the share option schemes of the Company, representing approximately 0.00% of the issued share capital of

the Company. Save 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 no fixed term. 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) Mr. Hiroshi Shirafuji**

Mr. Hiroshi Shirafuji ("Mr. Shirafuji"), born in 1944, is the Honorary Chairman of the Company and a consultant of the Group. Mr. Shirafuji had served as a Non-executive Director of the Company from November 2006 to June 2020. Mr. Shirafuji was executive director of Otsuka Medical Devices Co. ("OMD") from January 2017 to March 2017. From February 2011 to January 2017, he served as the President and Representative director of OMD. Prior to joining OMD in February 2011, he was an executive director responsible for pharmaceuticals marketing at Otsuka Pharmaceutical from 1997 to 1998. Mr. Shirafuji joined Otsuka Pharmaceutical in 1967. Mr. Shirafuji received his bachelor's degree in economics from Doshisha University in Kyoto in 1967.

Save as disclosed above, Mr. Shirafuji 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. Shirafuji was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Shirafuji will enter into a letter of appointment with the Company for no fixed term, subject to rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Shirafuji emolument, if any, will be determined 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. Shirafuji 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. Shirafuji 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 comprised 1,832,579,210 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 1,832,579,210 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 183,257,921 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 2022) 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>2022</b>		
May	15.76	12.62
June	25.20	15.28
July	25.20	18.32
August	20.75	14.90
September	18.02	13.24
October	19.10	12.46
November	20.85	15.68
December	21.90	18.24
<b>2023</b>		
January	28.65	20.40
February	27.80	21.60
March	22.90	18.40
April	20.55	16.92
May ( <i>up to the Latest Practicable Date</i> )	17.64	14.66

**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 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 20.89% 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 23.22% 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).

*The following is a summary of the principal terms of the Share Scheme to be approved and adopted by ordinary resolution at the Annual General Meeting, but such summary does not form part of, nor was it intended to be, part of the Share Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Scheme:*

### **1. PURPOSE**

The purpose of the Share Scheme is to provide incentive to the Eligible Participants in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

### **2. ADMINISTRATION OF THE SHARE SCHEME**

The Share Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Scheme or its interpretation or application or effect shall (save as otherwise provided in the Share Scheme and in the absence of manifest error) be final and binding. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the Share Scheme, the Board shall have the right to (i) interpret and construe the provisions of the Share Scheme; (ii) determine the persons who will be offered Awards under the Share Scheme, and the number of Shares and the Exercise Price or Issue Price in relation to such Awards; (iii) make such appropriate and equitable adjustments to the terms of Awards granted under the Share Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the Share Scheme.

Subject to compliance with the Listing Rules, the authority to administer the Share Scheme may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board.

The Company may establish a trust (“Trust”) and appoint a trustee to hold Shares for the purposes of: (i) holding Award Shares allotted and issued by the Company and reserved for specified Eligible Participants; (ii) settling Awards; and (iii) taking other actions for the purposes of administering and implementing the Share Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee of the Trust holding unvested Award Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

### **3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY**

The Eligible Participants are the Employee Participants, the Related Entity Participants and the Service Provider Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (1) the performance of the Employee Participant; (2) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (3) the time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

The Company is a leading medical device group focusing on innovating, manufacturing and marketing high-end medical devices globally, including cardiovascular devices, orthopedics devices, cardiac rhythm management, endovascular and peripheral vascular devices, neurovascular devices, heart valve, surgical robot, surgical devices. Related entities of the Group are involved in a broad spectrum of other medical devices and other business which could contribute to the performance of the Group through improvement of their own results and thereby raising the Group's image and market position in the industry. The officers and employees of these related entities possess the necessary skill, knowledge and experience to support and assist the Group with its development. Despite that Related Entity Participants may not be directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), they are nonetheless valuable resources to the Group given their close corporate and collaborative relationships with the Group, as well as close connection with the Group's business. As such, the Company recognises the importance of their past or future contribution and considers the inclusion of the Related Entity Participants as Eligible Participants will provide the Company with the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are Related Entity Participants, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group or improve the performance of the related entity and enhance the Group's market position in the medical device industry.

In determining the basis of eligibility for Related Entity Participants, the Board would take into account, among others:

- (a) the experience of the Related Entity Participant on the Group's businesses;
- (b) his/her expertise and skill, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group;
- (c) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share;

- (e) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the success of the Group in research, product development or commercialisation, and/or the amount of other potential support, assistance, guidance, advice, efforts and contributions the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future;
- (f) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.

A service provider participant (“**Service Provider Participant**”) refers to a person who provides services to any member of the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall be excluded.

**(1) Consultants and advisors**

- (a) This category refers to independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the research, development, production or commercialization of the Group's products or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to any member of the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.
- (b) The Board shall, in its absolute discretion, take into account, among others,
  - (i) the skill, knowledge and expertise of the relevant consultant and/or adviser including its capability and technical know-how;
  - (ii) its experience and network in the relevant industry;
  - (iii) its research and development capability;
  - (iv) the frequency of collaboration and length of business relationship with the Group;

- (v) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties and the relevant replacement costs);
- (vi) the background, reputation and track record of the relevant consultant and/or adviser;
- (vii) the potential and/or actual contribution to the business affairs of the Group, and in particular, whether such consultant and/or adviser could bring positive impacts to the Group's business, such as product development and/or commercialization, an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such consultant and/or adviser; and
- (viii) other factors, including but not limited to the synergy between the relevant consultant and/or adviser and the Group.

**(2) Suppliers, contractors, distributors and agents**

- (a) This category refers to (i) suppliers of specialty materials, parts and components for the Group's production requirements, (ii) contractors that undertake sub-contracting work of the Group in research and production, and (iii) distributors and agents of medical devices and other products of the Group in the PRC and overseas. The Group's principal business is the development, production and sale of medical devices, which call for manufacturing materials of the highest quality and production skill and techniques of the highest precision and quality, while the marketing and distribution of the Group's products require in-depth knowledge of the medical devices market and industry trend. The Service Provider Participants under these categories of suppliers, contractors, distributors and agents are experts in their own fields and possesses the knowledge and skill to benefit the development of the Group through recommendations on selection and sourcing of manufacturing materials, production of parts and semi-finished products, and market knowledge and intelligence to assist the Group in the commercialisation of products, penetrate markets, increase market share and enhance the Group's performance.
- (b) The Board shall, in its absolute discretion, take into account:
  - (i) the scale of business dealings of the respective supplier, contractor, distributor or agent with the Group;
  - (ii) the performance and track record of the respective supplier, contractor, distributor or agent and its ability to deliver quality services or products;

- (iii) the length of business relationship with the Group;
- (iv) the materiality and nature of the business relationship with the Group (such as whether the services of the respective supplier, contractor, distributor or agent is related to the core business of the Group);
- (v) the benefit and strategic value brought by the respective supplier, contractor, distributor or agent to the development and future prospect of the Group; and other factors, including but not limited to the synergy between the relevant supplier, contractor, distributor or agent and the Group.

#### **4. OFFER AND ACCEPTANCE**

Subject to and in accordance with the provisions of the Share Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the terms of the Award which may include number of Award Shares, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Exercise Period, any minimum performance targets that must be achieved, the clawback mechanism (if any) for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants, and any such other details as the Company may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the offer letter and be bound by the provisions of the Share Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-one (21) days from the date of the offer.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) as may be determined by the Board as consideration for the grant thereof, is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. The relevant Award Shares offered but not accepted shall lapse.

## **5. VESTING PERIOD**

Save for the circumstances prescribed below, an Award must be held by the Grantee for a period that is not shorter than the Minimum Period before the Award can be exercised.

The Board may at its absolute discretion grant Awards to Employee Participants only with a vesting period shorter than the Minimum Period in the following circumstances:

- (1) grants of “make-whole” Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers;
- (2) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

## **6. EXERCISE PRICE AND ISSUE PRICE AND EXERCISE OF AWARDS**

- (a) The Exercise Price shall, subject to any adjustment made pursuant to the terms of the Share Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:
  - (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;
  - (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and
  - (3) the nominal value of the Share on the offer date.

- (b) The Issue Price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the Offer Letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.
- (c) Where an Award is to be granted under paragraph 8 or paragraph 9, for the purposes of the paragraph (a)(1) and paragraph (a)(2) above, the date of the meeting of the Board (or its authorized committee for the administration of the Share Scheme) or the remuneration committee thereof (as the case may be) at which the grant was proposed shall be taken to be the offer date for the relevant Award, and the provisions as set above shall apply *mutatis mutandis*.
- (d) Subject to the terms of the Share Scheme, an Award shall be exercisable in whole or in part by the Grantee (or, in the case of death of the Grantee, by the Grantee's personal representative) giving notice in writing to the Company stating that the Award is thereby exercised and the number of Award Shares in respect of which it is so exercised.
- (i) Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price or the Issue Price (as applicable) for the Award Shares in respect of which the notice is given.
- (ii) Within twenty-one (21) days (or such longer period if the Company in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after receipt of the notice and the remittance, the Company shall, at its discretion, arrange for the Exercised Award Shares to be satisfied in the following methods:
- (aa) allot and issue the relevant number of Shares to the Grantee (or, the Grantee's estate in the event of an exercise by the Grantee's personal representative) credited as fully paid and instruct the Share Registrar to issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) a share certificate for the Shares so allotted. and issued;
- (bb) arrange for the Exercised Award Shares to be transferred to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) credited as fully paid and issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) a share certificate in respect of the Shares so transferred;
- (cc) pay to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) by remittance to the bank account designated and provided by the Grantee (or the Grantee's personal representative), the Actual Selling Price from on-market sale of the Exercised Award Shares through the facilities of the Stock Exchange at prevailing market prices; and

(dd) arrange for Exercised Award Shares to be issued or designated as vested shares held for the economic benefit of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative), following which, the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) shall be entitled to future dividends paid or payable on the Exercised Award Shares and the Grantee (or the Grantee's personal representative) will have a one-time option to request the Company to cause payment to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) by remittance to the bank account designated and provided by the Grantee, the difference in the prevailing market prices of the Exercised Award Shares between the vesting date and the date that the Grantee notifies the Company of exercising the one-time option.

## 7. SCHEME LIMITS AND ADDITIONAL APPROVALS

### **The Scheme Mandate Limit**

(1) The total number of Shares which may be issued in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"). Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

### **The Service Provider Participant Sublimit**

(2) Subject to paragraph (1) above, the total number of Awards which may be issued in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Provider Participants shall not exceed such number of Shares as equals to 2% of the Shares in issue as at the Adoption Date (the "**Service Provider Participant Sublimit**") within the Scheme Mandate Limit. Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Service Provider Participant Sublimit.

### **Refreshment**

(3) (a) the Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and/or the Service Provider Participant Sublimit under the Share Scheme on or after the third anniversary of the date of the Shareholders' approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (i) the Awards under the Share Scheme and (ii) the options

and awards to be granted under any other schemes of the Company as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph (3), the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and

- (b) any refreshment within any three-year period shall be subject to independent Shareholders’ approval.

#### **Grant in excess of the Scheme Mandate Limit**

- (4) The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Awards exceeding the Scheme Mandate Limit provided that the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph (4), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awards to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price or the Issue Price) of the Awards to be granted to such Eligible Participant must be fixed before Shareholders’ approval. For the grant of Share Options, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

#### **8. GRANT OF AWARDS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES**

- (1) Any grant of an Award to a Director, a chief executive of the Company or substantial shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Award).
- (2) (a) Where any grant of an Award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue, or

- (b) where any grant of Share Awards (i.e., excluding grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company), or any of their respective associates, would result in the shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the relevant schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant,

such grant of Award must be approved by the Shareholders in a general meeting of the Company.

- (3) The Company must send a circular to the Shareholders. The circular must contain such information required by the Listing Rules.
- (4) The Grantee, his associates and all the core connected persons must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.
- (5) Any vote taken at the general meeting of the Company to approve the grant of such Award must be taken on a poll and comply with the requirements under the Listing Rules.
- (6) Any change in the terms of Awards granted to an Eligible Participant who is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in the Listing Rules if the initial grant of the Award requires such approval (except where the changes take effect automatically under the existing terms of the Share Scheme).

#### **9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant during the twelve(12)-month

period), the purpose of granting the Awards to the Eligible Participant, an explanation as to how the terms of the Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price or Issue Price) of the Award to be granted to such Eligible Participant must be fixed before the general meeting of the Company. For the grant of Share Options, the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the Exercise Price.

#### **10. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the Share Scheme, an Award may be exercised in whole or in part at any time during the period stipulated in the Offer, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant Award.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Award which must be satisfied before an Award may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Award, there is no performance target which must be achieved before an Award can be exercised under the terms of the Share Scheme nor any clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participant.

#### **11. RESTRICTIONS ON THE TIME OF OFFER**

Offer may not be made:

- (1) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the knowledge of the Company until (and including) the Business Day after it has been announced pursuant to the requirements of the Listing Rules; and
- (2) during the period commencing from one (1) month immediately preceding the earlier of:
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
  - (b) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

- (3) with respect to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code.

## **12. RIGHTS ARE PERSONAL TO GRANTEES**

Subject to the rules in the Share Scheme, an Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Award or any part thereof granted to such Grantee to the extent not already exercised.

The Stock Exchange may consider granting a waiver to allow a transfer of an Award to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of the Share Scheme and comply with the requirements of the Listing Rules.

## **13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

In the event that the Grantee ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:

- (1) that the Grantee has been guilty of serious misconduct;
- (2) that the Grantee has been convicted of any criminal offence involving the person’s integrity or honesty or in relation to any member of the Group (if so determined by the Board);
- (3) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee’s creditors generally; or
- (4) on any other ground as determined by the Board that would warrant the termination of the Grantee’s employment at common law or pursuant to any applicable laws or under the Grantee’s service contract with any member of the Group,

before exercising the Award in full, the Grantee’s Award (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation, or such longer period as the Board may determine.

In the event that the Grantee, by reason of the Grantee’s employment with any member of the Group, ceases to be an Eligible Participant by reason of retirement as an employee in accordance with the Grantee’s contract of employment (all evidenced to the satisfaction of

the Board), or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship set out in the paragraph above arises, before exercising the Award in full, the Grantee may exercise the Award (to the extent vested but not already exercised) in whole or in part within (a) three months in the case of voluntary termination by the Grantee, or (b) six months in the case of termination by reason of retirement, following the date of such cessation, or such longer period as the Board may determine and such Award to the extent not so exercised shall lapse at the end of the abovementioned period.

#### **14. RIGHTS ON DEATH**

In the event that the Grantee ceases to be an Eligible Participant by reason of the person's death before exercising the Award in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person's employment or directorship under paragraph 13 above arises):

- (a) in the case of Share Options, the Grantee's personal representative may exercise the Share Options (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 6 within one hundred and eighty (180) days following the date of death, or such longer period as the Board may determine, and any Share Options not exercised shall lapse at the end of the abovementioned period;
- (b) in the case of Share Awards, any outstanding Share Awards not yet vested shall immediately lapse, and the Company shall deliver such number of vested but not yet delivered Award Shares or the Actual Selling Price (hereinafter referred to as "Benefits") of such Share Awards at its discretion to the Grantee's estate within two (2) years following the date of death, or such other period as the Board may determine, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall lapse;

#### **15. RIGHTS ON INJURY, DISABILITY OR ILL-HEALTH**

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability or ill-health before exercising the Award in full, the Grantee may exercise the Award (to the extent vested but not already exercised) in whole or in part in accordance with the terms of the Share Scheme within six months following the date of such cessation, or such longer period as the Board may determine and to the extent such Award not so exercised shall lapse at the end of the abovementioned period.

#### **16. SERVICE PROVIDER PARTICIPANT OR RELATED ENTITY PARTICIPANT**

In the event that the Grantee who is a Service Provider Participant or Related Entity Participant ceases to be an Eligible Participant by reason of any one or more of the following grounds:

- (1) in the case of the Grantee who is a Related Entity Participant, that he/she ceases to be associated with the Related Entity as a result of resignation, termination, dismissal or retirement;
- (2) that there has been a breach of contract entered into between the Grantee and any member of the Group;
- (3) that the Grantee's engagement or appointment has been terminated in the sole and absolute opinion of the Board;
- (4) that the Board, in its sole and absolute opinion, believes that the Grantee is no longer contributing to the development or success of the Group, or has become a competitor of any member of the Group;
- (5) that the Grantee has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
- (6) that the Grantee has committed any serious misconduct, or
- (7) that the Grantee has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Grantee or any member the Group into disrepute),

the Award (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of the Board's determination.

#### **17. RIGHTS ON CESSATION FOR OTHER REASONS**

In the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in paragraph 13 to paragraph 16 above, the Grantee's Award (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such Award or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Award will be subject to.

#### **18. RIGHTS ON A CORPORATE TRANSACTION**

- (a) If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Company shall at its sole discretion determine whether the vesting dates of any Awards to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award will be subject.
- (b) For the purpose of paragraph 18(a), "control" shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

**19. CANCELLATION OF AWARDS**

Subject to the terms of the Share Scheme, any Award granted may not be cancelled except with the consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels Awards and makes a new grant to the same Grantee, such new grant may only be made under the Share Scheme with the available limit approved by the Shareholders as set out in paragraph 7 above. The Awards cancelled and/or lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

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

In the event of any alteration in the capital structure of the Company whilst any Award remains exercisable or whilst the Share Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the auditors or independent financial adviser to certify in writing:

- (1) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
- (2) the number or nominal amount of Shares to which the Share Scheme or any Awards relates (insofar as it is/they are unexercised); and/or
- (3) the Exercise Price or Issue Price of any Award,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (a) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (b) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had the person exercised all the Awards held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (c) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and

- (d) in respect of any such adjustments, the auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, FAQ 072-2020, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

Subject to the above principles and certification procedures, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Awards and adjusted exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON MAIN BOARD LISTING RULE 17.03(13)” (the “**Supplemental Guidance**”) to FAQ No. 072-2020 published by the Stock Exchange, set out below:

New number of Awards = Existing Awards x F

New Exercise Price = Existing exercise Price x  $\frac{1}{F}$

Where

F = CUM / TEEP

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

TEEP (Theoretical ex entitlement price) =  $\frac{\text{CUM} + [\text{M} \times \text{R}]}{1 + \text{M}}$

M = Entitlement per existing Share

R = Subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Awards and exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below:

New number of Awards = Existing Awards x F

New exercise price = Existing exercise price x  $\frac{1}{F}$

Where F = Subdivision or consolidation or reduction factor

Any dispute arising in connection with the number of Shares of an Award and any of the matters referred to this section shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

## 21. RANKING OF SHARES

No dividends shall be payable in relation to Shares that are the subject of Awards that have not been exercised. Shares allotted and issued upon the exercise of an Award will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares.

## 22. DURATION OF THE SHARE SCHEME

The Share Scheme shall be valid and effective until the Termination Date, after which period no further Awards will be granted but the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Share Scheme.

## 23. ALTERATIONS TO THE TERMS OF THE SHARE SCHEME

The Share Scheme may be altered in any respect by a resolution of the Board provided that:

- (1) any alterations to the terms and conditions of the Share Scheme which are of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in a general meeting of the Company;
- (2) any change to the terms of Awards granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the terms of the Share Scheme);
- (3) any change to the authority of the Directors or the administrator of the Share Scheme to alter the terms of the Share Scheme must be approved by the Shareholders of the Company in a general meeting of the Company;
- (4) the amended terms of the Share Scheme or the Awards shall remain in compliance with Chapter 17 of the Listing Rules; and

- (5) no such alteration shall operate to affect adversely the terms of issue of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the articles being for a variation of the rights attached to Shares.

**24. CONDITIONS OF THE SHARE SCHEME**

The Share Scheme is conditional upon:

- (1) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Awards that may be granted under the Share Scheme.

**25. LAPSE OF AWARDS**

An Award shall lapse automatically (to the extent vested but not already exercised) on the earliest of:

- (a) subject to paragraph 13 to paragraph 18, expiry of the Exercise Period;
- (b) the date on which the Grantee commits a breach of paragraph 12;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph 13 to paragraph 18; and
- (d) the date of the commencement of the winding-up of the Company.

**26. TERMINATION**

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of the Share Scheme. In such event, no further Awards will be offered but in all other respects, the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Scheme and the Awards granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Scheme.

**27. MISCELLANEOUS**

The terms of the Share Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time on a continuing basis in respect of the Share Scheme and any other schemes of the Company.

**APPENDIX IV                      AMENDMENTS TO ARTICLES OF ASSOCIATION**

*Set out below is a summary of the Proposed Amendments:*

<b>Article</b>	<b>Original Content</b>	<b>Amended Content</b>
General	Second Amended and Restated Memorandum and Articles of Association	<del>Second</del> Third Amended and Restated Memorandum and Articles of Association
General	Companies Law (2010 Revision)	<del>Companies Law (2010 Revision)</del> Act (as Revised)
2.2	n/a	“ <u>Communications Facilities</u> ” shall mean <u>video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and be heard by each other.</u>
	Electronic Transactions Law (2003 Revision)	<del>Electronic Transactions Law (2003 Revision)</del> Act (As Revised)
	n/a	“ <u>Person</u> ” shall mean <u>any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</u>
	n/a	“ <u>Present</u> ” shall mean, in respect of any <u>Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being:</u>  (a) <u>physically present at the meeting; or</u>  (b) <u>in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities.</u>

**APPENDIX IV AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
	n/a	“Virtual Meeting” shall mean any <u>general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.</u>
4.3	The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.	The Board may, in its absolute discretion, at any time transfer any share <del>upon</del> <u>on</u> the principal register to any branch register or any share on any branch register to the principal register or any other branch register.
7.6(d)	in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four;	in the case of a transfer to joint holders, the number of joint holders to <del>which</del> <u>whom</u> the share is to be transferred does not exceed four;
7.6(f)	a fee of such maximum as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.	a fee of such <u>amount not exceeding the maximum amount</u> as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.
12.1	The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting shall be held at such time and place as the Board shall appoint.	The Company shall <del>in each year</del> hold a general meeting as its annual general meeting in <u>each financial year</u> <del>in addition to any other meeting in that year and</del> <u>The annual general meeting shall be specified</u> <del>specify the meeting</del> as such in the notices calling it; <del>and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting</del> <u>and shall be held at such time and place as the Board shall appoint.</u>

Article	Original Content	Amended Content
12.3	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any <u>one</u> <del>two</del> or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting <u>and the resolutions to be added to the meeting agenda,</u> and signed by the <del>requisitionists</del> <u>requisitionist(s)</u>, provided that such <del>requisitionists</del> <u>requisitionist(s)</u> held, <del>together,</del> as at the date of deposit of the requisition, <u>shares representing not less than one tenth of the voting rights, on a one vote per share basis paid-up capital of the Company which carries the right of voting at general meetings of the Company.</u> General meetings may also be convened on the written requisition of any <del>one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist,</del> provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>

**APPENDIX IV AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
12.4	n/a	<p>The Directors may make <u>Communication Facilities</u> available for a specific <u>general meeting</u> or all <u>general meetings</u> of the <u>Company</u> so that <u>members and other participants</u> may attend and participate at such <u>general meetings</u> by means of such <u>Communication Facilities</u>. Without <u>limiting the generality</u> of the foregoing, the Directors may determine that any <u>general meeting</u> may be held as a <u>Virtual Meeting</u>.</p>
12.5	<p>An annual general meeting or any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 13.1) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.</p>	<p>An annual general meeting <del>or any extraordinary general meeting called for the passing of a special resolution</del> shall be called by not less than 21 days' notice in writing and any <del>other</del> extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 13.1) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. <u>The notice of any general meeting (including a postponed or reconvened meeting held pursuant to Article 12.12) at which Communication Facilities will be utilised (including any Virtual Meeting) must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting.</u> Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.</p>

**APPENDIX IV                      AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
12.10	n/a	<p>If, after the notice of a <u>general meeting</u> has been sent but before the meeting is held, or after the adjournment of a <u>general meeting</u> but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place in accordance with <u>Article 12.12.</u></p>
12.11	n/a	<p>The Board shall also have the power to provide in every notice calling a <u>general meeting</u> that in the event of a <u>gale warning</u> or a <u>black rainstorm warning</u> (or the equivalent in the location of the relevant meeting) is in force at any time on the day of the general meeting (unless such warning has been cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date in accordance with <u>Article 12.12.</u></p>

**APPENDIX IV AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
12.12	n/a	<p>12.12 Where a general meeting is postponed in accordance with Article 12.10 or Article 12.11:</p> <p>(a) <u>the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company’s Website and published on the Exchange’s website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting pursuant to Article 12.11;</u></p> <p>(b) <u>the Board shall fix the date, time and place for the reconvened meeting and at least seven clear days’ notice shall be given for the reconvened meeting by one of the means specified in Article 31.1; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened, and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and</u></p> <p>(c) <u>only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with Article 12.5.</u></p>

**APPENDIX IV AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
13.2	For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.	For all purposes the quorum for a general meeting shall be two members <u>Present</u> <del>present in person</del> (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member <u>Present</u> <del>present in person</del> or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be <u>Present</u> <del>present</del> at the commencement of the business.
13.3	If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.	If within 15 minutes from the time appointed for the meeting a quorum is not <u>Present</u> <del>present</del> , the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not <u>Present</u> <del>present</del> within 15 minutes from the time appointed for holding the meeting, the member or members <u>Present</u> <del>present in person</del> (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.
13.4	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be <u>Present</u> <del>present</del> within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors <u>Present</u> <del>present</del> shall choose another Director as Chairman, and if no Director be <u>Present</u> <del>present</del> , or if all the Directors <u>Present</u> <del>present</del> decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members <u>Present</u> <del>present</del> (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.

**APPENDIX IV                      AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
13.5	n/a	<p>The Chairman of any <u>general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the Chairman, in which event:</u></p> <p>(a) <u>the Chairman shall be deemed to be Present at the meeting; and</u></p> <p>(b) <u>if the Communication Facilities are interrupted or fail for any reason to enable the Chairman to hear and be heard by all other Persons attending and participating at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as Chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Board.</u></p>
13.6	<p>The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>	<p>The Chairman may, with the consent of any general meeting at which a quorum is <del>Present</del><u>present</u>, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>

Article	Original Content	Amended Content
14.1	<p>Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. A member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where one or more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way.</p>	<p>Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting (a) every member <del>present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy</del> <u>Present shall have the right to speak,</u> and (b) on a poll every member <u>Present</u> shall have one vote for each share registered in his name in the register. <u>On a poll, a</u> <del>A</del> member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where one or more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way <u>on a poll.</u></p>
14.4	<p>Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.</p>	<p>Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be <u>Present</u> <del>present</del> at any meeting <del>personally or by proxy</del>, that one of the said persons so <u>Present</u> <del>present</del> being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.</p>
14.6	<p>Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.</p>	<p>Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be <u>Present</u> <del>present</del> or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.</p>

Article	Original Content	Amended Content
14.14	Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.	Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being <u>Present</u> <del>present</del> at any meeting in person.
16.2	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the <u>first next following</u> <del>next following</del> annual general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election at that meeting.
16.3	The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re election.	The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the <u>Act</u> <del>Law</del> , the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. <del>Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re election.</del>

Article	Original Content	Amended Content
16.6	<p>The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.</p>	<p>The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his <u>term</u> <del>period</del> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any <u>provision</u> <del>provisions</del> of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.</p>
16.19	<p>At every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.</p>	<p>At every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director <u>required to stand for re-election</u> <del>appointed</del> pursuant to Article 16.2 <del>or Article 16.3</del> shall not be taken into account in determining <u>the number of Directors and</u> which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.</p>

**APPENDIX IV                      AMENDMENTS TO ARTICLES OF ASSOCIATION**

Article	Original Content	Amended Content
29.4	<p>The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors’ report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, an Auditors’ report on such accounts prepared pursuant to Article 30.1 and such other reports and accounts as may be required by law.</p>	<p>The Board shall, <del>commencing with the first annual general meeting</del> cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors’ report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, an Auditors’ report on such accounts prepared pursuant to Article 30.1 and such other reports and accounts as may be required by law.</p>
30.2	<p>The Company shall at any annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>	<p>The Company shall at <u>every</u> <del>any</del> annual general meeting <u>by ordinary resolution</u> appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. <u>The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting.</u> The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed <u>by ordinary resolution</u>, provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>

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**APPENDIX IV                      AMENDMENTS TO ARTICLES OF ASSOCIATION**

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<b>Article</b>	<b>Original Content</b>	<b>Amended Content</b>
33.1	n/a	<u>Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.</u>
35	The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.	The financial year of the Company shall <u>end on 31 December in each year unless otherwise be</u> prescribed by the Board and may, from time to time, be changed by it.

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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 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, the People’s Republic of China on Monday, 19 June 2023 at 10:00 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 auditor for the year ended 31 December 2022.
2. 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.
3. To elect Mr. Hiroshi Shirafuji 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:

### 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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- (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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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:**
- (1) the Share Scheme (a copy of which is tabled at the meeting and marked “**A**” and initialled by the chairman of the meeting for identification purpose) be and is hereby approved and adopted subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the award which may be granted under the Share Scheme;
  - (2) the Scheme Mandate Limit of the Share Scheme be and is hereby approved;
  - (3) the Directors be and are hereby authorised to, subject to the applicable laws, rules and regulations:
    - (i) grant awards in accordance with the rules of the Share Scheme;
    - (ii) allot, issue, and deal with from time to time such number of award shares as may be required to be issued pursuant to the exercise of the awards under the Share Scheme;
    - (iii) administer the Share Scheme; and
    - (iv) do all such acts and to enter into all such transactions, arrangements and agreements as the Directors in their sole discretion consider to be necessary or expedient in order to give full effect to the Share Scheme; and
  - (4) the Existing Share Option Scheme be and are hereby terminated upon the Share Scheme becoming effective.”
10. “**THAT** conditional upon the approval of ordinary resolution numbered (9) above, the Service Provider Participant Sublimit under the Share Scheme be and is hereby approved.”

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To consider and, if thought fit, pass the following resolution as a special resolution:

### SPECIAL RESOLUTION

11. “**THAT** the amended and restated memorandum of association and articles of association of the Company (the “**New Articles**”), a copy of which has been produced to the meeting marked “**B**” and for identification purpose signed by the Chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing memorandum of association and articles of association of the Company with immediate effect after the announcement by the Company of the poll result that this resolution was duly passed as a special resolution and that the directors of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Articles.”

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

Shanghai, the People’s Republic of China, 29 May 2023

*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.
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 10:00 a.m. on 17 June 2023 (Saturday) (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 Wednesday, 14 June 2023 to Monday, 19 June 2023, 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 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 13 June 2023 (Tuesday) (Hong Kong time), being the last share registration date.
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.

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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, 3 and 6 to 11 set out in this Notice will be sent to all shareholders of the Company.