

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy hereof may be taken into or distributed in the United States.

The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Shares, the Existing Convertible Bonds and the Bonds mentioned herein have not been, and will not be, registered under the Securities Act, and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Shares, the Existing Convertible Bonds or the Bonds will be made in the United States.



微創醫療科學有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00853)

**PROPOSED REPURCHASE OF
THE US\$700 MILLION ZERO COUPON
CONVERTIBLE BONDS DUE 2026
PROPOSED ISSUE OF US\$220 MILLION 5.75 PER CENT. CONVERTIBLE
BONDS DUE 2028**

**Dealer Managers
Joint Global Coordinators and Joint Bookrunners**

J.P.Morgan



BofA SECURITIES 

PROPOSED REPURCHASE OF THE US\$700 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2026

References are made to the announcements of the Company dated 11 June 2021 and 15 June 2021 in relation to the issue of the Existing Convertible Bonds by the Company and dated 5 December 2023 in relation to the Repurchase. Pursuant to Condition 8(f) (Purchase) of the terms and conditions of the Existing Convertible Bonds, the Company or any of its subsidiaries may at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise. The Company now proposes to repurchase the Existing Convertible Bonds pursuant to the terms and conditions of the Existing Convertible Bonds.

On 5 December 2023, the Company entered into the Dealer Manager Agreement with the Dealer Managers pursuant to which the Dealer Managers have been appointed in connection with the proposed repurchase of the Existing Convertible Bonds to, amongst others, assist the Company in collecting indications of interest from holders of the outstanding Existing Convertible Bonds who are willing to sell their Existing Convertible Bonds to the Company.

Eligible Bondholders accepting the invitation to tender their Existing Convertible Bonds would be eligible for receiving the Repurchase Price which represent US\$99,000 per US\$100,000 in principal amount of the Existing Convertible Bonds on the Settlement Date.

As at the date of this announcement, the Company has, through the Dealer Managers, received commitments from Eligible Bondholders to sell approximately US\$217 million in aggregate principal amount of the Existing Convertible Bonds to the Company. The remaining outstanding Existing Convertible Bonds amount to approximately US\$448 million. The Company may continue to purchase the Existing Convertible Bonds from time to time in the open market or otherwise pursuant to the terms and conditions of the Existing Convertible Bonds.

PROPOSED ISSUE OF US\$220 MILLION 5.75 PER CENT. CONVERTIBLE BONDS DUE 2028

The Board announces that on 5 December 2023, the Company and the Managers entered into the Subscription Agreement whereby the Managers have conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in an aggregate principal amount of US\$220 million, subject to certain conditions set out in the Subscription Agreement. The Bonds are convertible in the circumstances set out in the Terms and Conditions into Shares of the Company at the initial Conversion Price, which is subject to adjustments as set out in the Terms and Conditions.

It is intended that the Bonds will be listed on the Hong Kong Stock Exchange. Applications will be made to the Hong Kong Stock Exchange for the listing of the Bonds and the listing of, and permission to deal in, the Conversion Shares.

The Managers have informed the Company that they intend to offer and sell the Bonds to no less than six (6) independent placees (who will be independent individual, corporate and/or institutional investors).

To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the places of the Bonds (and their respective ultimate beneficial owners) is an Independent Third Party.

GENERAL MANDATE

The Conversion Shares to be issued upon the conversion of the Bonds will be allotted and issued pursuant to the General Mandate. The issue of the Bonds is not subject to the approval of the Shareholders. The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Conversion Shares on the register of members of the Company.

USE OF PROCEEDS

The net proceeds from the Bonds (after deduction of commissions and other related expenses) are estimated to be approximately US\$216.6 million, representing a net issue price of approximately HK\$12.58 per Share based on the initial Conversion Price. The Group intends to apply most of the net proceeds from the issue of the Bonds for refinancing our medium and long term offshore debts.

The Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The Bonds were offered by way of debt issue to professional investors only.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and no public offering will be made in the United States. Neither the Bonds nor the Conversion Shares may be offered or sold within the United States absent registration under, or an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable state or local securities laws of the United States.

Completion of the Repurchase is subject to, among other things, the satisfaction and/or waiver of the conditions precedent in the Dealer Manager Agreement, market conditions and investors' demand. Completion of the Bond Issue is subject to the satisfaction and/or waiver of the conditions precedent in the Subscription Agreement, market conditions and investors' demand. In addition, each of the Dealer Manager Agreement and the Subscription Agreement may be terminated in certain circumstances. Please refer to the sections headed "The Dealer Manager Agreement" and "The Subscription Agreement" below for further information. As the Company may or may not obtain the necessary approvals from the Hong Kong Stock Exchange and the Bond Issue may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED REPURCHASE OF THE US\$700 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2026

References are made to the announcements of the Company dated 11 June 2021 and 15 June 2021 in relation to the issue of the Existing Convertible Bonds by the Company and dated 5 December 2023 in relation to the Repurchase. Pursuant to Condition 8(f) (Purchase) of the terms and conditions of the Existing Convertible Bonds, the Company or any of its subsidiaries may at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise. The Company has proposed to repurchase the outstanding Existing Convertible Bonds pursuant to such terms and conditions.

The Company and the Dealer Managers have entered into the Dealer Manager Agreement in connection with the Repurchase whereby the Dealer Managers have been appointed to, amongst others, assist the Company in collecting indications of interest from holders of the Existing Convertible Bonds who are willing to sell some or all of their Existing Convertible Bonds to the Company.

The principal terms of the Dealer Manager Agreement are summarized as follows:

THE DEALER MANAGER AGREEMENT

- A. Date:** 5 December 2023
- B. Parties:**
- (i) The Company; and
 - (ii) J.P. Morgan Securities plc, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited and Merrill Lynch (Asia Pacific) Limited as the Dealer Managers.
- C. Conditions to the obligations of the Dealer Managers:** The obligations of the Dealer Managers under the Dealer Manager Agreement are subject to, amongst others, the following conditions:
- 1. all relevant consents, approvals or authorisations of, or registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange or any other person required in connection with the execution, delivery or performance by the Company of its obligations under the Dealer Manager Agreement or in connection with the conduct and consummation of the Repurchase (including, without limitation, the distribution of the Offer Materials (as defined in the Dealer Manager Agreement)) shall have been obtained by the Company on or prior to the Settlement Date and remain in full force and effect on the Settlement Date;

2. prior to the Settlement Date, the Company shall have delivered to the Dealer Managers such further information, certificates and documents as the Dealer Managers may reasonably request relating to the Repurchase or otherwise relating to the matters contemplated thereby;
3. on the date of the Dealer Manager Agreement, there having been delivered to the Dealer Managers, in such form and with such content as the Dealer Managers may reasonably require, certain legal opinions on the laws of various jurisdictions; and
4. the issue of the Bonds on the Settlement Date.

D. Termination:

The Dealer Manager Agreement shall terminate:

1. upon completion of settlement on the Settlement Date;
2. upon written notice by the Company to the Dealer Managers to terminate the Dealer Manager Agreement at any time in the event that they decide not to proceed with the Repurchase;
3. upon the Company publicly announcing the termination of the Repurchase;
4. upon withdrawal by the Dealer Managers as a result of the failure of any of the conditions to the obligations of the Dealer Managers set out in the Dealer Manager Agreement;
5. (subject to the right of the Dealer Managers in their sole discretion to waive any such breach) upon breach of any of the Company's representations, warranties, agreements or covenants set out in the Dealer Manager Agreement; or
6. if, since the date of the Dealer Manager Agreement, there has been, in the opinion of the Dealer Managers, a change in national, international, financial, political or economic conditions as would in their view (acting together) be likely to prejudice materially the success of the Repurchase.

E. Repurchase Price:

Represent US\$99,000 per US\$100,000 in principal amount of the Existing Convertible Bonds on the Settlement Date

PROPOSED ISSUE OF US\$220 MILLION 5.75 PER CENT. CONVERTIBLE BONDS DUE 2028

THE SUBSCRIPTION AGREEMENT

- A. Date:** 5 December 2023
- B. Parties:** (i) The Company; and
- (ii) J.P. Morgan Securities plc, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited and Merrill Lynch (Asia Pacific) Limited as the Managers.
- C. Subscription:** The Company conditionally agreed to issue to the Managers or as they may direct, and the Managers conditionally agreed to severally (and not jointly) subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds on the Closing Date.
- D. Subscribers:** The Managers have informed the Company that they intend to offer and sell the Bonds to no less than six (6) independent placees (who will be independent individual, corporate and/or institutional investors). The Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the Securities Act. None of the Bonds will be offered to the retail public in Hong Kong.
- To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the placees of the Bonds (and their respective ultimate beneficial owners) is an Independent Third Party.
- E. Conditions Precedent:** The obligations of the Managers to subscribe and pay for the Bonds are conditional upon, among others, the following conditions precedent:
- Due Diligence:* the Managers being reasonably satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries, and the Offering Circular having been prepared in form and content satisfactory to the Managers and having been delivered to the Managers in accordance with the Subscription Agreement;
 - Other Contracts:* the execution and delivery (on or before the Closing Date) of the other Contracts (as defined in the Subscription Agreement), and the execution and delivery on or before the date of the Subscription Agreement of the Stock Lending Agreement (as defined below), each in a form satisfactory to the Managers, by the respective parties;

3. *Lock-up*: each of Otsuka Medical Devices Co., Ltd., Maxwell Maxcare Science Foundation Limited, Shanghai ZJ Hi-Tech Investment Corporation and Shanghai Zhangjiang Health Solution Holdings Limited shall have executed a lock-up agreement on or before the Closing Date in the form set out in the Subscription Agreement and such lock-up agreement shall be in full force and effect on the Closing Date;
4. *Auditors' Letters*: on the Publication Date and on the Closing Date, there having been delivered to the Managers auditor's letters, provided that such letters shall use a "cut-off" date no more than three business days prior to the respective dates on which they are delivered;
5. *NDRC Pre-issue Registration*: a copy of the "Registration Certificate of Foreign Debt Borrowed by Enterprise (企業借用外債審核登記證明)" issued by NDRC with respect to the Bonds in accordance with the Administrative Measures having been delivered to the Managers prior to the launch date of the Bonds, and remaining in full force and effect on the Closing Date;
6. *Compliance*: at the Publication Date and on the Closing Date, the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date; and the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date;
7. *Material Adverse Change*: after the date of the Subscription Agreement or, if earlier, the dates as of which information is given in the Offering Circular up to and on the Closing Date there shall not have occurred any change (nor any development or event involving a prospective change) in the condition (financial or otherwise), prospects, results of operations, business, properties or general affairs of the Company or the Group, which, in the reasonable opinion of the Managers, is material and adverse in the context of the issue and offering of the Bonds and from that set out in the Offering Circular;
8. *Listing*: listing approval from the Hong Kong Stock Exchange for the Conversion Shares issuable upon conversion of the Bonds having been obtained and the Hong Kong Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being reasonably satisfied that such listing will be granted);

9. *Legal Opinions:* on or before the Closing Date, there having been delivered to the Managers, in form and substance reasonably satisfactory to the Managers, dated the Closing Date of certain legal opinions on the laws of various jurisdictions; and
10. *CSRC Filing:* on or prior to the Closing Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC Filings (as defined in the Subscription Agreement), in form and substance satisfactory to the Managers, having been delivered to the Managers: (i) the CSRC Filing Report (including the letter of undertaking from the Company), (ii) legal opinion of the legal adviser to the Company as to PRC law and (iii) any other CSRC Filings required by the China Securities Regulatory Commission.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above conditions precedent.

- F. Completion:** Completion of the subscription and issue of the Bonds will take place on the Closing Date.
- G. Company's Lock-up Undertaking:** Neither the Company nor any person acting on its or their behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 calendar days after the Closing Date except for (i) the Bonds and the Conversion Shares issued on conversion of the Bonds and (ii) the Shares issued or options granted pursuant to the share option schemes and/or share scheme disclosed in the Interim Report of the Company for the six months ended 30 June 2023.

H. Lock-up undertakings: Each of Otsuka Medical Devices Co., Ltd., Maxwell Maxcare Science Foundation Limited, Shanghai ZJ Hi-Tech Investment Corporation and Shanghai Zhangjiang Health Solution Holdings Limited has entered into a lock-up undertaking in favour of the Managers with respect to the Shares held by each of them directly or indirectly (the “**Lock-up Shares**”), for a period from the date of the Subscription Agreement up to the date falling 90 calendar days after the Closing Date, that neither it nor any of its subsidiaries (if applicable) or affiliates or spouse (if applicable) or family members (if applicable) over which it exercises management or voting control, nor any person acting on its or their behalf will, without the prior written consent of the Managers, (a) issue, offer, sell, and it shall procure such entities to not, pledge, contract to sell, lend or otherwise transfer or dispose of, directly or indirectly, or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or any securities convertible into, exercisable or exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or other instruments representing interests in the Lock-up Shares, (b) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of the ownership of the Lock-up Shares, (c) enter into any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) with the same economic effect as, or which is designed or intended to, or which may reasonably be expected to lead to or result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing. Solely in respect of the lock-up undertaking signed by Maxwell Maxcare Science Foundation Limited, the foregoing sentence shall not apply to the Lock-up Shares which are subject to the Stock Lending Agreement.

I. Ranking of Conversion Shares: The Conversion Shares will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant registration date and shall be entitled to all dividends and other distributions declared, paid or made thereon save as provided for in the Terms and Conditions.

J. General Mandate: The Conversion Shares to be issued upon the conversion of the Bonds will be allotted and issued pursuant to the General Mandate. The issue of the Bonds is not subject to the approval of the Shareholders.

K. Termination:

The Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, in their sole discretion terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent specified in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
3. if, in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
4. if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange; (iii) a general moratorium on commercial banking activities in the United States, Singapore, Hong Kong, the PRC and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, Singapore or the United Kingdom; (iv) a material adverse change or development involving a prospective material adverse change in taxation affecting the Company, the Bonds and the Conversion Shares to be issued upon conversion of the Bonds or the transfer thereof; or (v) any new law or regulation or any material adverse change or development involving a prospective material adverse change in existing laws or regulations; or

5. if, in the opinion of the Managers, there shall have occurred any event or series of events (including without limitation the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or pandemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

- A. **Issuer:** The Company.
- B. **Principal amount:** US\$220 million.
- C. **Issue price:** 100.00% of the principal amount of the Bonds.
- D. **Maturity Date:** 19 December 2028 (the “**Maturity Date**”).
- E. **Form and Denomination:** The Bonds will be issued in registered form in the denomination of US\$200,000 each and integral multiples of US\$100,000 in excess thereof.
- F. **Interest:** The Bonds bear interest on their outstanding principal amount from and including the Closing Date at the rate of 5.75 per cent. per annum, payable semi-annually in arrear in equal instalments on 19 June and 19 December in each year, commencing on 19 June 2024. If the Company fails to pay any sum in respect of the Bonds when the same becomes due and payable under the Terms and Conditions, interest shall accrue on the overdue sum at the rate of 2.0% per annum above the interest rate aforesaid until the earlier of (i) the day on which all sums due in respect of such Bond up to that date are received by or on behalf of the relevant Bondholder and (ii) the day falling seven days after the Trustee or the Principal Agent (as defined in the Terms and Conditions) has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under the Terms and Conditions).

G. Negative pledge: So long as any Bond remains outstanding (as defined in the Trust Deed), the Company shall not, and the Company shall procure that none of its Subsidiaries (as defined in the Terms and Conditions) (other than Listed Subsidiaries (as defined in the Terms and Conditions)) will, create or permit to subsist any Security Interest (as defined in the Terms and Conditions) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any Guarantee (as defined in the Terms and Conditions) of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

H. Conversion right: Subject to and upon compliance with the Terms and Conditions, the conversion right in respect of a Bond may be exercised, at the option of the Bondholder, at any time on or after 29 January 2024 (a) up to the close of business on the tenth day prior to the Maturity Date (both days inclusive), except as provided in the Terms and Conditions, in no event thereafter; (b) if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business on a date no later than 15 days (both days inclusive) prior to the date fixed for redemption thereof; or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to the Terms and Conditions then up to the close of business on the business day prior to the giving of such notice.

The number of Conversion Shares upon conversion of any Bond shall be determined by dividing the principal amount of the Bonds to be converted (translated into Hong Kong Dollars at the fixed rate of HK\$7.8148 = U.S.\$1.00 (the “**Fixed Exchange Rate**”)) by the Conversion Price in effect on the Conversion Date (as defined in the Terms and Conditions).

I. Conversion Price: The initial Conversion Price is HK\$12.7790 per Share.

The Conversion Price will be subject to adjustment for, among other things, consolidation, subdivision or reclassification of Shares, capitalization of profits or reserves, distributions, rights issue of Shares or options over Shares at less than 95% of the then current market price, rights issues of other securities, issues of Shares or other options over Shares at less than 95% of the then current market price, issues of securities or other options over securities at less than 95% of the then current market price, modification of rights of conversion at less than 95% of the current market price and other offers to Shareholders.

The Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in Hong Kong and the Cayman Islands.

J. Adjustment upon Change of Control: If a Change of Control shall have occurred, the Company shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) within 7 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant Conversion Date falls within the period of 30 days following the later of (1) the relevant Change of Control and (2) the date on which the Change of Control Notice is given to the Bondholders, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times (c/t))), \text{ where}$$

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price in effect on the relevant Conversion Date;

CP (or Conversion Premium) = 30% expressed as a fraction;

c = the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date; and

t = the number of days from and including the Closing Date to but excluding the Maturity Date.

- K. Ranking of Conversion Shares:** The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant registration date. Save as set out in the Terms and Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant registration date.
- L. Redemption at maturity:** Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date.
- M. Redemption for taxation reasons:** The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders and in writing to the Trustee and the Principal Agent, at their principal amount together with interest accrued but unpaid up to but excluding the date specified in the Tax Redemption Notice for redemption, if the Company satisfies the Trustee immediately prior to giving such Tax Redemption Notice that (A) the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations or rulings (including a holding by a court of competent jurisdiction) of any relevant tax jurisdiction, or any change in the general application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after 5 December 2023, and (B) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

If the Company gives a Tax Redemption Notice, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed whereupon no additional tax amounts shall be payable in respect thereof and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

- N. Redemption at the option of the Company:** On giving not less than 30 nor more than 60 days' notice to the Bondholders and in writing to the Trustee and the Principal Agent, the Company:
- (a) may at any time after 2 January 2027 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid up to but excluding the relevant date fixed for redemption, provided that the closing price of the Shares (translated into US Dollars at the Prevailing Rate (as defined in the Terms and Conditions)) for each of any 20 trading days within a period of 30 consecutive trading days, the last of which occurs not more than five trading days prior to the date upon which notice of such redemption is published, was at least 130% of the Conversion Price (translated into US Dollars at the Fixed Exchange Rate) then in effect; or
 - (b) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid up to but excluding the relevant date fixed for redemption, provided that prior to the date upon which notice of such redemption is published at least 90% of the principal amount of the Bonds originally issued (including any further bonds issued pursuant to the Terms and Conditions and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.
- O. Redemption for Delisting, Suspension of Trading or Change of Control:** Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date at their principal amount, together with interest accrued but unpaid up to but excluding such date. To exercise such right, the holder of the relevant Bond must deliver to the Paying Agent a duly completed and signed notice of redemption, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred, together with the certificate representing the Bonds to be redeemed by not later than (a) 60 days following a Relevant Event, or, if later, (b) 60 days following the date upon which notice thereof is given to Bondholders by the Company. The "**Relevant Event Redemption Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to in (a) and (b) above.

- P. Redemption at the option of the Bondholders:** On 21 December 2026 (the “**Put Option Date**”), the holder of each Bond will have the right, at such holder’s option, to require the Company to redeem all or some only of the Bonds of such holder on the Put Option Date at their principal amount, together with interest accrued but unpaid up to but excluding the Put Option Date. To exercise such right, the holder of the relevant Bond must complete, sign and deliver to the Paying Agent a duly completed and signed notice of redemption together with the certificate representing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.
- Q. Clearing System:** Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A..
- Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds evidenced by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.
- R. Transferability:** Subject to registration and compliance with the relevant procedures set forth in the Terms and Conditions, the Bonds are freely transferrable.
- Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing system.
- S. Status:** The Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge provision of the Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of the Company’s other present and future unsecured and unsubordinated obligations.
- T. Listing:** Applications will be made to the Hong Kong Stock Exchange for the listing of the Bonds and the listing of, and permission to deal in, the Conversion Shares.

SECURITIES LENDING ARRANGEMENT

In connection with the proposed issue of the Bonds, J.P. Morgan Securities plc (the “**Borrower**”) as borrower has entered into a stock borrowing and lending agreement with We’Tron Capital Limited, as Shareholder of the Company as lender (the “**Lender**”), dated 4 December 2023 (the “**Stock Lending Agreement**”), to allow the Lender to provide stock lending to the Borrower in respect of 90,000,000 Shares upon and subject to the terms and conditions stated in the Stock Lending Agreement, to facilitate hedging for the investors participating in the offering of the Bonds. According to the Stock Lending Agreement, such number of Shares are subject to adjustments in accordance with the terms and conditions in the Stock Lending Agreement.

APPROVAL FOR THE ISSUE OF BONDS

As the issue of the Bonds will occur simultaneously with the Repurchase, approval from the Hong Kong Stock Exchange would be required under Rule 10.06(3) of the Listing Rules. The Company has made an application to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted the approval under Rule 10.06(3) of the Listing Rules for the issue of the Bonds.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$12.7790 per Share represents:

- (i) a premium of approximately 10.5% over the closing price of HK\$11.5600 per Share as quoted on the Hong Kong Stock Exchange on 5 December 2023 (being the trading day on which the Subscription Agreement was signed) (the “**Last Trading Day**”);
- (ii) a premium of approximately 4.6% over the average closing price of HK\$12.2200 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 1.7% over the average closing price of HK\$12.5620 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm’s length basis between the Company and the Managers after a book-building exercise. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION AND SUFFICIENCY OF PUBLIC FLOAT

After the completion of the repurchase of approximately US\$217 million in aggregate principal amount of the Existing Convertible Bonds, and assuming full conversion of the 67% of the Existing Convertible Bonds remaining outstanding in the principal amount of US\$665 million at the existing conversion price of HK\$92.8163 and no further issue of Shares, such Existing Convertible Bonds will be convertible into 37,452,594 Shares (the “**Existing Conversion Shares**”), representing approximately 2.0% of the issued share capital of the Company as at the date of this announcement and approximately 2.0% of the issued share capital of the Company as enlarged by the issue of the Existing Conversion Shares. The Existing Conversion Shares to be issued upon conversion of the outstanding Existing Convertible Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant registration date.

Assuming full conversion of the Bonds (translated into Hong Kong dollars at the Fixed Exchange Rate) at the initial Conversion Price of HK\$12.7790 per Share and no further issue of Shares, the Bonds will be convertible into 134,537,601 Shares, representing approximately 7.3% of the issued share capital of the Company as at the date of this announcement and approximately 6.8% of the issued share capital of the Company as enlarged by the allotment and issue of such Conversion Shares upon full conversion of the Bonds. The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant registration date.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Bond Issue:

Shareholder	Existing (as of the date of this announcement)		Assuming 67% of the Existing Convertible Bonds remaining outstanding are fully converted into Shares at a conversion price of HK\$92.8163 per Share		Assuming none of the Existing Convertible Bonds are converted into Shares but the Bonds are fully converted into Shares at a Conversion Price of HK\$12.7790 per Share		Assuming 67% of the Existing Convertible Bonds remaining outstanding are fully converted into Shares at a conversion price at HK\$92.8163 per Share and the Bonds are fully converted into Shares at a Conversion Price of HK\$12.7790 per Share	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company
Directors and substantial shareholders								
<i>(Notes 4 and 5)</i>								
Otsuka Medical Devices Co., Ltd <i>(Note 1)</i>	382,994,120	20.88	382,994,120	20.46	382,994,120	19.45	382,994,120	19.09
Maxwell Maxcare Science Foundation Limited ("Maxwell") and its controlled corporations <i>(Note 2)</i>	285,774,627	15.58	285,774,627	15.27	285,774,627	14.52	285,774,627	14.24
Shanghai Zhangjiang (Group) Co., Ltd. ("Zhangjiang Group") and its controlled corporations <i>(Note 3)</i>	171,748,050	9.36	171,748,050	9.17	171,748,050	8.72	171,748,050	8.56
Bondholders and/or holders of the Existing Convertible Bonds	0	0.00	37,452,594	2.00	134,537,601	6.83	171,990,195	8.57
Other public Shareholders	993,960,617	54.18	993,960,617	53.10	993,960,617	50.48	993,960,617	49.54
Total	1,834,477,414	100.00	1,871,930,008	100.00	1,969,015,015	100.00	2,006,467,609	100.00

Notes:

- Otsuka Holdings Co., Ltd. holds the entire issued share capital of Otsuka Medical Devices Co., Ltd., and therefore, is deemed to be interested in the same number of Shares held by Otsuka Medical Devices Co., Ltd..
- Maxwell holds 100% interest of We'Tron Capital Limited, and therefore, is deemed to be interested in the same number of Shares and share interests held by We'Tron Capital Limited. Maxwell is also the beneficial owner of 1,022,119 Shares. In addition to the above, Maxwell is further interested in 58,271,736 underlying Shares of the Company by virtue of the options.

3. Zhangjiang Group is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People's Government. Zhangjiang Group holds 100% interest in Shanghai Zhangjiang Science and Technology Investment Co., which in turn holds 100% interest in Shanghai Zhangjiang Science and Technology Investment (Hong Kong) Company Limited, which in turn holds 50% interest in Shanghai ZJ Hi-Tech Investment Corporation, being the beneficial owner of 7,042,580 Shares. Zhangjiang Group also holds 50.75% interest in Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd., which in turn holds 100% interest in Shanghai Zhangjiang Haocheng Venture Capital Co., Ltd., which in turn holds 100% interest in Shanghai (Z.J.) Holdings Limited, which in turn holds 50% interest in Shanghai ZJ Hi-Tech Investment Corporation. Shanghai ZJ Hi-Tech Investment Corporation holds 100% interest in Shanghai Zhangjiang Health Solution Holdings Limited, being the beneficial owner of 164,705,470 Shares.
4. Dr. Zhaohua Chang (an executive Director), Mr. Bo Peng (a non-executive Director), Dr. Guoen Liu (an independent non-executive Director) and Mr. Chunyang Shao (an independent non-executive Director) are interested in 49,047,671, 6,068,630, 161,290 and 161,290 underlying Shares of the Company respectively by virtue of the options granted to them under the share option scheme(s) and/or share scheme(s) of the Company.
5. Dr. Qiyi Luo (a non-executive Director) is interested in (i) 3,393,729 underlying Shares of the Company by virtue of the options granted to him under the share option scheme(s) of the Company and (ii) 6,408,703 Shares of the Company; and Mr. Jonathan H. Chou (an independent non-executive Director) is interested in (i) 161,290 underlying Shares of the Company by virtue of the options granted to him under the share option scheme(s) of the Company and (ii) 6,300 Shares of the Company.

USE OF PROCEEDS

The net proceeds from the Bonds (after deduction of commissions and other related expenses) are estimated to be approximately US\$216.6 million, representing a net issue price of approximately HK\$12.58 per Share based on the initial Conversion Price. The Group intends to apply most of the net proceeds from the issue of the Bonds for refinancing our medium and long term offshore debts.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE REPURCHASE AND BOND ISSUE

The Board considers that the Repurchase and Bond Issue allow the Company to refinance its existing debt and to extend its debt maturity profile. The Directors (including the independent non-executive Directors) consider the Bond Issue and the Terms and Conditions are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

GENERAL MANDATE

The issue of the Bonds and the Conversion Shares is not subject to Shareholders' approval. The Bonds and the Conversion Shares will be issued pursuant to the General Mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 19 June 2023 which authorised the Directors to issue, allot and deal with a maximum of 366,693,010 Shares (representing 20% of the total issued share capital of the Company as at the date of the aforesaid annual general meeting of the Company). As at the date of this announcement, (i) no portion of the General Mandate has been utilised; and (ii) the General Mandate is sufficient for the allotment and issue of the Conversion Shares.

INFORMATION REGARDING THE GROUP

The Group is a leading medical device group focusing on innovating, manufacturing and marketing high-end medical devices globally in a broad range of business segments including cardiovascular, orthopedics, cardiac rhythm management, endovascular, neurovascular, heart valve, surgical robot and other businesses.

The Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The Bonds were offered by way of debt issue to professional investors only.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and no public offering will be made in the United States. Neither the Bonds nor the Conversion Shares may be offered or sold within the United States absent registration under, or an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable state or local securities laws of the United States.

Completion of the Repurchase is subject to, among other things, the satisfaction and/or waiver of the conditions precedent in the Dealer Manager Agreement, market conditions and investors' demand. Completion of the Bond Issue is subject to the satisfaction and/or waiver of the conditions precedent in the Subscription Agreement, market conditions and investors' demand. In addition, each of the Dealer Manager Agreement and the Subscription Agreement may be terminated in certain circumstances. Please refer to the sections headed "The Dealer Manager Agreement" and "The Subscription Agreement" above for further information. As the Company may or may not obtain the necessary approvals from the Hong Kong Stock Exchange and the Bond Issue may or may not complete. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Administrative Measures”	Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises 《企業中長期外債審核登記管理辦法》國家發展和改革委員會令第56號) (“Order 56”) issued by the NDRC on 5 January 2023 and effective on 10 February 2023 and any implementation rules as issued by the NDRC from time to time
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bonds”	the US\$220 million 5.75 per cent. convertible bonds due 2028
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bond Issue”	the issue of the Bonds by the Company
“Change of Control”	occurs when: (i) any Person or Persons, acting together, acquires Control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity
“Closing Date”	the date upon which the Bonds will be issued, being 19 December 2023, or such later date, not being later than 2 January 2024, as the Company and the Managers may agree
“Closing Price”	closing price for the Shares for any trading day as set out in the daily quotation sheet published by the Hong Kong Stock Exchange

“Company”	MicroPort Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the main board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the price at which Conversion Shares will be allotted and issued upon conversion of the Bonds which will initially be HK\$12.7790 per Share and will be subject to adjustment in the manner provided in the Terms and Conditions
“Conversion Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds
“Dealer Manager Agreement”	the dealer manager agreement dated 5 December 2023 entered into among the Company and the Dealer Managers in respect of the Repurchase
“Dealer Managers”	J.P. Morgan Securities plc, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited and Merrill Lynch (Asia Pacific) Limited
“Director(s)”	director(s) of the Company
“Eligible Bondholders”	means a holder of the Existing Convertible Bonds that is (i) not located or resident in the United States, and (ii) not a person acting on behalf of a beneficial owner of the Existing Convertible Bonds located or resident in the United States, or acting for the account or benefit of any person located or resident in the United States
“Existing Convertible Bonds”	the US\$700 million aggregate principal amount zero coupon convertible bonds due 2026 (of which US\$665 million remains outstanding) (Bond stock code: 40720, ISIN: XS2342920050) issued by the Company
“General Mandate”	the general mandate to issue, allot and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 19 June 2023
“Group”	the Company and its subsidiaries

“HK\$” or “Hong Kong Dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Managers”	J.P. Morgan Securities plc, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited and Merrill Lynch (Asia Pacific) Limited
“NDRC”	National Development and Reform Commission of the People’s Republic of China
“Offering Circular”	the offering circular which the Company will prepare in relation to the Bond Issue
“Person(s)”	includes any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof but does not include the Company's directors or any other governing board and does not include the Company's direct or indirect subsidiaries
“PRC”	the People’s Republic of China, which, for the purposes of this announcement and the Terms and Conditions only, does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Publication Date”	the date of the Offering Circular, being not later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Managers

“Relevant Event”	occurs:
	(i) when the Shares cease to be listed or admitted to trading or suspended (other than for a temporary suspension) for trading for a period equal to or exceeding 30 consecutive trading days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or
	(ii) when there is a Change of Control
“Relevant Indebtedness”	Any indebtedness (incurred outside the PRC) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market but not any non-tradeable securities) (which shall not include any indebtedness under any transferrable loan facilities or agreements, bilateral loans or syndicated bank loans, drawing down of any existing credit lines or facilities of the Company or any of the Company's subsidiaries)
“Repurchase”	proposed repurchase of the Existing Convertible Bonds
“Repurchase Price”	US\$99,000 per US\$100,000 in principal amount of the Existing Convertible Bonds
“Securities Act”	the United States Securities Act of 1933, as amended
“Settlement Date”	the settlement date of the Repurchase, being 19 December 2023
“Share(s)”	the ordinary share(s) with par value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Subscription Agreement”	the subscription agreement entered into between the Company and the Managers dated 5 December 2023 in respect of the issue of the Bonds
“Terms and Conditions”	the terms and conditions of the Bonds

"trading day(s)"	means a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
"Trust Deed"	the trust deed constituting the Bonds to be entered into between the Company and the Trustee
"Trustee"	The Bank of New York Mellon, London Branch
"US" or "United States"	the United States of America
"US\$" or "US Dollars"	United States dollars, the lawful currency of the United States
"%"	per cent.

By Order of the Board
MicroPort Scientific Corporation
Dr. Zhaohua Chang
Chairman

Shanghai, the PRC, 6 December 2023

As at the date of this announcement, the executive Director of the Company is Dr. Zhaohua Chang; the non-executive Directors are Mr. Hiroshi Shirafuji, Mr. Norihiro Ashida, Ms. Weiqin Sun, Dr. Qiyi Luo and Mr. Bo Peng; and the independent non-executive Directors are Mr. Jonathan H. Chou, Dr. Guoen Liu and Mr. Chunyang Shao.

* *For identification purpose only.*