
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and the accompanying 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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MicroPort Scientific Corporation

微創醫療科學有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00853)

**PROPOSAL FOR ADOPTION OF SUBSIDIARY
SHARE OPTION SCHEME AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of MicroPort Scientific Corporation (the “**Company**”) to be held at the Meeting Room of Shanghai MicroPort, 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, The People’s Republic of China on Friday, 13 March 2020 at 10:00 a.m., at which, among other things, the above proposal will be considered, is set out on pages 20 to 21 of this circular. Persons entitled to attend and vote at the Extraordinary General Meeting are also allowed to attend through teleconference (Dial-in number: 400-810-5222 (Mainland China) or +852-3005-1328 (Hong Kong); Access code: 64473551).

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon 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 less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should you so wish.

* *for identification purpose only*

28 February 2020

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), 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 circular misleading.

DEFINITIONS

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

“Articles”	the articles of association of the Company;
“associates”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	means any day on which securities are traded on the Stock Exchange;
“Company”	MicroPort Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Core Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held at the Meeting Room of Shanghai MicroPort, 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, The People’s Republic of China on Friday, 13 March 2020 at 10:00 a.m.;
“Eligible Person(s)”	has the meaning ascribed thereto in the Appendix I to this circular;
“Grantee”	means any Eligible Person who accepts an Offer in accordance with the terms of the Subsidiary Share Option Scheme;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	26 February 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
“Offer”	means an offer of the grant of an Option made in accordance with paragraph 6 of Appendix I to this circular;
“Offer Date”	means the date on which an Offer is made to an Eligible Person, which must be a Business Day;
“Offer Letter”	has the meaning ascribed to it under paragraph 6 of Appendix I to this circular;
“Option”	the option(s) to be granted under the Subsidiary Share Option Scheme;
“Option Period”	means a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option (subject to the provisions for early termination contained in paragraph 16 of Appendix I to this circular);
“Share(s)”	ordinary shares of US\$0.00001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price at which each Share subject to an Option may be subscribed for upon the exercise of that Option, subject to paragraph 7 and paragraph 21 of Appendix I to this circular;
“Subsidiary”	MicroPort CardioFlow Medtech Corporation, a limited liability company established in the Cayman Islands and is indirectly owned as to 57.34% by the Company as at the date of this circular;
“Subsidiary Articles”	the articles of association of the Subsidiary, as may be amended, supplemented or otherwise modified from time to time;
“Subsidiary Board”	the board of directors of the Subsidiary;

DEFINITIONS

“Subsidiary Group”	means the Subsidiary and its subsidiaries;
“Subsidiary Shares”	ordinary shares of US\$0.0001 each in the capital of the Subsidiary (or, if there has been a sub-division, consolidation, reduction, re-classification or reconstruction of the share capital of the Subsidiary, ordinary shares forming part of the equity share capital of the Subsidiary of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
“Subsidiary Share Option Scheme”	the Subsidiary Share Option Scheme of the Company proposed to be adopted by ordinary resolution at the EGM, a summary of principal terms of which is set out in Appendix I to this circular;
“Subsidiary Shareholder(s)”	the shareholder(s) of the Subsidiary;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“US\$”	United States dollars, the lawful currency of the United States;
“%”	per cent.

LETTER FROM THE BOARD



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

Mr. Hiroshi Shirafuji

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:

Level 54, Hopewell Centre

183 Queen's Road East, Hong Kong

28 February 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF SUBSIDIARY
SHARE OPTION SCHEME**

INTRODUCTION

Reference is made to the announcement of the Company dated 21 January 2020, in relation to the proposed adoption of the Subsidiary Share Option Scheme. The purpose of this circular is to provide you with information in respect of the proposed adoption of the Subsidiary Share Option Scheme to seek approval of the Shareholders.

ADOPTION OF THE SHARE OPTION SCHEME

At the EGM, an ordinary resolution will be proposed to the Shareholders to adopt the Subsidiary Share Option Scheme.

LETTER FROM THE BOARD

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

The Subsidiary Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

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

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

The aggregate number of Subsidiary Shares which may be issued upon exercise of all options to be granted under the Subsidiary Share Option Scheme and any new Subsidiary Share Option Scheme of the Subsidiary which may be adopted hereinafter must not, in aggregate, exceed 5% of the total number of Subsidiary Shares in issue as at the date of adoption of the Subsidiary Share Option Scheme or any new subsidiary share option scheme (as the case may be). The maximum aggregate number of Subsidiary Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Subsidiary Share Option Scheme and any other share option schemes of the Subsidiary, must not, in aggregate, exceed 30% of the total number of Subsidiary Shares in issue from time to time. As at the Latest Practicable Date, the Subsidiary has 98,750,000 Subsidiary Shares in issue. Assuming that there is no change in the issued share capital of the Subsidiary between the Latest Practicable Date and the date of the EGM, the total number of Subsidiary Shares which may be issued upon exercise of all Options to be granted under the Subsidiary Share Option Scheme would be 4,937,500 Subsidiary Shares.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the Subsidiary Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the Subscription Price payable for the Shares upon the exercise of the Options, whether or not

LETTER FROM THE BOARD

Options will be granted under the Subsidiary Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Subsidiary Board to impose any performance targets that have to be achieved before the Options can be exercised and any other terms and conditions that the Subsidiary Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Subsidiary Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances.

The Company is not required to appoint any trustee for the purpose of administering the Subsidiary Share Option Scheme. The Subsidiary Share Option Scheme will be subject to the administration of the Subsidiary Board. None of the Directors is a trustee of the Subsidiary Share Option Scheme or has a direct or indirect interest in the trustees of the Subsidiary Share Option Scheme, if any.

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

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

THE POSSIBLE SPIN-OFF AND SEPARATE LISTING OF THE SUBSIDIARY

Reference is made to the announcement of the Company dated 5 January 2020, in relation to the Company's plan of a possible spin-off and separate listing of the shares of Subsidiary on a recognized stock exchange (the "**Possible Spin-off and Listing**"). The Possible Spin-off and Listing constitutes a spin-off of the Subsidiary by the Company subject to compliance with Practice Note 15 to the Listing Rules and will also be a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules.

The Board, after considering the Possible Spin-off and Listing, believes that the adoption of the Subsidiary Share Option Scheme can recognize the contributions by the Eligible Persons in order to incentivize them to strive for the future development and expansion of the Subsidiary Group.

LETTER FROM THE BOARD

The Subsidiary Board currently intends to grant Options under the Subsidiary Share Option Scheme prior to the Possible Spin-off and Listing. As at the date of this circular, the Subsidiary Board is still working on the plan of grant of Options, and has not yet identified any grantees of the Subsidiary Share Option Scheme or decided the size of the grant of Options prior to the Possible Spin-off and Listing.

The Subsidiary is principally engaged in the research and development, manufacturing and sale of devices treating valvular heart diseases and is owned as to 57.34% by the Company as at the Latest Practicable Date. The Subsidiary is a pre-profit company and recorded net loss in both 2018 and 2019. The Subsidiary did not record any revenue in 2018. According to the management accounts of the Company and the Subsidiary, the revenue of the Subsidiary Group accounts for less than 1% of that of the Group for the year ended 31 December 2019.

EXTRAORDINARY GENERAL MEETING

To the best of the Board's knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the adoption of the Subsidiary Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

Set out on pages 20 to 21 of this circular is a notice convening the EGM to consider and, if appropriate, to approve the ordinary resolution relating to the proposal for the adoption of the Subsidiary Share Option Scheme.

A form of proxy for use at the EGM is enclosed herewith. If you are not able to attend and/or vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office 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 and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, the resolution put to vote at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board considers that the ordinary resolution in relation to the adoption of the Subsidiary Share Option Scheme to be proposed at the EGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolution at the EGM.

LETTER FROM THE BOARD

GENERAL

Your attention is also drawn to the appendix to this circular.

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

APPENDIX I PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME

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

1. PURPOSE

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

2. WHO MAY JOIN

Eligible Persons include:

- (a) any employee (whether full-time or part-time) of the Subsidiary, any of its subsidiaries;
- (b) any director (including executive, non-executive and independent non-executive directors) of the Subsidiary Group; and
- (c) any director (including executive, non-executive and independent non-executive directors) or employee (whether full-time or part-time) of the Company who, in the sole and absolute direction of the Subsidiary Board, has contributed or will contribute to the development of the Subsidiary Group.

The basis of eligibility of any of the above classes of Eligible Persons to the grant of any Options shall be determined by the Subsidiary Board from time to time on the basis of their contribution to the development and growth of the Subsidiary Group.

3. DURATION OF THE SUBSIDIARY SHARE OPTION SCHEME

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

The Subsidiary plans to seek approval from the Subsidiary Shareholders before the EGM. If the Subsidiary Shareholders' approval is obtained after the EGM, the Company will publish an announcement about the adoption date of the Subsidiary Share Option Scheme.

4. MAXIMUM NUMBER OF SHARES

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

- (a) the Scheme Mandate Limit so refreshed shall not exceed 5% of the total number of Subsidiary Shares in issue as at the date of the Shareholders’ approval or the date of the Subsidiary Shareholders’ approval, whichever is later, of the refreshing of the Scheme Mandate Limit;
- (b) options previously granted under any Existing Scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and
- (c) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders and Subsidiary Shareholders (if applicable) in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain the information which comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

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

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

explanation as to how the terms of the Options serve such purpose, and other information required to comply with the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

Notwithstanding the foregoing, the maximum aggregate number of Subsidiary Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Subsidiary Share Option Scheme and any other share option schemes of the Subsidiary, must not, in aggregate, exceed 30% of the total number of Subsidiary Shares in issue from time to time. No options may be granted under the Subsidiary Share Option Scheme and any other share option schemes of the Subsidiary if this will result in such limit being exceeded.

5. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

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

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

6. GRANT OF OPTIONS

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

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

7. SUBSCRIPTION PRICE

Subject to the effect of alterations to share capital as set out in paragraph 20, the price at which each Subsidiary Share subject to an Option may be subscribed for on the exercise of that Option shall be a price determined by the Subsidiary Board in its sole and absolute discretion and notified to an Eligible Person. If the Company proceeds with the Possible Spin-off and Listing, the Subscription Price shall be subject to further alteration in accordance with relevant requirements under note (2) to Rule 17.03(9) of the Listing Rules, pursuant to which, the exercise price of any Options granted after the Company has resolved to seek a separate listing of the Subsidiary on the Stock Exchange or any other stock exchange on which it is listed must not be lower than the new issue price. In particular, the exercise price of any Options granted during the period commencing six months before the lodgment of form A1 (or its equivalent for listing on GEM or other stock exchanges) by the Subsidiary on the main board of the Stock Exchange up to the listing date of the Subsidiary shall be not lower than the new issue price of the listing.

8. GRANT OF OPTIONS TO CONNECTED PERSONS

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

Where an Option is to be granted to a substantial shareholder of the Company (as defined in the Listing Rules) or an independent non-executive Director or any of their respective associates, and the grant will, in the 12-month period up to and including the date of such grant, result in the number and value of the Subsidiary Shares issued and to be

issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the relevant Eligible Person (i) exceeding 0.1% of the total number of Subsidiary Shares in issue at the relevant time of grant, or (ii) if applicable, having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Subsidiary Shares at the date of each grant, such grant shall not be valid unless:

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

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

9. RANKING OF SHARES

The Subsidiary Shares to be allotted and issued upon the exercise of an Option shall be subject to the Subsidiary Articles and the provisions of the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with other fully-paid Subsidiary Shares in issue as at the date of allotment and will entitle the holders to the same rights of the holders of other fully-paid Subsidiary Shares in issue, including voting, dividend, transfer and any other rights. In particular, the Subsidiary Shares to be allotted and issued upon the exercise of an Option will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue. The Option itself (before exercise) will not entitle the Grantee to any of aforementioned Subsidiary Shareholder's rights.

10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

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

11. RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

- (a) Where the Grantee is a director or an employee of the Subsidiary Group and his/her employment ceases for any reason other than death or becoming permanently disabled as described in paragraph (c) below, the Option may not be exercised after the date of such cessation, which date shall be his last actual working day with the Subsidiary Group whether salary is paid in lieu of notice or not;
- (b) where the Grantee is a director or an employee of the Subsidiary Group and the Subsidiary Board at its absolute discretion determines that he is unable to pay or to have no reasonable prospect of being able to pay his debts, or has become insolvent, or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty, the Option granted to such Grantee may not be exercised on or after the date on which the Subsidiary Board has so determined;
- (c) where the Grantee of an outstanding Option dies or becomes permanently disabled before exercising the Option in full or at all, the Option may not be exercised after the date of his death or permanent disability. However, if the Subsidiary Board, upon receiving the written notice from such Grantee's personal representatives within 60 days after the date of such Grantee's death or permanent disability, issues a written consent to his personal representatives, the Option may be transferred to the personal representative as soon as practicable. For the avoidance of doubt, all vesting conditions previously imposed on such Option shall still apply; and
- (d) if the Subsidiary Board at its absolute discretion determines that the Grantee (other than an employee of the Subsidiary Group) or his associate has committed any breach of any contract entered into between the Grantee or his associate on one part and the Subsidiary Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or

composition with his creditors generally, the Option granted to such Grantee may not be exercised on or after the date on which the Subsidiary Board has so determined.

12. RIGHTS ON GENERAL OFFER

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

13. RIGHTS ON LISTING

If the Subsidiary is listed on the Stock Exchange or any other stock exchanges, the Subsidiary Shares to be issued upon the exercise of Options will, subject to relevant approvals from the stock exchange on which the Subsidiary is listed on, also be listed on such stock exchange and the Grantees will be entitled to the same rights with other shareholders of the Subsidiary upon exercise of the Options, and the Subscription Price shall be subject to alteration in accordance with relevant requirements under note (2) to Rule 17.03(9) of the Listing Rules and other applicable legal and regulatory requirements of the stock exchange on which it is listed.

14. RIGHTS ON COMPROMISE OR OTHER ARRANGEMENT

If a compromise or arrangement between the Subsidiary and the Subsidiary Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Subsidiary or its amalgamation with any other company or companies, the Subsidiary shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Subsidiary summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options in full or in part, but the aforesaid exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Options shall lapse except insofar as previously exercised under the Subsidiary Share Option Scheme. The Subsidiary may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

15. RIGHTS ON WINDING-UP

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

16. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the date referred to in paragraph 11(a);
- (c) the date referred to in paragraph 11(b);
- (d) the expiry of the 60-day period referred to in paragraph 11(c);
- (e) the date referred to in paragraph 11(d);
- (f) the expiry of the period referred to in paragraphs 12;
- (g) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 14;
- (h) subject to paragraph 15, the date of the commencement of the winding-up of the Subsidiary; or
- (i) the non-fulfilment of any condition to the Subsidiary Share Option Scheme on or before the date stated therein.

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

17. CANCELLATION OF OPTIONS

The Subsidiary Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 19 below.

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

18. TERMINATION OF THE SUBSIDIARY SHARE OPTION SCHEME

The Subsidiary, by a special resolution of the Subsidiary Shareholders pursuant to the Subsidiary Articles, may at any time terminate the operation of the Subsidiary Share Option Scheme and in such event no further Option will be offered but the provisions of the Subsidiary Share Option Scheme shall remain in full force and effect in all other respects and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Subsidiary Share Option Scheme. The Company does not have the discretion to terminate the operation of the Subsidiary Share Option Scheme.

19. TRANSFERABILITY OF OPTIONS

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

20. EFFECT OF ALTERATIONS TO SHARE CAPITAL

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

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

As of the date of this circular, there are no such unexercised adjustments as described in this paragraph 20.

In the event of any adjustment as described in this paragraph 20, the auditors of the Subsidiary (the “**Auditors**”) or the independent financial adviser to the Subsidiary (acting as expert not arbitrator) shall at the request of the Subsidiary certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with the requirements under the note to Rules 17.03(13) of the Listing Rules. If the Subsidiary is listed on the Stock Exchange or any other stock exchanges, it will comply with the applicable legal and regulatory requirements of the stock exchange on which it is listed in relation to such adjustment.

Any such adjustments must give a Grantee the same proportion of the equity capital of the Subsidiary as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme) but no such alterations shall be made the effect of which would be to enable a Subsidiary Share to be issued at less than its nominal value. The Subscription Price for the Subsidiary Shares subject to the Option as adjusted pursuant to the adjustments as described in this paragraph 20 shall be in compliance with Rule 17.03(9) of the Listing Rules and other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange. The capacity of the Auditors or the independent financial adviser to the Subsidiary in this paragraph 20 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Subsidiary and the Grantees. The costs of the Auditors or the independent financial adviser to the Subsidiary shall be borne by the Subsidiary. Notice of such adjustment shall be given to the Grantees by the Subsidiary.

21. ALTERATION OF THE SUBSIDIARY SHARE OPTION SCHEME

The Subsidiary Share Option Scheme may be altered in any respect with the prior approval of the Subsidiary Shareholders in general meeting in accordance with the Subsidiary Articles except that the provisions of the Subsidiary Share Option Scheme as to:

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

Any change to the authority of the Subsidiary Board in relation to any alterations to the terms of the Subsidiary Share Option Scheme must be approved by both the Shareholders and the Subsidiary Shareholders in their respective general meeting.

APPENDIX I PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME

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

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the “EGM”) of MicroPort Scientific Corporation (the “**Company**”) will be held at the Meeting Room of Shanghai MicroPort, 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, The People’s Republic of China on Friday, 13 March 2020 at 10:00 a.m., to consider and, if thought fit, pass the following as ordinary resolution. Persons entitled to attend and vote at the Extraordinary General Meeting are also allowed to attend through teleconference (Dial-in number: 400-810-5222 (Mainland China) or +852-3005-1328 (Hong Kong); Access code: 64473551).

1. “**THAT**

- (a) the share option scheme (the “**Subsidiary Share Option Scheme**”) of MicroPort CardioFlow Medtech Corporation (the “**Subsidiary**”), a subsidiary of the Company, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, be and is hereby approved and adopted; and the directors of the Subsidiary be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Subsidiary Share Option Scheme, including without limitation to:
 - (i) to administer or authorize a committee of the board to administer the Subsidiary Share Option Scheme under which share options will be granted to the Eligible Persons (as defined in the Subsidiary Share Option Scheme) eligible under the Subsidiary Share Option Scheme to subscribe for the ordinary shares of the Subsidiary (the “**Subsidiary Shares**”), including but not limited to determining and granting the share options in accordance with the terms of the Subsidiary Share Option Scheme;
 - (ii) to modify and/or amend the Subsidiary Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Subsidiary Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to allot and issue from time to time such number of Subsidiary Shares in the share capital of the Subsidiary as may be required to be allotted and issued pursuant to the exercise of the share options under the Subsidiary Share Option Scheme and subject to the Listing Rules; and
- (iv) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Subsidiary Share Option Scheme.”

By order of the board of directors of
MicroPort Scientific Corporation
Dr. Zhaohua Chang
Chairman

Shanghai, the People’s Republic of China, 28 February 2020

Notes:

1. For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 10 March 2020 to Friday, 13 March 2020, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 March 2020..
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM.
5. As the date of this notice, the board of directors of the Company comprises Dr. Zhaohua Chang as executive director; Mr. Norihiro Ashida, Mr. Hiroshi Shirafuji, Mr. Hongliang Yu as non-executive directors; and Mr. Jonathan H. Chou, Dr. Guoen Liu and Mr. Chunyang Shao as independent non-executive directors.