MicroPort®

MicroPort Scientific Corporation

微創醫療科學有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00853)

US$700 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2026 (the "Bonds", Stock Code: 40720)

PUBLICATION OF THE OFFERING CIRCULAR

This announcement is issued by MicroPort Scientific Corporation (the "**Company**") pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Please refer to the offering Circular dated 8 June 2021 (the "**Offering Circular**") appended herein in relation to the issuance of the Bonds. As disclosed in the Offering Circular, the Bonds were intended for purchase by professional investors only (as defined in Chapter 37 of the Listing Rules) and have been listed on the Stock Exchange on that basis. Accordingly, the Company confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should consider carefully the risks involved.

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

Shanghai, the PRC, 15 June 2021

As at the date of this announcement, the executive director of the Company is Dr. Zhaohua Chang; the non-executive directors of the Company are Mr. Norihiro Ashida, Dr. Yasuhisa Kurogi and Mr. Hongliang Yu; and the independent non-executive directors of the Company are Mr. Jonathan H. Chou, Dr. Guoen Liu and Mr. Chunyang Shao.

* *For identification purpose only*

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

The communication of the attached Offering Circular and any other document or materials relating to the issue of the Bonds (as defined in the attached Offering Circular) offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, the Bonds offered hereby are only available to, and any investment or investment activity to which the attached Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached Offering Circular or any of its contents.

The attached Offering Circular is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Confirmation of Your Representation: This Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to J.P. Morgan Securities plc and China International Capital Corporation Hong Kong Securities Limited (the "**Joint Lead Managers**") that (1) you and any customers you represent are not U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Joint Lead Managers nor any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of the Joint Lead Managers or their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS OFFERING IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Joint Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Manager or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORIZED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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MicroPort®

MicroPort Scientific Corporation

微創醫療科學有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00853)

US$700,000,000 Zero Coupon Convertible Bonds due 2026
Issue Price: 100.00 per cent.

The US$700,000,000 aggregate principal amount of zero coupon convertible bonds due 2026 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued pursuant to the terms and conditions of the Bonds) will be issued by MicroPort Scientific Corporation (微創醫療科學有限公司) (the "**Issuer**", the "**Company**" or "**we**"). The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the terms and conditions of the Bonds as set out in "Terms and Conditions of the Bonds" (the "**Conditions**", and any reference in this Offering Circular to a particular numbered "**Condition**" is to the correspondingly numbered condition of the Conditions)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4: *(Negative Pledge and Other Covenants)*, at all times rank at least equally with all of the Issuer's other present and future unsecured and unsubordinated obligations.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 22 July 2021 until and including 1 June 2026 into fully paid ordinary shares of par value of US$0.00001 each in the issued and paid up capital of the Issuer (the "**Shares**") at an initial conversion price of HK$92.8163 per Share (the "**Initial Conversion Price**"). The Initial Conversion Price is subject to adjustment in the circumstances described under "Terms and Conditions of the Bonds – Conversion". The closing price of the Shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 1 June 2021 was HK$70.05 per Share.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed on 11 June 2026 (the "Maturity Date") at 105.11 per cent. of their principal amount. The Company may, on giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled. At any time the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee (which notice shall be irrevocable), redeem the Bonds in whole but not in part if (i) the Company has or will become obliged to pay Additional Tax Amounts (as defined in the Conditions) as a result of any change in, or amendment to, the laws or regulations or rulings of any Relevant Tax Jurisdiction (as defined in the Conditions), or any change in the general application or official interpretation of or the standing of an official position with respect to, such laws, regulations or rulings, which change or amendment becomes effective or official position is announced, on or after 1 June 2021 and (ii) 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. Bondholders have the right to require redemption of their Bonds, all or some only, at the Early Redemption Amount upon the occurrence of a Change of Control event. In the event 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 any alternative stock exchange, Bondholders have the right to require the Company to redeem all or some only of their Bonds at the Early Redemption Amount. At any time after 21 June 2024 and prior to the Maturity Date, the Issuer may redeem in whole but not in part at the Early Redemption Amount, if the Closing Price (as defined in the Conditions) of the Shares (translated into United States dollars at the Prevailing Rate) 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 was published, is at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the then prevailing Conversion Ratio, and the applicable redemption date does not fall within a Closed Period. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation". "Early Redemption Amount" means an amount in respect of each U.S.$100,000 principal amount of the Bonds representing for the holder of the Bonds on the relevant date for determination of the Early Redemption Amount a gross yield of 1.00 per cent. per annum calculated on a semi-annual basis.

Application has been submitted to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, "Professional Investors") only. Approval in-principle for the listing of the Shares issuable on conversion has been received from the Hong Kong Stock Exchange. The Offering Circular is for distribution to Professional Investors only.

NOTICE TO HONG KONG INVESTORS – The Issuer confirms that the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Shares or the Issuer or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy, or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investors should be aware that the Bonds are, subject to the Conditions, unsecured obligations of the Issuer, that there are risks attached to exercise of conversion rights attaching to the Bonds, and that there are various other risks relatingto the Bonds and the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should familiarize themselves with before making an investment in the Bonds. See "Risk Factors" beginning on page 10 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States.

For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

With reference to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) (the "NDRC Circular") issued by the National Development and Reform Commission of the People's Republic of China or its local counterparts (the "NDRC") and which came into effect on 14 September 2015, and any implementation rules, reports, certificates or guidelines as issued by the NDRC from time to time, the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 27 May 2021 evidencing such registration which remains valid and in full force and effect. The Issuer intends to file or cause to be filed with the NDRC the requisite information and documents within the prescribed timeframe after the Issue Date.

The Bonds will be represented by beneficial interests in a global bond certificate (the "Global Bond Certificate") in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about 11 June 2021 (the "Issue Date"), with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Bond Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Bond Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

J.P. Morgan China International Capital Corporation

The date of this Offering Circular is 8 June 2021

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This Offering Circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Offering Circular or that the information contained in this Offering Circularis correct as of any time after that date.

This Offering Circular is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129.

The communication of this Offering Circular and any other document or materials relating to the issue of the Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/

or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Bonds offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

IN CONNECTION WITH THIS OFFERING, ANY OF THE INITIAL PURCHASERS, AS STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE BONDS IN THE OPEN MARKET, PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE ACTING AS THE STABILIZING MANAGER. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE BONDS. AS A RESULT, THE PRICE OF THE BONDS MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE STABILIZING MANAGER, AND NOT FOR US OR ON OUR BEHALF.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries (collectively, the "Group"), the Bonds and the Shares, which is material in the context of the issue and offering of the Bonds, (ii) the statements

contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuer, the Group, the Bonds or the Shares the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect, (v) all reasonable enquiries have been made by the Issuer to ascertain such fact necessary in order to make the statements in this Offering Circular, in the light of the circumstances under which they were made, not misleading, and (vi) this Offering Circular as at the date hereof does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the European Economic Area, Hong Kong, the PRC, Singapore, Japan and the Cayman Islands, and to persons connected therewith. For a description of certain further restrictions on offers, sales and re-sales of the Bonds and distribution of this Offering Circular, see "Subscription and Sale".

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group, the Bonds or the Shares other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, the Trustee or the Agents (in each case as defined herein). Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates to subscribe for or purchase any of the Bonds or Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by, J.P. Morgan Securities plc. and China International Capital Corporation Hong Kong Securities Limited (the "Joint Lead Managers"), the Trustee, the Agents or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

In making an investment decision, investors must rely on their own examination of the Issuer and other members of the Group and the terms of the offering, including the merits and risks involved. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any person affiliated with any of the Joint Lead Managers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

This Offering Circular incorporates by reference the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2019 and 2020. The consolidated financial statements were prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**").

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents makes any representation as to the accuracy of that information.

INCORPORATION BY REFERENCE

The following documents filed with the Hong Kong Stock Exchange are deemed to be incorporated by reference into, and to form part of, this Offering Circular:

(a) the Company's audited annual consolidated financial statements, including the notes thereto, which are contained in page 104 to page 220 of the annual report of the Issuer as at and for the financial years ended 31 December 2019; and

(b) the Company's audited annual consolidated financial statements, including the notes thereto, which are contained in page 75 to page 188 of the annual report of the Issuer as at and for the financial years ended 31 December 2020; and

(c) the auditor's reports in respect of such financial statements, which have been audited by KPMG in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer and the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a subsequent statement contained in another incorporated document herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The documents incorporated herein by reference are available electronically through the internet from the Hong Kong Stock Exchange.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATIONS

We have prepared this Offering Circular using a number of conventions, which you should consider when reading the information contained herein. When we use the terms "we," "us," "our," the "Company," the "Group" and words of similar import, we are referring to MicroPort Scientific Corporation and its subsidiaries, as the context requires.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe this information to be reliable, it has not been independently verified by us or the Initial Purchasers or their respective directors and advisors, and neither us, the Initial Purchasers nor our or their respective directors and advisors make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection method and other problems, such statistics herein may be inaccurate. You should not unduly rely on such market data, industry forecast and the PRC and industry statistics.

In this Offering Circular, references to "HK$" and "H.K. dollars" are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**" or "**HK**"); references to "RMB" or "Renminbi" are to Renminbi, the official currency of the PRC; and references to "US$" and "U.S. dollars" are to United States dollars, the official currency of the United States of America (the "**United States**" or "**U.S.**").

We prepare and present our financial statements in U.S. dollars. Unless otherwise stated in this Offering Circular, all translations from Renminbi into U.S. dollars were made at the rate of RMB6.5250 to US$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York on 31 December 2020, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK$7.7534 to US$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as certified for customs purposes by the Federal Reserve Bank of New York on 31 December 2020. All such translations in this Offering Circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate or at all. All amounts converted into U.S. dollars contained in this Offering Circular are unaudited and for reference purposes only. For further information relating to the exchange rates, see the section entitled "Exchange Rate Information."

References to "PRC" and "China," in the context of statistical information and description of laws and regulations in this Offering Circular, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC ("**Macau**") or Taiwan. "PRC government" or "State" means the central government of the PRC, together with all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Our consolidated financial statements were prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which differ in certain material aspects from generally accepted accounting principles in other jurisdictions. Unless the context otherwise requires, references to "2018", "2019" and "2020" in this Offering Circular are to our financial years ended 31 December 2018, 2019 and 2020, respectively.

References to the "Board of Directors" or "Board" are to our board of directors.

References to "connected person" and "controlling shareholder" each has the meaning ascribed to it in the Listing Rules (as defined below).

References to "EIT Law" are to the Enterprise Income Tax Law of the PRC（中華人民共和國企業所得税法）, which came into effect on 1 January 2008 and was amended in 2017 and 2018, as supplemented by its implementation regulations.

References to the "Hong Kong Stock Exchange" or "SEHK" in this Offering Circular are to The Stock Exchange of Hong Kong Limited.

References to "Listing Rules" in this Offering Circular are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended.

References to "MOF" are to the Ministry of Finance of the PRC (中華人民共和國財政部).

References to "MOH" are to the Ministry of Health of the PRC (中華人民共和國衛生部).

References to "NDRC" are to the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會).

References to "NHC" are to the National Health Commission of the PRC (中華人民共和國衛生健康委員會), formerly known as the Ministry of Health of the PRC, or the MOH.

Reference to "NMPA" are to the National Medical Product Administration (國家藥品監督管理局), formerly known as China Food and Drug Administration.

Reference to "Offering" are to the offering of the Bonds.

References to "PBOC" are to the People's Bank of China (中國人民銀行), the central bank of the PRC.

References to "SAFE" are to the PRC State Administration of Foreign Exchange (中國國家外匯管理局).

References to "STA" are to the PRC State Taxation Administration (中國國家税務總局).

References to "Principal Shareholder" are to a person who has an interest or interests in our shares, where the total votes attached to those shares is no less than 5.0% of the total votes attached to all shares in the Company.

References to "State Council" are to the State Council of the PRC (中華人民共和國國務院).

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to such rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain technical terms used in this Offering Circular in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms

"**AAA stent graft**"	an abdominal aortic aneurysm stent graft
"**aneurysm**"	a localized, blood-filled dilation of a blood vessel caused by disease or weakening of the vessel wall
"**aorta**"	the largest artery in the body, originating from the left ventricle of the heart and extending down to the abdomen, where it branches off into two smaller arteries. The aorta brings oxygenated blood to all parts of the body in the systemic circulation
"**bare-metal stent**"	a metal stent without a drug coating
"**cardiovascular**"	relating to or affecting heart and blood vessels
"**cardiovascular disease**"	the class of diseases that involves the heart or blood vessels (arteries and veins)
"**carotid stent**"	a stent used to open blocked or narrowed carotid artery in the neck area
"**catheter**"	a tube that can be inserted into a body cavity, duct or blood vessel
"**catheter laboratories**"	an examination room in a hospital or clinic with diagnostic imaging equipment used to conduct catheter-related procedures such as inserting stents
"**cobalt-chromium**"	an alloy of cobalt and chromium which are two very hard base metals used in, among other things, various medical devices and dentistry
"**diabetes**"	a condition in which a person has a high blood sugar (glucose) level as a result of the body either not producing enough insulin, or because body cells do not properly respond to the insulin that is produced. There are two types of diabetes: Type 1 and Type 2. Type 1 diabetes is an autoimmune disease (where the immune system reacts against a person's own cells) that occurs when the insulin-producing cells within the pancreas are gradually destroyed and eventually fail to produce insulin and is most frequently diagnosed in children and young adults. Type 2 diabetes is much more common than Type 1, and most patients with this condition are still able to produce insulin at diagnosis. However, the insulin they produce is unable to perform its primary job, which is helping the body's cells use glucose for energy. Usually this is due to a problem with the body's insulin receptors, the location on cells where insulin binds so that glucose can enter
"**dilatation**"	a process of enlargement or expansion

"**drug-eluting stent**"	a stent placed into narrowed, diseased arteries that slowly releases a drug to block cell proliferation
"**electrophysiology" or "EP**"	electrophysiology, the study of the electrical properties of biological cells and tissues
"**endoscope**"	a long slender medical instrument for examining the interior of a bodily organ or performing surgery
"**endovascular**"	relating to or affecting internal blood vessels
"**intracranial stent**"	a stent used to open up blocked or narrowed blood vessels in the brain for the prevention of or as a treatment for strokes
"**minimally invasive interventional medical device**"	a medical device used in a minimally invasive procedure and whose purpose is to improve health or alter the course of disease. A minimally invasive procedure encompasses any procedure (surgical or otherwise) that is less invasive than open surgery used for the same purpose and typically involves use of remote-control manipulation of instruments with indirect observation of the surgical field through an endoscope or similar device, and are carried out through the skin or through a body cavity or anatomical opening
"**MRI**"	magnetic resonance imaging, a medical imaging technique most commonly used in radiology to visualize detailed internal structures and functions of the body. MRI provides much greater contrast between the different soft tissues of the body than computed tomography does, making it especially useful in neurological, musculoskeletal, cardiovascular, and oncological imaging. Computed tomography is an x-ray procedure that uses the help of a computer to produce a detailed picture of a cross section of the body
"**neurovascular**"	relating to or affecting neuro blood vessels
"**orthopedics**"	skeletal system
"**pacemaker**"	a medical device that uses electrical impulses, delivered by electrodes contacting the heart muscles, to regulate the beating of the heart
"**Patent Cooperation Treaty**"	an international patent law treaty signed on 19 June 1970. It provides a unified procedure for filing patent applications to protect inventions in each of its contracting states
"**peripheral**"	relating to or affecting blood vessels located outside the heart and the brain
"**polymer**"	a large molecule composed of repeating structural units typically connected by covalent chemical bonds which can be used to bind a drug coating to a stent

"**PTCA**"	percutaneous transluminal coronary angioplastry, a procedure used to open blocked coronary arteries caused by coronary artery disease and to restore arterial blood flow to the heart tissue without open-heart surgery. In PTCA, the coronary arteries are widened with the help of a balloon
"**restenosis**"	the reoccurrence of stenosis, a narrowing of a blood vessel, leading to restricted blood flow. Restenosis usually pertains to an artery or other large blood vessel that has become narrowed, received treatment to clear the blockage and subsequently become narrow again
"**sirolimus**"	a drug which has been proven to be effective in limiting in-stent restenosis and inflammation around the stent. This drug is also known as rapamycin
"**stent**"	a metal mesh device designed to be inserted into a vessel to keep it open
"**stent graft**"	a metal stent covered with non-porous, waterproof film or fiber, which creates an artificial vessel wall over an aneurysm to support the blood flow and relieve pressure on the aneurysm
"**TAA stent graft**"	a thoracic aortic aneurysm stent graft
"**Tier I hospitals**"	smaller local hospitals designated as Tier I hospitals by the NHC hospital classification system that have fewer than 101 beds and primarily provide more basic healthcare services to the surrounding community
"**Tier I, II and III hospitals**"	hospitals in China are classified under the NHC-administered hospital classification system into three tiers based upon a number of factors, including reputation, the number of doctors and nurses, total number of in-patient beds, equipment and expertise. The best and largest hospitals are designated as "Tier III" hospitals, and the second and third tiers as "Tier II" and "Tier I," respectively
"**Tier II hospitals**"	regional hospitals designated as Tier II hospitals by the NHC hospital classification system that have 101 to 500 beds and provide multiple communities with integrated medical services and undertake certain educational and scientific research missions
"**Tier III hospitals**"	largest and best regional hospitals in China designated as Tier III hospitals by the NHC hospital classification system that have more than 501 beds and provide multiple regions with high-quality professional medical services and undertake higher education and scientific research initiatives and are followed by lower ranked Tier II and Tier I hospitals
"**ventricle**"	a chamber of the heart. The left ventricle of the heart receives blood from the left atrium and contracts to force it into the aorta. The right ventricle of the heart receives blood from the right atrium and forces it into the pulmonary artery

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements." All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "may," "will," "should," "could," "would," "expect," "intend," "plan," "anticipate," "going forward," "ought to," "seek," "project," "forecast," "believe," "estimate," "predict," "potential" or "continue" or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business and operating strategies;
- our capital expenditure;
- the amount and nature of, and potential for, future development of our business;
- our operations and business prospects;
- various business opportunities that we may pursue;
- research development and technological advances made or expected to be made in our industry or industries relevant to us;
- the effects of the global financial markets and economic crisis;
- development and effect of the COVID-19 pandemic;
- our financial condition and results of operations;
- availability and costs of bank loans and other forms of financing;
- our dividend policy;
- the regulatory environment of our industry in general;
- changes in political, economic, legal and social conditions in Hong Kong, China and other jurisdictions in which we operate, including the specific policies of the PRC central and local governments affecting the regions relevant to us;
- changes in competitive conditions and our ability to compete under these conditions;
- relationship with our joint venture partners;
- occurrences of catastrophes such as fires, floods, windstorms, earthquakes or other adverse weather conditions, diseases or natural disasters;
- changes in currency exchange rates; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this Offering Circular. We caution you not to place undue reliance on these forward-looking statements which reflect our management's view only as of the date of this Offering Circular. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors. Prospective investors should, therefore, read this Offering Circular in its entirety.

OVERVIEW

We are a leading medical device group focusing on developing, manufacturing and marketing high-end medical devices globally. We are dedicated to offer trustworthy and world-class medical devices and solutions to people across the globe. As of 31 December 2020, we had more than 300 varieties of medical devices and provided nearly 300 medical solutions to over 10,000 hospitals in over 80 countries or regions. We are one of the leading market players which provide medical devices and solutions in a number of fields. In 2020, we obtained registration approval for 30 of our products from the NMPA. Two products were approved to enter the Green Path program in the PRC, which allows for fast-tracked review and approval for only innovative medical devices. As of the end of 2020, we had a total of 20 products that have been approved to enter the Green Path, making us the company with the largest number of such approvals in six consecutive years.

We have a comprehensive product portfolio covering eight major business segments, namely, cardiovascular, orthopedics, cardiac rhythm management ("**CRM**"), endovascular and peripheral vascular, neurovascular, heart valve, surgical robot and surgical devices, and others. While the healthcare industry in the world experienced unprecedented challenges in 2020, we were able to achieve significant revenue growth in certain major business segments, such as our endovascular and peripheral vascular, neurovascular and heart valve device business segments, which recorded an increase in revenue from 2019 to 2020 of approximately 40.9%, 17.5% and 383.4% (excluding the foreign exchange impact), respectively. We take a market-oriented approach to product development, and built a robust product pipeline after careful evaluation on market potential and benefits afforded to patients. We were able to achieve a number of critical milestones for certain products in 2020. For example, our self-developed Toumai® Surgery Robotic System ("**Toumai® Robot**") completed patient enrollment for clinical trials in January 2021, and became the first domestically manufactured endoscopic robot for multicenter clinical trials in the field of urology. As an attestment to our innovative R&D capabilities, we filed 988 patent applications and 582 trademark applications in the PRC and overseas markets in 2020 and, as of 31 December 2020, we held a total of 5,097 patents (including applications) from 28 countries and regions, and 2,766 trademarks from 66 countries and regions.

In 2020, we had approximately 44.6% of our revenue generated from sales to the PRC market, and approximately 55.4% of our revenue generated from total sales to North America, Europe, Asia (excluding the PRC), South America and others. With a widespread global footprint, we have built an extensive product distribution network across different countries and hospital coverage for our products. For example, our drug eluting stents ("**DES**") were provided to more than 2,400 hospitals in the PRC and over 1,000 hospitals overseas in 2020. Such performance and the overall coverage of more than 10,000 hospital worldwide for our products demonstrate our ability in developing and expanding into global markets and attests to the quality of our products. We also have solid production capabilities with a proven track record, and a visionary management team that has stayed at the core of our Group and led our growth.

Attributable to the foregoing, our business remained competitive in the global market. For the years ended 31 December 2018, 2019 and 2020, our revenue was US$669.5 million, US$793.5 million and US$648.7 million, respectively.

RECENT DEVELOPMENTS

Spin-off and Separate Listing of MicroPort CardioFlow

On 4 February 2021, we completed the spin-off and separate listing of MicroPort CardioFlow Medtech Corporation ("**MicroPort CardioFlow**") (Stock code: 02160) on the Main Board of the Hong Kong Stock Exchange. The final offer price for the shares of MicroPort CardioFlow was HK$12.20 per share and, upon the full exercise of the over-allotment option, an aggregate of 236,463,000 equity shares were offered. As of the date of this Offering Circular, we held approximately 45.0% of the total issued share capital of MicroPort CardioFlow.

Grant of Share Options

On 31 March 2021, we offered to grant an aggregate of 1,449,386 shares under the share option scheme adopted by the Company on 18 June 2020 (the "**Share Option Scheme**"). The options were granted to 61 eligible grantees, including one director and 60 employees of us. Each of the share options shall entitle the holder of such share option to subscribe for one ordinary share of the Company at an exercise price of HK$43.75. The share options may be exercised by the grantee during a 10-year period commencing from the date of grant in accordance with a vesting schedule.

On 14 May 2021, we offered to grant an aggregate of 17,118,723 shares under the Share Option Scheme. The options were granted to four eligible grantees, who are Directors of the Company. Each of the share options shall entitle the holder of such share option to subscribe for one ordinary share of the Company at an exercise price of HK$57.59. The share options may be exercised by the grantee during a 10-year period commencing from the date of grant in accordance with a vesting schedule.

Leasing of Industrial Facility

On 13 May 2021, certain of our subsidiaries entered into lease agreements with Shanghai Weichuang Investment Management Co., Ltd.（上海微創投資管理有限公司）for an industrial facility located at China (Shanghai) Pilot Free Trade Zone with a total gross floor area of approximately 149,263.79 sq. m. for a term of five years. The aggregate rent payable by our subsidiaries under the entire term of the lease agreements is approximately US$194.66 million, which was determined by the parties after arm's length negotiations with reference to the prevailing market rents of comparable properties.

Effects of COVID-19 Pandemic

Since early 2020, a growing number of countries and regions around the world have experienced an outbreak of the novel coronavirus (the "**COVID-19**"), a highly contagious disease known to cause respiratory illness. Significant rises in COVID-19 cases have been reported since then, causing governments around the world to implement unprecedented measures such as city lockdowns, travel restrictions, quarantines and business shutdown. The spread of COVID-19 continues to affect China, Europe and the United States, where we conduct substantially all of our business and engage in preclinical studies and clinical trials, as well as certain other countries and regions that are part of our supply chain.

The COVID-19 outbreak had a material impact on our business operations and results of operations for the year ended 31 December 2020. In response to the pandemic, we required some of our employees in China and overseas to work remotely in the beginning of 2020, but there was no major suspension to our production. Our revenue decreased by 18.2% from US$793.5 million to US$648.7 million as the sales of our medical device products declined partially because outpatient visits and elective surgeries for purposes other than COVID-19 treatment were postponed due to the COVID-19 pandemic. Our financial results from overseas markets were also negatively impacted, with our revenue decreased by 16.9% from US$432.3 million to US$359.3 million as a result of the COVID-19 pandemic.

We have adopted measures to mitigate the impact of the COVID-19 outbreak on our business operations and maintain a safe and hygienic working environment in our offices and manufacturing facilities. For example, after we resumed on-site operations, we provided our staff with protective equipment (surgical masks, sanitation and sterilization supplies, and thermometers), required all staff to self-quarantine after travel or if feeling unwell, limited in-person meetings and non-essential travel, sterilized our premises daily, and monitored the health conditions of our employees. It is uncertain when and whether COVID-19 will be contained globally. We cannot guarantee you that the COVID-19 outbreak will not further escalate or continue to have a material adverse effect on our results of operations, financial position or prospects. See "Risk Factors – Risks Relating to our Business-We face risks related to natural disasters, health epidemics, civil and social disruption and other outbreaks, which could significantly disrupt our operations, including clinical trials. In particular, the COVID-19 outbreak in China and worldwide has adversely affected, and may continue to adversely affect, our business, results of operations and financial condition" for further details.

COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

- The Group is a leading innovative high-end medical device group;
- The Group has a diversified product portfolio in multiple high-end medical device areas to address huge unmet medical needs;
- The Group has robust global product distribution capabilities and extensive hospital coverage;
- Innovative R&D for global leading technologies and product pipeline to sustain long-term success; and
- Visionary and experienced management team supported by talented and global work force.

BUSINESS STRATEGIES

We aim to become a patient-orientated global enterprise that continuously innovates and provides high-quality medical solutions to help prolong and improve all lives. To achieve this goal, we intend to implement the following strategies:

- Expand medical device markets in the PRC and abroad through enhanced marketing and sales efforts and mergers and acquisitions;
- Strengthen our R&D and production capabilities to further diversify our product portfolio;
- Expand financing channels to support further growth; and
- Continue to retain, train and attract quality management team members.

GENERAL INFORMATION

We were incorporated in the Cayman Islands on 14 July 2006 as an exempted company with limited liability. Our Shares have been listed on the Hong Kong Stock Exchange since 24 September 2010 under stock code 853. Our principal place of business in the PRC is located at 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai, the PRC. Our principal place of business in Hong Kong is located at Level 54, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Our registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Our website is www.microport.com. Information contained on any website referred to herein does not constitute part of this Offering Circular.

SUMMARY OF THE OFFERING

The following summary does not purport to be complete and should be read in conjunction with the Conditions. It does not contain all the information that is important to investors. For a more complete description of the Bonds, please refer to "Terms and Conditions of the Bonds". Terms used in this summary and not otherwise defined shall have the meanings given to them in the Conditions.

Issuer	MicroPort Scientific Corporation（微創醫療科學有限公司） (the "**Company**").
Issue	US$700,000,000 in aggregate principal amount of zero coupon convertible bonds due 2026.
Issue Price	100.00 per cent. of the principal amount of the Bonds.
Issue Date	11 June 2021.
Maturity Date	11 June 2026.
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.
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 will, create or permit to subsist any Security Interest 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 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.
Conversion Period	On or after 22 July 2021 up to the close of business on the 10th day prior to the Maturity Date (both days inclusive), unless previously redeemed, converted, or repurchased and cancelled (excluding Closed Periods). The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Hong Kong dollars at the fixed rate of HK$7.7594 = US$1.00 (the "**Fixed Exchange Rate**")) by the Conversion Price then in effect.
Conversion Price	The initial Conversion Price is HK$92.8163 per Share, and subject to adjustment in the manner provided in Conditions 6(c) and 6(d).
Final Redemption	Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the Conditions, the Company will redeem each Bond at 105.11 per cent. of its principal amount on the Maturity Date.

Redemption for Taxation Reasons.. .	At any time the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem the Bonds in whole but not in part at the Early Redemption Amount if (i) 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 or the standing of an official position with respect to, such laws, regulations or rulings, which change or amendment becomes effective, or official position is announced, on or after 1 June 2021 and (ii) 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.
Redemption at the Option of the Issuer	On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee in accordance with Condition 16 (which notice will be irrevocable), the Company may (A) at any time after 21 June 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, **provided that** (i) the Closing Price of the Shares (as derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into U.S. dollars at the Prevailing Rate) 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 per cent. of the applicable Early Redemption Amount for each Bond divided by the then prevailing Conversion Ratio, and (ii) the applicable redemption date does not fall within a Closed Period; or (B) at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount **provided that** prior to the date of such notice at least 90 per cent. of the principal amount of the Bonds originally issued (including any further bonds issued pursuant to Condition 15 and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.
Redemption for Change of Control .	Bondholders have the right to require redemption of their Bonds, all or some only, at the Early Redemption Amount upon the occurrence of a Change of Control event.
Redemption for Delisting or Suspension of Trading	In the event the Shares cease to be listed or admitted to trading or suspended (other than 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, Bondholders have the right to require the Company to redeem all or some only of their Bonds at the Early Redemption Amount.

Redemption at the Option of the Bondholders	On 11 June 2024 (the "**Put Option Date**"), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Put Option Date at the Early Redemption Amount.
Events of Default	For a description of certain events of default that will permit the Bonds to become immediately due and repayable at the Early Redemption Amount, see "*Terms and Conditions of the Bonds – Events of Default*".
Clearing Systems	The Bonds will be represented by beneficial interests in the Global Bond Certificate, which will be registered in the name of a nominee of, and deposited on or about 11 June 2021 with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Bond Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described in the Global Bond Certificate, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Bond Certificate.
Governing Law	English law.
Trustee	The Bank of New York Mellon, London Branch.
Principal Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Listing	Application has been submitted to the Hong Kong Stock Exchange for the listing of the Bonds by way of debt issues to Professional Investors only. The Bonds will be traded and settled in Hong Kong Dollars only. Approval in-principle has been received from the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued on conversion of the Bonds (the "**New Shares**").
Use of Proceeds	See section entitled "*Use of Proceeds*".
Selling Restrictions	There are certain restrictions on the offer, sale and transfer of the Bonds and the Shares to be issued upon conversion of the Bonds in certain jurisdictions including the United States, the United Kingdom, the European Economic Area, Hong Kong, the People's Republic of China, Singapore, Japan and the Cayman Islands. For a description of the restrictions on the distribution of this Offering Circular or any offering material and the issue, sale or delivery of the Bonds and the New Shares, see "*Selling Restrictions*".
Legal Entity Identifier	5299009MK4VZID944A20.
ISIN	XS2342920050.
Common Code	234292005.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth our summary financial information and other data as of and for the periods indicated. The summary financial information as of and for the years ended 31 December 2018, 2019 and 2020 is derived from and should be read in conjunction with our financial statements as of and for the years ended 31 December 2018, 2019 and 2020, including the notes thereto, which have been audited by KPMG, Certified Public Accountants, our independent accountants, and which are included elsewhere in this Offering Circular. Our financial information has been prepared and presented in accordance with HKFRS, which differ in certain respects from GAAP in other jurisdictions. Prospective investors should read the summary financial information below in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this Offering Circular. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Historical results are not necessarily indicative of results that may be achieved in any future period.

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the Year ended 31 December		
	2018	2019	2020
		(US$) (in thousands)	
Revenue	669,490	793,493	648,732
Cost of sales	(199,474)	(229,068)	(212,700)
Gross profit	470,016	564,425	436,032
Other net income	13,796	18,667	32,924
Research and development costs	(104,814)	(151,486)	(192,629)
Distribution costs	(217,792)	(275,266)	(254,105)
Administrative expenses	(95,742)	(119,345)	(170,105)
Other operating costs	(13,410)	(8,538)	(19,678)
Profit/(loss) from operations	52,054	28,457	(167,561)
Finance costs	(21,020)	(22,698)	(39,712)
Gain on disposal of subsidiaries	–	63,105	–
Gain on deemed disposal of a joint venture	4,133	–	–
Gain on disposal of interests in equity-accounted investees	–	–	1,062
Share of profits less losses of equity-accounted investees	(2,238)	(5,656)	(6,730)
Profit/(loss) before taxation	32,929	63,208	(212,941)
Income tax	(14,548)	(34,199)	(10,407)
Profit/(loss) for the year	18,381	29,009	(223,348)
Attributable to:			
Equity shareholders of the Company	23,913	46,281	(191,252)
Non-controlling interests	(5,532)	(17,272)	(32,096)
Profit/(loss) for the year	18,381	29,009	(223,348)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS DATA

	As of 31 December		
	2018	2019	2020
		(US$) (in thousands)	
Non-current assets:			
Investment properties	5,451	5,222	5,284
Other property, plant and equipment	336,263	428,786	481,203
Land use rights	15,087	–	–
Intangible assets	117,489	125,811	138,397
Goodwill	162,673	160,520	159,483
Equity-accounted investees	17,391	54,183	87,063
Other financial assets	11,910	20,125	19,605
Deferred tax assets	15,291	13,171	15,502
Prepayments for non-current assets	6,222	7,551	7,724
Other non-current assets	31,979	41,628	75,009
Total non-current assets	719,756	856,997	989,270
Current assets:			
Inventories	175,957	192,321	240,187
Trade and other receivables	245,143	266,789	236,976
Pledged deposits and time deposits	3,537	1,767	623
Cash and cash equivalents	130,054	280,077	1,002,077
	554,691	740,954	1,479,863
Current liabilities:			
Trade and other payables	236,813	283,780	372,472
Contract liabilities	10,060	9,522	62,008
Interest-bearing borrowings	100,901	32,092	10,891
Convertible bonds	86,834	83,107	–
Lease liabilities	–	10,178	12,074
Income tax payable	5,782	13,122	52,682
Derivative financial liabilities	–	–	9,252
Total current liabilities	440,390	431,801	519,379
Net current assets	114,301	309,153	960,484
Total assets less current liabilities	834,057	1,166,150	1,949,754
Non-current liabilities:			
Interest-bearing borrowings	137,829	288,107	181,988
Lease liabilities	–	44,527	42,774
Deferred income	23,905	24,895	37,844
Contract liabilities	27,766	21,463	29,855
Convertible bonds	3,571	–	48,583
Other payables	93,625	116,789	203,023
Deferred tax liabilities	7,775	3,600	4,122
Derivative financial liabilities	10,640	12,804	13,619
Total non-current liabilities	305,111	512,185	561,808
Net assets	528,946	653,965	1,387,946
Capital and reserves			
Share capital	16	16	18
Reserves	442,780	519,008	1,127,945
Total equity attributable to equity shareholders of the Company	442,796	519,024	1,127,963
Non-controlling interests	86,150	134,941	259,983
Total equity	528,946	653,965	1,387,946

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, our business and the industries in which we operate together with all other information contained in this Offering Circular, including, in particular the risk factors described below. Words and expressions defined in the Conditions or elsewhere in this Offering Circular have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Company and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or a part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in this Offering Circular and their personal circumstances.

RISKS RELATING TO OUR BUSINESS

Our future growth is dependent upon our ability to develop new products, which requires significant research and development efforts, clinical trials and regulatory approvals, and our investment in new products may not result in any commercially viable products.

The medical devices market is highly competitive, and market participants frequently modify their designs to adjust to changing market preferences and develop new designs to enhance their products and technologies. As a result, our future growth is dependent upon our ability to develop and launch new products that meet market demand and any delays in our product launches may significantly impede our ability to compete.

The successful development and commercialization of our product candidates will depend on several factors, including but not limited to:

- successful enrollment in, and completion of, clinical trials, as well as completion of pre-clinical studies;
- favorable safety and efficacy data from our clinical trials and other studies;
- receipt of regulatory approvals;
- enhancement of commercial manufacturing capabilities by building new facilities;
- the performance by any other third parties we retain in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;
- ensuring we do not infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties;
- obtaining required commercialization authorizations and launching commercial sales in China, the U.S., Europe and other targeted markets, if and when approved;
- obtaining favorable governmental and private medical reimbursement for our products, if and when approved;
- appropriately pricing our product candidates and timely collecting payments;

- efficiently and cost-effectively enhancing our marketing and distribution capabilities;
- competition with other comparable products; and
- continued acceptable safety profile following regulatory approval.

If one or more of these factors fail to materialize in a timely manner or at all, we could experience significant delays or be unable to obtain approval for our product candidates, and/or to successfully commercialize our approved products, which would materially harm our business, and we may not be able to generate sufficient revenues and cash flows to continue our operations.

We expend significant resources on research and development to develop new products and improve our current product offerings. For example, we have made significant investments in the research and development of the surgical robot business and heart valve business. If we are unable to develop and launch these products as anticipated, our ability to maintain or expand our position in the markets for these products may be adversely impacted.

The regulatory approval processes are lengthy, expensive and inherently unpredictable. If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.

All jurisdictions in which we conduct our research, development, manufacturing and commercialization activities regulate these activities and the medical device industry in great depth and detail. Obtaining regulatory approvals is a lengthy, expensive and uncertain process. However, there are differences in the regulatory regimes in different regions, which makes regulatory compliance more complex and costly for companies like us that plan to operate in each of these regions.

We currently market and intend to continue to market a significant portion of our products in China in the foreseeable future. We are required to obtain the NMPA's or its local counterpart's approval before we can market our products in China. As part of the regulatory process of obtaining approval for our new products from the NMPA, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations and trial endpoints. As the PRC government has been increasing the level of regulatory control over the medical device industry in recent years, the regulatory approval process tends to take a longer time to complete than before. Significant time, effort and expense are required to bring our products to market in compliance with the regulatory process, and we cannot assure you that any of our products will be approved for sale. Before obtaining regulatory approvals for the commercial sale of any products for a target indication, we must demonstrate in pre-clinical studies and well-controlled clinical trials, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In addition, unfavorable or inconsistent clinical data from existing or future clinical trials conducted by us, by our competitors or by third parties may adversely impact our ability to obtain product approvals from the NMPA. We are also required to report any serious or potentially serious incidents involving our products to the NMPA or its local counterparts. When we submit a filing application to the NMPA, the NMPA will decide whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the NMPA. Even if we receive approval for a new product, there can be no assurance that we will obtain the requisite approvals for the price of such product or that the product will achieve commercial success. In addition, if patients are unable to obtain reimbursement from governmental or private health insurers for any new or existing product of ours, they may decide not to use that product. Failure to obtain regulatory approval or market acceptance for our new products could have a material adverse impact on our business, financial condition, results of operation and future prospects.

Furthermore, results of the regulatory approval process are unpredictable. We could fail to receive regulatory approval for product candidates for many reasons, including: (i) failure to begin or complete pre-clinical studies or clinical trials; (ii) failure to demonstrate that a product candidate is safe and effective; (iii) failure to deliver clinical trial results to meet the level of statistical significance required for approval; (iv) data integrity issues related to our clinical trials; (v) government authority's

disagreement with our interpretation of data from pre-clinical studies or clinical trials; (vi) changes in approval policies or regulations that render our pre-clinical and clinical data insufficient for approval or require us to amend our clinical trial protocols; (vii) regulatory requests for additional analyses, reports, data, nonclinical studies and clinical trials, or questions regarding interpretations of data and results and the emergence of new information regarding our product candidates or other products; (viii) clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial; and/or (ix) refusal by the regulatory authorities to approve pending applications or supplements to approved applications filed by us or the suspension, revocation or withdrawal of approvals. All these factors, among others, may delay or prevent product approval and our commercialization plans, or we may decide to abandon the development program.

Comparably, we are also required to obtain various governmental approvals in the relevant jurisdictions before we sell our products in the international markets. Regulatory authorities outside of China, such as the FDA, also have requirements for approval of medical devices for commercial sale with which we must comply prior to the commercialization in those areas. Foreign regulations may vary from jurisdiction to jurisdiction and may be different from PRC regulations and NMPA requirements, and therefore could delay or prevent the introduction of our product candidates in those areas. For example, certain jurisdictions such as Europe may have more stringent requirements on clinical trials and clinical data than those of the NMPA, and clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. Approval processes vary among jurisdictions and can involve additional product testing and validation and additional administrative review periods, and obtaining regulatory approval in one jurisdiction does not mean that regulatory approval will be obtained in any other jurisdiction. Additional time, effort and expense may be required to bring our products to the international markets in compliance with different regulatory processes.

In addition, changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to the regulatory authorities to reflect these changes, which may impact the costs, timing or successful completion of a clinical trial. The foreign regulatory approval process may include all of the risks associated with obtaining NMPA approval. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our products will be approved for sale in those jurisdictions. Any failure to obtain, or delay in obtaining, regulatory approvals or clearances or to renew registrations for our products could prevent us from successfully commercializing our products in the international markets. Furthermore, if we are unable to obtain regulatory approval for our product candidates in one or more jurisdictions, or any approval contains significant limitations, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

Even if our product candidates were to successfully obtain approval from the regulatory authorities, any approval might significantly limit the approved indications for use, or require that precautions, contraindications or warnings be included on the product labeling, or require expensive and time-consuming post-approval clinical trials or surveillance as conditions of approval. Following an approval for commercial sale of our product candidates, certain changes to the product, such as changes in manufacturing processes and additional labeling claims, may be subject to additional review and approval by the NMPA, the FDA and/or comparable regulatory authorities. Regulatory approvals for any of our product candidates may also be withdrawn.

Our failure to comply with the regulatory requirements could result in governmental agencies taking actions against us, including imposing fines and penalties on us, prohibiting us from manufacturing or selling our products, bringing criminal charges against us, delaying the introduction of our new products into the market, recalling or seizing our products, and/or withdrawing or denying approvals or clearances for our products. We could also be subject to civil or administrative liabilities if we fail to comply with applicable regulatory requirements. If any or all of the foregoing were to occur, we may not be able to meet the demands of hospitals and physicians which use our products and they may cancel orders or purchase products from our competitors.

Changes in regulatory requirements may adversely affect our business.

In China, the U.S., the EU and some other jurisdictions, a number of legislative and regulatory changes and proposed changes regarding healthcare could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our products and any product candidates for which we obtain regulatory approval. In recent years, there have been and will likely continue to be efforts to enact administrative or legislative changes to healthcare laws and policies, including measures which may result in more rigorous coverage criteria and downward pressure on the price that we receive for any approved product. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to commercialize our products, generate revenue and attain profitability.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for medical devices. We cannot be sure whether additional legislative changes will be enacted, or whether NMPA regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our product candidates, if any, may be. The Regulations on the Supervision and Administration of Medical Devices, was revised and adopted at the 119th Executive Meeting of the State Council on December 21, 2020 and the revised version, or the Revised Medical Devices Regulations, would come into effect on June 1, 2021. The major amendments of the Revised Medical Devices Regulations include: (1) implementing the registrant-or-submitter accountability systems to highlight the entity responsibilities of enterprises; (2) improving the system for medical device innovation; (3) optimizing the approval process; (4) optimizing the filing process; (5) improving post-marketing regulatory requirements; and (6) reinforcing penalty and punishment. As the Revised Medical Devices Regulations are relatively new and continue to evolve, interpretation and enforcement of Revised Medical Devices Regulations involve significant uncertainties and different degrees of inconsistency.

We face substantial competition and rapid market changes, and our competitors may discover, develop or commercialize competing products before or more successfully than we do, or respond and adapt to the market changes more quickly and effectively.

The development and commercialization of new medical devices is highly competitive. We face competition from other major companies focusing on the development of medical devices worldwide. A number of companies in the global and Chinese markets have marketed or are pursuing the development of medical devices similar to our products. Potential competitors also include government agencies, academic institutions and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Our business opportunities could be reduced or eliminated if our competitors develop and commercialize products that have higher accuracy rates, are less expensive or are more convenient than any products that we commercialize or are developing. Our competitors in the global market may also apply for commercialization approvals in China or other countries for medical device products with the same intended use as our products and product candidates. The capacity of the relevant authorities, such as the NMPA, to concurrently review multiple commercialization applications for the same type of innovative medical device may be limited, therefore such authorities' schedule to review our product candidates may be delayed when our product candidates are under the authorities' concurrent review with our competitors' products, and the registration process of our product may be prolonged. Moreover, our competitors may obtain approvals from the NMPA, the FDA or other comparable regulatory authorities more rapidly than we do. For example, the local government of Hainan province has recently issued a policy on the management of imported medical devices that are urgently needed in clinical practice. According to the new policy, medical devices from international brands qualified for certain criteria may enjoy an expedited review and approval procedure in the international medical tourism pilot zone of Hainan province. The Revised Medical Devices Regulations also provides that small amount of class II or class III medical devices that are badly in need of by medical institutions can be imported with approval of NMPA or the government of provincial level authorized by the State Council. Such regulations and policies may allow our competitors to establish a strong market position before we are able to enter the market.

Our inability to compete effectively could reduce our revenues and current market share, impair our ability to achieve our targeted market share in future periods, cause a decline in our growth rates, and harm our leading position in the deep learning-based medical device market in China, and our business, financial condition, results of operation and return on capital expenditures may be materially and adversely affected.

We might have engaged in activities that violated PRC laws or are harmful to our reputation, and these events or any non-compliance by us with applicable laws could have a material adverse impact on our business, financial condition and results of operation.

In July 2005, the former director of the Division of Medical Devices of the NMPA (formerly known as China Food and Drug Administration), Mr. Hao Heping, was arrested in the PRC for asking for and receiving improper gifts and payments from several medical device manufacturers in China, including from us. In accordance with NMPA 's procedures, Mr. Hao's signature was a required part of the approval process in respect of the issuance of a registration certificate for medical devices, and a few of our products, including Firebird, were initially approved by the NMPA when Mr. Hao was in office. According to one of our former senior executives, he was approached by Mr. Hao in 2003 to assist in paying for certain personal expenses of Mr. Hao. This former senior executive subsequently communicated the request of Mr. Hao to Dr. Zhaohua Chang, our founder and Director and chairman of our Company, for our Company to pay for such expenses. Dr. Zhaohua Chang indirectly provided RMB220,000 in cash from his personal funds for such purpose. In addition, this former senior executive also provided to Mr. Hao RMB40,000 in 2005, which was reimbursed by us.

In November 2006, Mr. Hao was found guilty of, among other things, requesting and accepting bribes and was sentenced to 15 years in prison. Mr. Hao filed an appeal which was dismissed in March 2007 and the original ruling was affirmed. Moreover, we were previously fined RMB0.3 million by the Beijing Administration for Industry and Commerce Feng Tai Branch in June 2005 and by the Shanghai Administration for Industry and Commerce Hong Kou Branch in October 2005 for promoting our sales in the aggregate amount of approximately RMB5.9 million by paying hospital sponsor fees or illegal rebates in the aggregate amount of approximately RMB0.5 million which occurred in 2003 and 2004.

Although we have strengthened our internal control measures, the risks cannot be eliminated entirely and we cannot assure you that similar events will not occur in the future and that Dr. Zhaohua Chang and any member of our Group will not be subject to further investigation by the relevant government authorities in the future in connection with the foregoing incidents or any future incidents which may arise. If these occur in the future, we cannot assure you that we will be able to take effective remedial measures, which could impair our ability to operate our Company, harm our reputation and materially and adversely affect our business, financial condition and results of operation.

We face risks related to natural disasters, health epidemics, civil and social disruption and other outbreaks, which could significantly disrupt our operations, including clinical trials. In particular, the COVID-19 outbreak in China and worldwide has adversely affected, and may continue to adversely affect, our business, results of operations and financial condition.

We are vulnerable to social and natural catastrophic events that are beyond our control, such as natural disasters, health epidemics and other catastrophes, which may materially and adversely affect our business. Since December 2019, a novel strain of coronavirus, or COVID-19, has become widespread in China and around the world. In March 2020, the World Health Organization declared COVID-19 a pandemic, given its threat beyond a public health emergency of international concern that the organization had declared in January 2020. Since early 2020, China and many other countries have taken various restrictive measures to contain the virus' spread, such as quarantines, travel restrictions and home office policies. In response to this pandemic, multiple cities in China, including Shanghai, Suzhou, Jiaxing and Dongguan where our research and development functions and production lines are located, and other countries throughout the world have been affected by the spread of the virus.

The development of our product candidates and sales and distribution of our existing medical devices could be disrupted and materially adversely affected by the COVID-19 pandemic. Site initiation, participant enrollment, participant dosing, distribution of clinical trial materials, study

monitoring and data analyses of our product candidates, and sales and marketing activities, site visits, supply and distribution of our products may be suspended or delayed due to changes in policies, regulations and/or requirements at different government levels in the PRC and the world. In addition, a number of other factors caused by COVID-19 have also adversely affected and may continue to affect our business, such as prioritization of hospital resources toward pandemic efforts, travel restrictions, enhanced regulatory requirements regarding our product candidates and existing medical device products, concerns for end user safety in a pandemic environment and other reasons relating to the pandemic. For example, in 2020, revenue from our cardiovascular devices business decreased from US$264.6 million in 2019 to US$144.8 million in 2020, representing a decrease of 44.6% (excluding the foreign exchange impact) partially because outpatient visits and elective surgeries for purposes other than COVID-19 treatment were postponed as a result of the COVID-19 pandemic. Although COVID-19 has largely stabilized in China, we are uncertain of the exact extent to which the COVID-19 pandemic may further impact our business, as such future results will depend on future developments that are still uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19 and the evolving actions to contain COVID-19 or treat its impact, among others. See "Business – Effects of COVID-19 on our Business."

Moreover, if COVID-19 continues to spread, we may experience ongoing disruptions that could severally impact our business, clinical studies and trials, including, but not limited to:

- delays in receiving authorizations from local regulatory authorities to initiate our planned clinical trials;

- changes in local regulations as part of a response to the COVID-19 pandemic which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue certain parts or all of the clinical trials altogether;

- diversion of our resources away from conducting of clinical trials of product candidates and sales of existing vaccine products;

- interruption in preclinical studies and sales, marketing and distribution activities due to restricted or limited operations at research and development facilities, other companies and organizations we work with;

- interruption in our overseas sales activities;

- delays in necessary responses and interactions with local regulators and other agencies and third parties such as suppliers, third-party promoters and overseas distributors and collaborators due to limitations in resources and other restrictions in place resulting from the COVID-19 pandemic; and

- impact on personnel and businesses we rely on for operations from travel restrictions, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions that affect regular business conduct.

In addition, the spread of COVID-19 and actions taken to reduce its spread may also materially affect us economically. While the potential economic impact brought by and during the COVID-19 pandemic may be difficult to assess or predict, there could be a significant disruption of global financial markets, potentially reducing our ability to access capital, which could in the future negatively affect our liquidity and financial position.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to the timing and results of our clinical trials, our ability to obtain materials and regulatory approvals that are required for our product candidates, and expansion of our business.

Our business, prospects and brand may be harmed by actions taken by our distributors.

We sell a majority of our products through distributors. We have limited ability to manage the activities of our distributors, who are independent from us except for our subsidiaries and a joint venture and a few international distributors who are affiliates of Otsuka Pharmaceutical. Our distributors could take one or more of the following actions, any of which could have a material adverse effect on our business, prospects and brand:

- breach our agreements with them, including by selling products that compete with our products that they have contracted to sell for us or by selling our products outside their designated territory, possibly in violation of the exclusive distribution rights of other distributors;
- fail to adequately promote our products;
- fail to provide proper training and service to our end-users; or
- violate the anti-corruption laws and regulations of China, Hong Kong or other countries.

Failure to adequately manage our distribution network, or non-compliance by distributors with our distribution agreements could harm our corporate image among end users of our products and disrupt our sales, resulting in a failure to meet our sales goals. Furthermore, we could be liable for actions taken by our distributors, including any violations of applicable law in connection with the marketing or sale of our products, including anti-corruption laws and regulations of China, Hong Kong or other countries. In addition, as we have limited control over the actions of our distributors, we cannot assure you that they will not breach their agreements with us or violate relevant laws.

If our distributors violate PRC laws, Hong Kong laws or other applicable laws or otherwise engage in illegal practices with respect to their sales or marketing of our products, we could be required to pay damages or fines, which could materially and adversely affect our business, financial condition and results of operation. In addition, our brand and reputation, our sales activities or the price of our Shares could be adversely affected if our Company becomes the target of any negative publicity as a result of actions taken by our distributors.

It is also possible that the PRC government or other governmental authorities in countries where we sell our products could adopt new or different regulations affecting the way in which medical devices are sold to address anti-corruption or other concerns. Although we are not aware of any new regulations in this regard being adopted in the PRC or our other principal markets, any such new or different regulations could possibly increase the cost incurred by our distributors in selling our products or impose restrictions on their sales and marketing activities, which could in turn increase our cost if, for example, it becomes necessary for us to commence selling our products directly to hospitals. Because we currently depend heavily on distributors for the sale of our products, any misconduct by our distributors or changes in the regulatory environment for the sale of medical devices could have a material adverse impact on our business, financial condition and results of operation.

We depend on a limited number of distributors for a significant portion of our revenue. If we lose one or more of these distributors and are unable to replace them quickly, we may be unable to effectively market and sell our products, which could materially and adversely affect our business, financial condition and results of operation.

As of 31 December 2020, we sold our products to approximately 500 distributors across China and over 160 distributors overseas. In the years ended 31 December 2018, 2019 and 2020, sales to our five largest distributors in China accounted for 17%, 23% and 19% of our revenue, respectively. We believe that we will continue to generate a significant portion of our revenue from a limited number of distributors. We cannot assure you that any distributor will continue to purchase our products in the same quantity as in prior years or that our relationship with any of our distributors will continue. If we

lose one or more of our major distributors and are unable to replace them quickly, we may be unable to effectively market and sell our products, which could materially and adversely affect our business, financial condition and results of operation.

If we do not manage our growth effectively, our business, financial condition and results of operation may be materially and adversely affected.

Our objective is to strengthen our position as a leader in developing, manufacturing and marketing medical devices in China and in select international markets. Our growth strategy includes continuing to build a strong brand, broadening our product portfolio, expanding our production capacity, improving our manufacturing efficiency, pursuing selective strategic acquisitions and alliances, and expanding our international presence. The success of our growth strategy will depend on, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive medical device market in China and other geographical regions where we conduct business, maintain our efficient operating model, attract and retain skilled personnel who have the specialized skills needed to design, develop and manufacture medical devices, obtain and maintain regulatory approvals and effectively market our products using our network of distributors and our own sales and marketing team. However, we have limited operational, administrative and financial resources, which may be inadequate to sustain the growth we seek to achieve. In particular, in order to implement our growth strategy, we will need to increase our investment in, among other things, our research and development, manufacturing facilities, marketing and other areas of operations.

As we expand our manufacturing operations to accommodate our planned growth, we may encounter difficulties associated with managing multiple product lines, especially for products that we have not manufactured before. We may also experience problems in connection with increasing production scale, including shortages of qualified personnel to operate our equipment, assemble our products or manage manufacturing operations as well as shortages of key raw materials for our products. In addition, we may experience difficulties in producing sufficient quantities of products or in achieving desired product quality. If we are unable to successfully manage our manufacturing operations to meet our needs, we may not be able to provide hospitals with the quantity or quality of products they require in a timely manner. This could result in a decline in the sales of our products, cause us to lose market share and result in reduced revenue, all of which would have a material adverse effect on our business, financial condition and results of operation. If we are unable to manage our growth and expansion effectively, our business may be adversely affected.

We had net cash used in operating activities for the year ended 31 December 2020.

In 2020, we recorded loss of US$223.3 million and net cash used in operating activities of US$23.2 million, primarily due to the impact of the COVID-19 pandemic and the increasingly fierce competition in the rapidly growing medical device industry in China and abroad. We cannot assure you that we will not experience loss or negative net cash flows in the future. Negative net operating cash flows may require us to obtain sufficient liquidity to meet our financial needs and obligations. If we are unable to do so, we may be in default of our payment obligations and may not be able to develop our business as planned or meet our capital expenditure requirements. As a result, our business, financial position and results of operations may be materially and adversely affected.

Future acquisitions of businesses, products, technologies or know-how could materially and adversely affect our business, financial condition and results of operation if we fail to integrate the acquired businesses, products or technologies successfully into our existing operations or if we discover previously undisclosed liabilities.

To enhance our growth, we may acquire businesses, products, technologies or know-how that we believe would benefit us in terms of product development, technology advancement or distribution network. For example, we made a series of investments in companies that focus on the research and development of surgical robots in 2020 to build out a diversified product portfolio in this field. See "Business – Surgical Robot Business" for further details. Our ability to grow through acquisitions

depends upon our ability to identify, negotiate, complete and integrate suitable acquisitions and to obtain any necessary financing. Even if we complete acquisitions, as we have limited experience with significant acquisitions, we may experience:

- difficulties in integrating any acquired companies, technologies, personnel or products into our existing business, particularly integrating different quality management, customer service and other business functions;
- delays or failures in realizing the benefits of the acquired company, products or know-how, which could result from, for example, delays in governmental approvals of products developed by acquired businesses;
- potential ongoing financial obligations and unforeseen or hidden liabilities;
- diversion of our management's time and attention from other business concerns;
- higher costs of integration than we anticipated; or
- difficulties in retaining key employees of the acquired business who are necessary to manage these acquisitions.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling the affected product.

We face the risk of intellectual property infringement claims from third parties in the countries where we operate. In addition, a number of our employees have previously worked for one or more of our competitors. There can be no assurance that such employees have not used, or will not use in the future, their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Prior to developing major new products, we evaluate existing intellectual property rights. Our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, even those without merit, could:

- be expensive and time consuming to defend;
- result in us being required to pay significant damages to third parties;
- cause us to cease making or selling products that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our products, if feasible;
- require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to us or at all;
- divert the attention of our management; or
- result in hospitals and physicians terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

In addition, new patents obtained by our competitors could threaten a product's continued life in the market even after it has already been introduced.

If we invest in businesses that operate outside of China or that offer products that are different from our existing products, these risks may increase because of our limited experience in operating such businesses.

An acquisition could also materially impair our results of operation by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance, and product liabilities in businesses we acquire which we did not uncover prior to such acquisition. As a consequence, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses, product or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses, product or technologies could have a material adverse effect on our business, financial condition and results of operation.

The global financial markets, and therefore PRC markets, have experienced significant slowdown and volatility during the past few years and any continued deterioration may adversely affect our business and results of operations.

The global economic slowdown and turmoil in the global financial markets that started in the second half of 2008 have had a negative impact on the world economy, which in turn affected the PRC real estate industry and many other industries. Subsequently, global markets and economic conditions were adversely affected by the credit crisis in Europe, the credit rating downgrade of the United States and heightened market volatility in major stock markets. In June 2016, the United Kingdom held a remain-or-leave referendum on its membership within the European Union, the result of which favored the exit of the United Kingdom from the European Union ("Brexit"). On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. During the period from that date to 31 December 2020, certain transitional arrangements were in effect, such that the UK continued to be treated, in most respects, as if it were still a member of the EU, and generally remained subject to EU law. On 24 December 2020, the EU and the UK reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including the EU-UK Trade and Cooperation Agreement (the "TCA"). On 29 December 2020, the Council of the European Union adopted a decision authorizing the signature of the TCA and its provisional application in the EU for a limited period (the "**Provisional Period**"), pending ratification of the TCA by the European Parliament. The TCA was subsequently signed on behalf of the EU on 30 December 2020; and the Provisional Period commenced on 1 January 2021, and is expected to end no later than 30 April 2021. Legislation to implement the TCA in the UK came into effect beginning on 31 December 2020. However, the TCA is limited in its scope to primarily the trade of goods, transport, energy links and fishing, and uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries. In addition, it is possible that the TCA may not be ratified by the European Parliament prior to the end of the Provisional Period, or at all, which would lead to further uncertainty as to the nature and terms of any subsequent relationships between the EU and the UK, and disruption may arise as a result. The actual or potential consequences of Brexit, and the associated uncertainty, could adversely affect economic and market conditions in the UK, in the EU and its member states and elsewhere, and could contribute to instability in global financial markets. The effect of such potential events on the Issuer or the Bonds is impossible to predict; but they could significantly impact volatility, liquidity and/or the market value of securities, including the Bonds, and could have a material adverse effect on the Issuer's ability to make payments on the Bonds.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting to increase inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty.

China's economic growth may slow down due to weakened exports and nationwide structural reforms. Moreover, as the PRC is transitioning to a consumption-based economy, the forecast growth rate of the PRC is expected to be significantly lower than its average growth rate over the past thirty

years. The recent developments surrounding the trade war with the United States may also weaken exports and impact China's economic growth negatively. In 2018 and 2019, the U.S. government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on cumulatively US$550 billion worth of Chinese products. In retaliation, the Chinese government responded with tariffs on cumulatively US$185 billion worth of U.S. products. In addition, in 2019, the U.S. government restricted certain Chinese technology firms from exporting certain sensitive U.S. goods. The Chinese government lodged a complaint in the World Trade Organization against the U.S. over the import tariffs in the same year. The trade war created substantial uncertainties and volatilities to global markets. On 15 January 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the "Phase I Agreement"). Under the Phase I Agreement, the U.S. agreed to cancel a portion of tariffs imposed on Chinese products, China promised additional purchases of U.S. goods and services, and both parties expressed a commitment to further improving various trade issues. Despite this reprieve, however, it remains to be seen whether the Phase I Agreement will be abided by both governments and successfully reduce trade tensions. If either government violates the Phase I Agreement, it is likely that enforcement actions will be taken and trade tensions will escalate. Furthermore, additional concessions are needed to reach a comprehensive resolution of the trade war. The roadmap to the comprehensive resolution remains unclear, and the lasting impact the trade war may have on China's economy and the PRC industry remains uncertain. Should the trade war between the United States and the PRC begin to materially impact the PRC economy, the purchasing power of our customers in the PRC would be negatively affected.

The above and other issues resulting from the global economic slowdown or uncertainty and financial market turmoil have adversely affected, and may continue to adversely affect homeowners and potential property purchasers, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our access to capital and liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, our business, financial condition and results of operations may likely be adversely affected.

Changes in accounting standards applicable to our business, such as the adoption of HKFRS 16, may have a material impact on our results of operation and financial position.

Accounting standards applicable to our business may change or be amended from time to time. Any changes in these accounting standards may result in changes in the recognition, measurement and/or classification of our revenue, expenses, assets and liabilities, which could have material effects on our results of operations and financial position. In addition, in applying these accounting standards, we are required to make judgments, estimates and/or assumptions with respect to our revenue, expenses, assets, liabilities and other factors that we consider to be relevant.

For example, we adopted HKFRS 16 on 1 January 2019. Upon the adoption, the right-of-use assets in relation to leases previously classified as operating leases have been recognized. These changes resulted in an increase in our finance costs in 2019 compared to 2018. Changes in accounting treatments have affected relevant items in our financial statements. As a result, certain financial information in our statement of profit or loss for 2018 and 2019 may not be directly comparable. Hong Kong Institute of Certified Public Accountants ("**HKICPA**") may issue new and revised standards and interpretations in the future and we may adopt additional accounting standards as required or as we see fit going forward. Interpretation on the application of the HKFRS will also continue to develop. These factors may require us to adopt new accounting policies from time to time. The adoption of new accounting policies or new HKFRS in the future may have a material impact on our results of operations and financial position.

If our patents and other intellectual property rights do not adequately protect our products, we may lose market share to our competitors and be unable to operate our business profitably.

Our success depends, in part, on our ability to protect our proprietary technologies. As of the 31 December 2020 we had received 1,328 patents in total, including 1,066 patents in China, 193 patents in the European Union, 36 patents in the U.S. and 15 patents in the Japan. In addition, as of 31 December 2020, we had 2,024 patent applications pending in total, including 1,354 patent applications pending in

China, 66 patent applications pending in the United States, 117 patent applications pending in the European Union and 345 patent applications pending in Japan. We also had 360 applications for priority dates pending under the Patent Cooperation Treaty. Due to the different regulatory bodies and varying requirements in these jurisdictions, we cannot assure you that we will be able to obtain patent protection for all or any aspects of our products in all or any of these jurisdictions. The process of seeking patent protection can be lengthy and expensive, and we cannot assure you that our patent applications will result in patents being issued, or that our existing or future issued patents will be sufficient to provide us with meaningful protection or commercial advantage. We cannot assure you that our current or potential competitors, many of which have substantial resources and have made substantial investments in competing technologies, do not have, and will not obtain, patents that will prevent, limit or interfere with our ability to make, use or sell our products in either China or other countries, including the United States, the European Union and other countries in Asia.

We also rely on trade secrets, proprietary know-how and other non-patentable technology, which we seek to protect through non-disclosure agreements with employees and related parties. We cannot assure you that these non-disclosure agreements will not be breached, or that our employees have not disclosed, or will not disclose, any of our trade secrets, proprietary know-how or other non-patentable technology to our competitors or other third parties. We also cannot assure you that we will have adequate remedies for any breach, or that our trade secrets, proprietary know-how and other non-patentable technology will not otherwise become known to, or be independently developed by, our competitors.

Implementation of PRC intellectual property-related laws has historically been lacking, primarily because of ambiguities in the PRC laws and difficulties in enforcement. Accordingly, intellectual property rights and confidentiality protections in China may not be as effective as those in Hong Kong, the United States or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation may require significant expenditure of financial and managerial resources and could have a material adverse impact on our business, financial condition and results of operation. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, prospects and reputation. In addition, given that the enforceability and scope of protection of proprietary rights in China are uncertain and still evolving, we may choose not to litigate or spend significant resources in litigation to enforce our intellectual property rights or to defend our patents against challenges from others.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our products and product candidates. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements or include such undertakings in the agreement with parties that have access to them, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisers and other third parties. We also enter into employment agreements or consulting agreements with our employees and consultants that include undertakings regarding assignment of inventions and discoveries. However, non-disclosure agreements with employees, consultants, contractors and other parties may not adequately prevent disclosures of our trade secrets and other proprietary information. Any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time–consuming, and the outcome is unpredictable. If any of our trade secrets were lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, some of our employees, including our senior management, were previously employed at other medical device companies, including our competitors or potential competitors. Some of these employees may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. We are not aware of any material threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees, consultants and contractors involved in our research and development activities to execute agreements assigning all intellectual property rights to us, we may be unsuccessful in enforcing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

If we are unable to obtain adequate supplies of the required materials that meet our production standards at acceptable costs, our ability to deliver products with the required quality at the required time could be affected, which could materially and adversely affect our business, financial condition and results of operations.

The main raw materials of our existing products include L605 tube, sirolimus, precious metal materials, extrusion tubes, forgings, castings and ceramics. The purchases from our top five suppliers accounted for a relatively high proportion of our total cost of sales, representing approximately 18.2%, 18% and 18% for the years ended 31 December 2018, 2019 and 2020, respectively. The source of our main raw materials is fairly concentrated under its present production capacities, and any negative changes to the supplies of raw materials as provided by the abovementioned suppliers will affect our production and operations to a certain extent.

If we are unable to secure long-term contracts with such suppliers to fix the prices of raw materials, when there is a significant increase in the prices of any of the main raw materials and we otherwise fail to pass on such increase in costs to our customers, the profitability of our business may be adversely affected. We generally enter into supply agreements with our suppliers for a term of one year to two years. We cannot ensure that the existing suppliers will continue their long-term cooperation with us and supply raw materials we need on such price and terms and conditions acceptable to us. The supplies and market price of the raw materials may be subject to various factors that are beyond our control. We may also be unable to acquire alternative sources of supply in a timely and cost-effective manner. If the supply of raw materials is interrupted or we fail to acquire raw materials of required quality, our business, financial condition and results of operations may be adversely affected.

Damages to our manufacturing and production facility may materially and adversely affect our business operation, revenue and profitability.

We have relied to date on our primary manufacturing facility located at our headquarters at Zhangjiang Hi-Tech Park in Shanghai, manufacturing facilities in Suzhou and Jiaxing in China and in the U.S., France, Italy and the Dominical Republic for the production of our principal products. Significant damage to our primary facilities from natural or other causes, such as floods, fires, earthquakes and typhoons, could be costly and time-consuming to repair and could disrupt our manufacturing activities. In such an event, we would be forced to rely on third-party manufacturers or seek alternative facilities, which would need to be approved by the NMPA in both cases in order to

manufacture medical devices at such locations. Even if we are able to identify such alternative facilities, we may incur additional costs, and we may experience a disruption in the production of our products until those facilities are available and duly approved for manufacturing medical devices.

We are exposed to potential product liability claims and our insurance coverage may be inadequate to protect us from all liabilities we may incur.

The manufacture and sale of medical devices exposes us to potential risks of product liability claims, which are time-consuming and expensive to defend and may have a material adverse impact on our business, financial condition and results of operation. Defects or risks that we have not yet identified in our existing products may give rise to product liability claims. We maintain insurance coverage that is customary in the industry. If a product liability claim or series of claims is brought against us for uninsured liabilities or in excess of our insurance coverage and we are ultimately held liable for such claim or series of claims, our business, financial condition and results of operation will be materially and adversely affected. Additionally, we could experience a material design or manufacturing failure in our products, a quality system failure, other safety issues or heightened regulatory scrutiny that would cause us to cease manufacturing any such products. We may also, under our own initiative, recall a product if any material deficiency in a device is found. A recall of some of our products could also result in increased product liability claims. Further, we cannot ensure that physicians will follow our instructions on the proper usage of our products accurately. If our products are used incorrectly by physicians, injury may result, which could give rise to product liability claims against us. Any losses that we may suffer from any liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our products, may divert management's attention from normal business operations and may have a material adverse impact on our reputation, business, financial condition and results of operation.

Any product recall would damage our brand name and could have a material adverse effect on our reputation, business, financial condition and results of operation.

Complex medical devices, such as our stents and balloon catheters, sometimes experience problems resulting from the performance of the products or the way doctors use such products, which in both cases require review and possible corrective action by the manufacturer. From time to time, we receive feedback from doctors relating to issues they have encountered while using our products, including technical difficulties in the delivery or placement of some of our products. We expect that we will continue to receive such feedback from time to time. Furthermore, component failures, manufacturing errors or design defects could result in danger or injuries to patients. Any serious failures or defects could cause us to withdraw or recall products, which could result in significant costs such as repair and product replacement costs. The occurrence of any market withdrawals or product recalls of our products would damage our brand name and would have a material adverse effect on our business, financial condition and results of operation.

If we are unable to recruit, hire and retain skilled and experienced personnel, our ability to effectively manage our operations and meet our strategic objectives will be harmed.

Our future success depends, in large part, on the continued service of our officers and other key managerial, scientific, sales and technical personnel. In particular, we rely heavily on our officers and senior management to operate and grow our business. Moreover, engineering, sales, marketing and clinical research personnel with experience in the medical device industry in China are limited. Any loss or interruption of the services of any of our senior management or key personnel could significantly reduce our ability to effectively manage our operations and meet our strategic objectives because we cannot assure you that we would be able to locate suitable or qualified replacements. In addition, we may incur additional expenses and devote significant time to recruit and train new personnel, which could severely disrupt our business and growth.

Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue attracting and retaining experienced management and key personnel. Competition for personnel in the medical device manufacturing industry is intense, and the availability of suitable and qualified candidates in China is limited. We compete for such personnel with other medical device

companies, academic institutions, government entities and other organizations, and we expect such competition to intensify as the medical device industry in China grows. We may be unable to attract or retain the personnel required to achieve our business objectives, and failure to do so could materially and adversely impact our competitiveness, business, financial condition and results of operation.

We may require additional capital in the future, which may not be available on terms acceptable to us, or at all.

Our capital requirements depend on many factors, including the amount of expenditures on research and development and intellectual property and technologies, the number of clinical trials we conduct and new product development. In addition, our future capital requirements may be substantial as we seek to grow through acquisitions and investments. To the extent that our existing capital is insufficient to meet these requirements, we will need to raise additional funds. Any equity or debt financing, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our shares. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we fail to obtain necessary funding on acceptable terms or at all, we may be forced to delay research and development activities, clinical trials, potential acquisitions and investments or otherwise curtail or cease operations.

If physicians do not recommend our products, our sales may decline.

Physician recommendation plays an important role in the sales of our products. Physician acceptance of our products depends on educating the medical community as to the distinctive characteristics, perceived benefits, safety, clinical efficacy and cost-effectiveness of our products compared with products of our competitors, and on training physicians in the proper application of our products. If physicians do not recommend our products, our sales may decline and our business, financial condition and results of operation may be materially and adversely affected.

To date, we have primarily focused on training and developing relationships with cardiologists, other vascular specialists and physicians in catheter laboratories in hospitals as a way of gaining market acceptance for stent products. As we expand our product offerings to include structured heart, orthopedic and other medical devices, we also work with physicians specializing in those areas. We may not be successful in convincing these or other medical professionals that our products are superior to those of our competitors or to alternate treatments, especially in our newer product areas where we are less known in the medical community.

The sales of our medical devices through foreign distributors to Iran that is the subject of U.S. sanctions could result in negative media and investor attention and materially and adversely affect our business, reputation and your investment in the Bonds.

Some of our medical devices were sold to Iran that is the subject of various United States economic sanctions regimes, in compliance with applicable laws and regulations. We currently sell our medical devices through one Iranian distributor and one Dubai distributor to Iran. Although such activities represented less than 1% of our consolidated assets, revenues and gross profit for the years ended 31 December 2018, 2019 and 2020 such activities may have an adverse effect on our business, reputation and your investment in the Bonds. We cannot predict any changes in the interpretation or implementation of government policy at the U.S. federal, state or local levels with respect to any current or future sales to Iran that may materially and adversely affect our business, reputation and your investment in the Bonds.

It is possible that, as a result of activities by us or our affiliates to sell some of our medical devices through foreign distributors to Iran, we may be subject to negative media or investor attention, which may distract management, consume internal resources and negatively affect investors' perception of our company. Further, in recent years, the U.S. Government has implemented a number of sanctions targeting non-U.S. companies that engage in certain Iran-related transactions, including, but not limited to, the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, the National

Defense Authorization Act for Fiscal Year 2012, Executive Order 13622, and the Iran Threat Reduction and Syria Human Rights Act of 2012, all of which broadened the range of sanctionable Iran-related transactions. Under the Iran Freedom and Counter-Proliferation Act of 2012 and Executive Order 13645, moreover, wide-ranging sanctions against the energy, shipping, shipbuilding, and automotive sectors of Iran, as well as Iranian port operators and Iranian currency, became effective on 1 July 2013. Our activities to sell some of our medical devices through foreign distributors to Iran might be interpreted as activities targeted by the Iran Sanctions Act ("**ISA**") or other U.S. sanctions. We have started such business activities since 2014 and may continue to conduct such business activities in the future. If it is determined that we did engage in activities targeted by the ISA or any of the laws and Executive Orders referenced above, or similar future U.S. laws, regulations, or Executive Orders, we could be subject to sanctions ranging from restrictions on U.S. exports or bank financing to outright blocking of our property within U.S. jurisdiction. If the most extreme sanction were applied to our property, including property of our controlled subsidiaries, we could be prohibited from engaging in business activities in the United States or with U.S. individuals or entities, and U.S. transactions in the Bonds and distributions to U.S. individuals and entities with respect to the Bonds could also be prohibited. We can give you no assurance that we will not be the subject of sanctions under the ISA or other U.S. laws in the future due to our activities to sell some of our medical devices through foreign distributors to Iran. If we were sanctioned under any such laws, it could materially and adversely affect the market price of the Bonds and you might be unable to sell, or receive distributions with respect to, the Bonds. In addition, certain U.S. state and local governments and colleges have restrictions on the investment of public funds or endowment funds, respectively, in companies with activities in certain countries that are the subject of U.S. sanctions, such as Iran. Such restrictions may also materially and adversely affect the liquidity of the Bonds.

RISKS RELATING TO OUR INDUSTRY

As part of its regulation of the medical industry, the PRC government has imposed reductions in the retail prices of our products periodically in the past and is expected to continue to do so. Ongoing decreases in the retail prices of our products or limitations on the profit margins we earn could materially and adversely affect our business, financial condition and results of operation.

In China, the government maintains a high level of involvement in the determination of retail prices of medical devices, and public hospitals and healthcare institutions are required to purchase high value medical supplies, including our products, at prices established through a periodic tender process. Since 2004, the tender process has occurred at irregular intervals, and at each tender, the retail prices of tendered products, including our products, may be subject to price reduction.

The method for conducting the tender process in China has changed frequently in the last several years. In the first two tenders held in the beginning of 2005 and the second half of 2006, MOH and its counterparts in eight provinces and municipalities, including Beijing and Shanghai, organized and supervised the negotiation of retail prices with suppliers through a centralized bidding process to establish the retail prices for the healthcare institutions within these provinces and municipalities. Hospitals and healthcare institutions in other provinces and municipalities generally followed the prices established in these tenders. Subsequently, with the promulgation of the Notice Issued by MOH regarding Further Enhancing the Administration of Centralized Purchasing of Medical Devices（衛生部關於進一步加強醫療器械集中採購管理的通知）in June 2007, MOH conducted a nationwide tender in the second half of 2008 to set medical device retail prices for all hospitals and healthcare institutions in China until the next tender which MOH indicated would be held in 2009. However, no tender was held in 2009. Instead, MOH held a national tender only for new products which received NMPA approval following the last tender (including our peripheral stent system Crownus and our endovascular device Hercules B) in April 2010. Pursuant to a Notice issued by MOH regarding Centralized Purchasing of High Value Medical Supplies（衛生部辦公廳關於全國高值醫用耗材集中採購有關事項的通知）in January 2010, MOH announced that the tender process will be decentralized such that individual provinces and municipalities will be authorized to hold their own tenders, with the first round of these decentralized tenders to be completed by October 2010.

Moreover, in November 2009, NDRC, MOH and the Ministry of Human Resources and Social Security jointly issued a Notice of Opinion on Reform of Pricing System of Pharmaceuticals and Medical Services（關於印發改革藥品和醫療服務價格形成機制的意見的通知), pursuant to which NDRC will strengthen its intervention in the pricing of medical devices (including high value medical devices), limit the profit margins of the participants in the supply chain for medical devices and periodically announce market price information of medical devices. Accordingly, NDRC may determine that our or our distributors' profit margins of some or all of our products are too high and therefore lower the retail prices of our products.

In March 2012, the State Council issued the Plan and Implementation Plan for Deepening the Reform of the Medical and Health System during the "Twelfth Five-year Plan" Period（國務院關於印發"十二五"期間深化醫藥衛生體質改革規劃暨實施方案的通知), which specified that high-value medical consumables in hospitals shall be purchased centrally. In December 2012, the MOH and other five authorities issued the Regulations on the Centralized Procurement of High-value Medical Consumables (for Trial Implementation)（高值醫用耗材集中採購工作規範(試行)）to provide detailed regulations relating to the centralized procurement of high-value medical consumables. The Plan and Implementation Plan for Deepening the Reform of the Medical and Health System during the "Thirteenth Five-year Plan" Period （國務院關於印發"十三五"深化醫藥衛生體質改革規劃的通知） issued in December 2016 also specified the centralized procurement of high-value medical consumables. The PRC government may also issue price guidance in relation to our products and pipeline products, or introduce a tender process and exercise any control measures on the tendering process of any of our products and pipeline products, either at the national or provincial level by the hospital, medical institutions or governments, which may result in uncertainties regarding the timing of such procedures. In particular, our bids may not be successful and our products may not be chosen for a number of reasons, including, among others: (i) our prices are not competitive; or (ii) our product quality or any other aspect of our operation fails to meet the relevant requirements. Even if our products win the bids in the centralized procurement process, there is no guarantee that hospitals would purchase our products as they have the sole discretion in selecting between our products and other competing products. These may negatively affect the price of our products and therefore have a material adverse effect on our business and results of operations. Further, we may also face downward pricing pressure if our products are included in the medical insurance reimbursement list, even if such inclusion in the medical insurance reimbursement list is expected to increase the sales volume of our products. According to the Key Points of Rectifying Unhealthy Tendencies in Purchase and Sale of Medicines and Medical Services of 2020 (2020年糾正醫藥購銷領域和醫療服務中不正之風工作要點）issued by the NHC, and other nine authorities in May 2020, the pilot of volume-based procurement of high-value medical consumables would be promoted in local areas. In 2020, the PRC centralized volume-based procurement for coronary stents was rolled out, which caused a reshuffling of the domestic market. This involves combining bidding with purchasing, linking prices with volume, and implementing volume-based procurement of medical consumables for the ultimate purpose of establishing a nationwide procurement system. In the national centralized procurement for coronary stent products conducted in 2020, we were the only domestic company with two selected products and was granted the highest total intentional procurement volume among all players, thanks to our excellent product performance and diversified product portfolio. However, due to the centralized procurement policy for coronary stents of the PRC in the fourth quarter in 2020, we made adjustments to provision for price subsidy with reference to the 2021 implementation price for stent products that have been sold but not yet implanted in the channels, which partially led to a net loss in 2020. We are not sure if there is any continuing impact on our financial condition, results of operations and business from the national centralized procurement in the future.

We anticipate further reductions to the retail prices of our products. In addition, NHC's decision to decentralize the tender process will require us to devote additional resources in order to participate in the bidding process of each province, which may vary and have different procedures or requirements, and the agreed prices of our products may also vary from province to province. We cannot assure you that we will be able to meet the tender requirements of different provinces. In addition, if, for any reason, we are excluded from any future bidding process or our bids are not accepted, we may be unable to sell our products to public hospitals and healthcare institutions until the next tender is held in the applicable location. The tendering process remains highly uncertain and subject to change, and if

retail prices or the prices paid by our distributors are subject to reductions, our revenue could decline and our business, financial condition and results of operation could be materially and adversely affected.

Our sales depend to a large extent on the level of insurance reimbursement patients receive for treatments using our products.

Our ability to sell our products depends to a large extent on the availability of governmental and private health insurance in China for treatments using our products. China has a complex medical insurance system that is currently undergoing reform. The governmental insurance coverage or reimbursement level in China for treatments using new medical devices is subject to significant uncertainty and varies from region to region, as local government approvals for such coverage must be obtained in each geographic region in China. In addition, the PRC government may change, reduce or eliminate the governmental insurance coverage currently available for treatments using our products. Different products also have different insurance coverage or reimbursement levels.

A majority of our products are subject to reimbursement from governmental health insurers in most major provinces and municipalities in China. However, we cannot assure you that the insurers will not change, reduce or eliminate the coverage currently available for treatments using our products or extend their coverage to our new products. In addition, insurance companies in China often reimburse patients for a higher percentage of the product cost if they use a medical device manufactured by a Chinese domestic company as opposed to an imported device. We cannot be certain that insurers will continue to adopt this favorable policy in the future.

In the absence of sufficient medical insurance coverage for the use of our products, patients may choose alternative treatment methods, and hospitals may recommend such alternative treatments, which would reduce demand for our products and our sales, which could in turn materially and adversely affect our business, financial condition and results of operation.

Our competitors may have substantially greater resources than we do and may be able to develop more effective products or offer their products at lower prices than we can, which could materially and adversely impact our business, financial condition and results of operation.

We compete in a highly competitive market, which is significantly affected by the introduction of new products and price reductions by industry participants. We face intense competition across our product lines from both international and domestic companies. Some of our major competitors include Johnson & Johnson (through its Cordis subsidiary), Medtronic, Inc., Boston Scientific Corporation, Abbott Laboratories, Cook Medical, a division of Cook Group Inc., St. Jude Medical Inc., ev3 Inc., C.R. Bard, Inc., Beijing Lepu Medical Device, Inc., Shandong JW Medical Systems Limited, Dalian Yinyi Biomaterials Development Co., Ltd and Shenzhen APT Medical Device Co., Ltd.

Many of our competitors have already been selling products in China, and those that have not done so, as well as other device manufacturers, may begin selling products in China in the near future. These companies may have substantially greater capital resources, broader product lines, greater sales, marketing and management resources, larger research and development teams and larger production facilities than we do. As a result of the significant market opportunity for the products we produce and develop and the expected future growth of the Chinese market, these and other potential competitors have dedicated and are likely to continue to dedicate significant resources to promote their products in China, which is the primary market in which we compete. Moreover, the entry of additional domestic manufacturers, which usually have a lower cost structure than international manufacturers, into the Chinese market could drive down the retail prices of our products and reduce our profit margins. Our competitors may develop technologies and products that are safer, more effective, easier to use, less expensive or more readily accepted than ours. Their products could make our technology and products obsolete or noncompetitive. If we are not able to compete effectively against current and future competitors, our business, financial condition and results of operation may be materially and adversely affected.

The medical device industry in China is rapidly evolving, and we may be unable to maintain or enhance our market share in this industry for a variety of reasons.

The medical device industry in China is rapidly evolving due to economic growth in China, changes in government policies and funding levels, increasing competition and other factors discussed in this Offering Circular. In an effort to maintain and enhance our market share in this highly competitive and changing environment, we implement special sales policies and discounts, as well as adjust our prices to distributors, from time to time depending on market conditions. For example, due to the centralized procurement policy for coronary stents of the PRC in the fourth quarter in 2020, we offered the distributors a price subsidy with reference to the 2021 implementation price for stent products that have been sold but not yet implanted in the channels. We may be required to adopt additional sales incentives and/or lower the prices of our products in future periods to remain competitive in the markets in which we operate.

Our inability to adequately respond to changes in market conditions in a timely manner could have a material adverse effect on our business, financial condition, results of operation and return on capital expenditures, which could cause a decline in our growth rates, reduce our revenues and reduce our ability to maintain our current market share in the minimally invasive interventional device market or achieve our targeted market share in future periods. In addition, if we cannot maintain our market position, our reputation and brand name may be materially and adversely affected which could adversely affect our relationships with doctors and hospital administrators and our long-term ability to effectively market and sell our products or conduct clinical trials for our new products.

Our products and facilities are subject to extensive regulation, which may subject us to high compliance costs and expose us to penalties for non-compliance. We may not be able to obtain required regulatory approvals for our products in a cost-effective manner or at all.

The production and marketing of our products and our ongoing research and development, preclinical testing and clinical trial activities are subject to extensive regulation and review by governmental authorities both in China and abroad. PRC and foreign regulations applicable to medical devices are wide-ranging and govern, among other things, the testing, pre-market review, packaging, advertising, exporting and labeling of new medical devices. They also regulate the manufacturing processes, tendering, reporting, and record-keeping procedures of medical device manufacturers.

We are required to obtain NMPA approval before we can market our products in China. Significant time, effort and expense are required to bring our products to market in compliance with the regulatory process, and we cannot assure you that any of our products will be approved for sale. In addition, as the PRC government has been increasing the level of regulatory control over the medical device industry in recent years, NMPA approval process tends to take a longer time to complete than before. We are also required to report any serious or potentially serious incidents involving our products to the NMPA. Any failure to obtain, or delay in obtaining, regulatory approvals or clearances or to renew registrations for our products could prevent us from successfully marketing our products, which could materially and adversely affect our business, financial condition and results of operation.

In addition, before selling our products in international markets, we are required to obtain various governmental approvals in the relevant jurisdictions. Foreign regulations may vary from jurisdiction to jurisdiction and may be different from PRC regulations and NMPA requirements. For example, certain jurisdictions such as the European Union may have more stringent requirements on clinical trials and clinical data than those of the NMPA. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our products will be approved for sale in those jurisdictions. Additional time, effort and expense may be required to bring our products to the international markets in compliance with different regulatory processes. Any failure to obtain, or delay in obtaining, regulatory approvals or clearances or to renew registrations for our products could prevent us from successfully marketing our products in the international markets, which could materially and adversely affect our business, financial condition and results of operation. Our failure to comply with applicable regulatory requirements could result in governmental agencies in the relevant jurisdictions:

- imposing fines and penalties on us;

- preventing us from manufacturing or selling our products;
- bringing criminal charges against us;
- delaying the introduction of our new products into the market;
- recalling or seizing our products; or
- withdrawing or denying approvals or clearances for our products.

We could also be subject to civil liabilities if we fail to comply with applicable regulatory requirements.

If any or all of the foregoing were to occur, we may not be able to meet the demands of hospitals and physicians which use our products and they may cancel orders or purchase products from our competitors.

Even if regulatory approval or clearance of our products is granted, the approval or clearance could limit the uses for which our products may be labeled and promoted, which may in turn limit the market for our products. Further, for a marketed product, we and our facilities are subject to periodic reviews and inspections by the NMPA and in any other jurisdictions where the product has been approved for sale. Subsequent discovery of problems with any of our products or facilities may result in restrictions being imposed on us, including withdrawal of a product from the market or other enforcement actions. In addition, regulatory agencies may not agree with the extent or speed of corrective actions we take in relation to product or manufacturing problems.

Because we are subject to extensive regulation in the jurisdictions in which we operate, including China, the Asia Pacific region, North America and Europe, we are subject to the risk that regulations could change in a way that would expose us to additional costs, penalties or liabilities. If additional regulatory requirements are implemented in the countries in which we sell our products, the cost of developing or selling our products may increase.

RISKS RELATING TO THE PRC

The preferential tax treatment for high and new technology enterprise we are currently entitled to may be discontinued due to the assessment conducted by the government.

Certain of our PRC subsidiaries have obtained the "High and New Technology Enterprise Certificate"（高新技術企業證書）issued by the local government authorities. As a result of the obtaining of the "High and New Technology Enterprise Certificate", these PRC subsidiaries are entitled to enterprise income tax at a tax rate of 15% during the certified period.

However, failure to maintain our qualification as a high and new technology enterprise may prevent us from benefiting from the relevant enterprise preferential income tax policies and we shall be subject to the normal enterprise income tax at a rate of 25%, which may adversely affect our net profit.

Changes in political or economic policies, and a slowdown in the economy of the PRC may have a material adverse impact on our business, financial condition and results of operation.

Most of our assets are currently located in the PRC. Revenue generated from products manufactured and sold in the PRC has been the biggest contributor of our total revenue, and we expect this situation to continue in the near future. As a result, our business, financial condition, results of operation and future prospects are and will continue to be subject to political, economic and legal developments in the PRC to a significant degree. The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, allocation of resources, capital reinvestment, level of development, growth rate and control of foreign exchange.

Historically, the PRC economy was centrally-planned, with a series of economic plans promulgated and implemented by the PRC government. Since 1978, the PRC government has been promoting economic and political reforms. The PRC has gradually shifted from a planned economy toward a market-oriented economy. A variety of policies and measures that could be taken by the PRC government to regulate the economy, including the introduction of measures to control inflation, deflation, or regulate economic growth, changes in the rates or methods of taxation, or the imposition of additional restrictions on currency conversions and remittances abroad, could materially and adversely affect our business, financial condition and results of operation.

Changes and uncertainties in the PRC legal system may have a material adverse impact on our business, financial condition and results of operation.

The PRC is still in the process of developing a comprehensive statutory framework. Since 1979, the PRC government has established a commercial law system, and significant progress has been made in promulgating laws and regulations relating to economic affairs and matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, many of these laws and regulations are relatively new, and the implementation and interpretation of these laws and regulations remain uncertain in many areas. For example, the Notice of the National Development and Reform Commission on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises（國家發展改革委關於推進企業發行外債備案登記制管理改革的通知）, or the NDRC Notice, does not explicitly require an overseas parent company like us to register the issuance of the offshore bonds. However, in practice, we are required to register the issuance of the Bonds with the NDRC and file a post-issuance report with the NDRC within 10 working days after the issuance. If we fail to complete such filing in accordance with the relevant requirements, due to any change in the relevant regulation we may be subject to penalties or other enforcement actions by relevant PRC government authorities. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. In addition, any litigation in the PRC may be protracted and result in substantial costs the diversion of resources and management attention. Consequently, developments and changes in PRC laws and regulations, including their interpretation and enforcement, may have a material adverse effect on our business, financial condition and results of operation.

Failure to comply with PRC regulations in respect of the registration of our PRC citizen employees' share options may subject such employees or us to fines and legal or administrative sanctions.

In December 2006, PBOC promulgated the Administrative Measures for Individual Foreign Exchange （個人外匯管理辦法）, which set forth the respective requirements for foreign exchange transactions by PRC individuals under either the current account or the capital account. The Implementation Rules of the Administrative Measures for Individual Foreign Exchange（個人外匯管理辦法實施細則）, issued in January 2007 by SAFE and amended in May 2016, specify the approval requirements for PRC citizens who are granted shares or share options by an overseas listed company according to its employee stock ownership plan or stock option plan.

In February 2012, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Abroad（國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知）(the "**Share Option Rule**").

According to the Share Option Rule, PRC citizens who are granted shares or share options by an overseas listed company according to its employee share option or share incentive plan are required, through the PRC subsidiary of such overseas listed company, to appoint qualified PRC agents, to register with SAFE and complete certain other procedures related to the share option or other share incentive plan. Foreign exchange income from the sale of shares or dividends distributed by the overseas listed company may be remitted into a foreign currency account of such PRC citizen or be exchanged into Renminbi. In addition, the qualified PRC agent is required to open dedicated foreign currency accounts to handle transactions relating to the share option scheme or other share incentive

plan. We and our PRC citizen employees who have been and will be granted share options ("**PRC option holders**") are subject to these rules. If we or our PRC option holders fail to comply with these rules in the future, we or our PRC option holders may be subject to fines and other legal or administrative sanctions.

Our subsidiaries in China are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.

We are a holding company incorporated in the Cayman Islands, and we rely on dividends paid by our PRC operating subsidiaries, including Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司) ("MP Shanghai"), for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our Shareholders, to service any debt we may incur, and to pay our operating expenses. Under PRC laws and regulations, our subsidiaries in China are required to set aside at least 10% of their respective after-tax profit each year, if any, to statutory reserve funds unless these reserve funds have reached 50% of the subsidiaries' registered capital. These statutory reserve funds are not distributable as cash dividends and dividends cannot be distributed until any losses from prior fiscal years have been offset. The calculation of distributable profits under PRC GAAP differs in many aspects from the calculation under HKFRS. As a result, our PRC subsidiaries may not be able to pay any dividend in a given year to our Company if they do not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRS. Accordingly, since we derive all of our profits from our PRC subsidiaries, we may not have sufficient distributable profits to pay dividends to our Shareholders, even if there is such an amount as shown in our accounts prepared under HKFRS.

If we are classified as a PRC resident enterprise for PRC enterprise income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders and Bondholders. The EIT Law, which became effective on 1 January 2008, and amended on 24 February 2017 and 29 December 2018, and its implementation rules stipulate that if an entity is deemed to be a non-PRC resident enterprise an establishment or place of business in the PRC, or that have an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, withholding tax at the rate of 10% will be applicable to any dividends paid to it by its PRC subsidiary, unless it is entitled to reduction or elimination of such tax, including by tax treaties.

Moreover, the EIT Law provides that, if an enterprise incorporated outside the PRC has its "de facto management organization" located within the PRC, the enterprise may be recognized as a "PRC resident enterprise" and thus may be subject to enterprise income tax at the rate of 25% on its worldwide income. Under the implementation rules for the EIT Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. In April 2009, the PRC tax authority promulgated a circular to clarify the criteria for determining whether the "de facto management bodies" are located within the PRC for enterprises incorporated overseas with controlling shareholders being PRC enterprises. However, the relevant PRC laws and regulations remain unclear regarding how the PRC tax authorities will treat an overseas enterprise invested in or controlled by another overseas enterprise, as in our case. Substantially all of our management team members reside in the PRC. If most of them continue to reside in the PRC, our Company may be deemed a PRC resident enterprise and therefore subject to the PRC enterprise income tax at a rate of 25% on our worldwide income, which excludes the dividends received directly from another PRC resident enterprise. In that case, our Company's distributable profits may be adversely affected.

Dividends payable by us to our investors and gains on the sale of our Shares may become subject to withholding taxes under PRC tax laws.

Under the EIT Law and its implementation rules, PRC withholding tax at the rate of 10% is applicable to dividends or interests payable to shareholders and Bondholders that are "non-resident enterprises" (and that do not have an establishment or place of business in the PRC, or that have an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business) to the extent such dividends or interests have their sources within

the PRC. Similarly, any gain realized on the transfer of shares or Bonds by such shareholders and Bondholders that are non-resident enterprises is also subject to 10% PRC withholding tax if the gain is regarded as income derived from sources within the PRC. Furthermore, if we are deemed as a PRC resident enterprise, dividends or interests paid to shareholders and Bondholders that are non-PRC individuals may be subject to a 20% withholding tax, and gain realized on the sale or disposition of shares or the Bonds may be subject to 20% withholding tax, if such income is considered as derived from within China. If we are considered a PRC "resident enterprise," it is unclear whether the dividends we pay with respect to our shares or Bonds, or the gain shareholders and Bondholders may realize from the transfer of our shares or Bonds, would be treated as income derived from sources within the PRC and be subject to PRC tax. If we are required to withhold PRC withholding tax on our dividends or interests payable to our foreign shareholders and Bondholders, or if shareholders and Bondholders are required to pay PRC withholding tax on the transfer of their shares or Bonds, the value of their investment in our shares or Bonds may be materially and adversely affected.

We face uncertainty relating to PRC laws and regulations relating to transfers by a non-resident enterprise of assets of a PRC resident enterprise.

On 3 February 2015, the STA issued the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業所得稅若干問題的公告), or Circular 7, which supersedes certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on non-Resident Enterprises (關於加強非居民企業股權轉讓企業所得稅管理的通知), or Circular 698, which was previously issued by the STA on 10 December 2009 with retroactive effect from 1 January 2008, as well as certain other rules providing clarification on Circular 698. Circular 7 provides comprehensive guidelines relating to, and heightened the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise (the "**PRC Taxable Assets**") .

For example, Circular 7 specifies that when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company which directly or indirectly holds such PRC Taxable Assets, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose.

Except as described above, transfers of PRC Taxable Assets under the following circumstances shall be automatically deemed as having no reasonable commercial purpose, and are subject to PRC enterprise income tax: (i) more than 75% of the value of the equity interest of the overseas enterprise is directly or indirectly attributable to the PRC Taxable Assets; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise are directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of PRC Taxable Assets, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of PRC Taxable Assets; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold PRC Taxable Assets and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks to prove the existence of their economic substance; or (iv) the income tax from the indirect transfer of PRC Taxable Assets payable abroad is lower than the income tax in China that may be imposed on the direct transfer of such PRC Taxable Assets.

Although Circular 7 contains certain exemptions (including, (i) where a non-resident enterprise derives income from the indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such PRC Taxable Assets on a public market; and (ii) where there is an indirect transfer of PRC Taxable Assets, but if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement), it

remains unclear whether any exemptions under Circular 7 will be applicable to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will reclassify such transaction by applying Circular 7.

Therefore, the PRC tax authorities may deem any future acquisition by us outside of the PRC involving PRC Taxable Assets, to be subject to the foregoing regulations, which may subject us to additional PRC tax reporting obligations or tax liabilities.

Fluctuations in the value of the Renminbi may have a material adverse effect on your investment.

The value of the Renminbi against the U.S. dollar, Euro and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of Renminbi into foreign currencies, including U.S. dollars, has historically been set by PBOC. On 18 July 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a band against a basket of certain foreign currencies, determined by PBOC, against which it can rise or fall by as much as 0.3% each day. In May 2007, the PRC government further widened the daily trading band from 0.3% to 0.5%, effective on 21 May 2007. The floating band was further widened to 1.0% since April 2012 and 2.0% since March 2014. There remains significant international pressure on the PRC government to further liberalize its currency policy, which could result in a further and more significant appreciation in the value of the Renminbi against the U.S. dollar.

As we rely on dividends paid to us by our PRC subsidiaries, including MP Shanghai, any significant revaluation of the Renminbi may have a material adverse effect on our revenue and financial condition, and the value of any interest payable on our Bonds in foreign currency terms. In addition, even though a significant portion of our revenue and expenses are denominated in RMB, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets, earnings or any declared dividends. Also, any unfavorable movement in the exchange rate may lead to an increase in our costs or a decline in sales, which could materially and adversely affect our business, financial condition and results of operation.

PRC regulation of direct investment and loans by offshore holdings companies to PRC entities may delay or limit us from using the proceeds of the Offering to make additional contributions or loans to our PRC subsidiaries.

Any capital contributions or loans that we, as an offshore entity, make to our PRC subsidiaries, including from the proceeds of the Offering, are subject to PRC regulations. For example, on March 30, 2015, SAFE promulgated a Circular on the Reforming of Administrative Methods Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Companies（國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知), or SAFE Circular No.19, which became effective on June 1, 2015 and replaced the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises （關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), or SAFE Circular No.142. Previously, pursuant to SAFE Circular No.142, the registered capital of an foreign-invested enterprise, or FIE, settled in Renminbi converted from foreign currencies may only be used within the business scope approved by the applicable government authority and may not be used for equity investments in China, and the FIE may not change how it uses such capital without SAFE's approval, and may not in any case use such capital to repay Renminbi loans if they have not used the proceeds of such loans in accordance with SAFE's approval. Although SAFE Circular No.19 restates certain restrictions on the use of investment capital denominated in foreign currency by FIEs, it specifies that the registered capital of an FIE whose main business is investment, denominated in foreign currency, can be converted into Renminbi at the discretion of such FIE and can be used for equity investment in China subject to the invested company's filing of a reinvestment registration with the relevant local SAFE. On June 9, 2016, SAFE issued the Circular on Reforming and Regulating the Administrative Policy of the Settlement under Capital Accounts（國家外匯管理局關於改革和規範資本項目結匯管理政策的通知), or SAFE Circular No.16, which became effective on the same date.

Although SAFE Circular No.16 further extends the reform to cover foreign currency income under capital account, including capital, foreign debt and proceeds from offshore offering and listing, an FIE's foreign currency income and such income settled in Renminbi under the capital account cannot be used directly and indirectly for any purposes out of the FIE's business scope or in areas prohibited by laws and regulations. According to the Circular on Further Promoting the Facilitation of Cross-Border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知) promulgated by SAFE on October 23, 2019, or SAFE Circular No.28, non-investment FIEs are allowed to use their capital for equity investment in China provided that such investment is not in violation of the currently effective Special Administrative Measures for Foreign Investment Access (Negative List) (外商投資准入特別管理措施(負面清單)) and the target investment projects are truthful and compliant with relevant laws and regulations. According to the Circular on Optimizing the Administration of Foreign Exchange to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知), or SAFE Circular No.8, issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments using the income under their capital accounts generated from their capital, foreign debt and overseas listing, without providing materials evidencing the authenticity in advance, provided that the capital usage is authentic and compliant with the current capital account income usage management regulations. The concerned bank is required to conduct spot checks in accordance with the relevant requirements. However, the interpretation and enforcement of SAFE Circular No.19, SAFE Circular No.16, SAFE Circular No.28, and SAFE Circular No.8 remained to be subject to uncertainty.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received from our various offerings and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

The enforcement of the Labor Contract Law and other labor-related regulations in the PRC may materially and adversely affect our business, financial condition and results of operation.

The labor laws and rules impose stringent requirements on employers in relation to entering into fixed term employment contracts, hiring of temporary employees and dismissal of employees. According to the Labor Contract Law (劳動合同法), which became effective on 1 January 2008 and was amended in December 2012, an employer is obligated to sign a non-fixed term labor contract with an employee if the employer continues to employ the employee after two consecutive fixed term labor contracts or the employee has already worked for the employer for ten years consecutively. The employer also has to pay compensation to the employee if the employer terminates a non-fixed term labor contract. Unless an employee refuses to extend an expired labor contract under the same terms or terms which are better than those in the original labor contract, compensation is also required when the labor contract expires and the employer does not extend the labor contract with the employee. A minimum wage requirement has also been imposed by the Labor Contract Law In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have served accumulatively for more than one year with an employer are entitled to a paid vacation ranging from five to 15 days, depending on the length of the employees' service. Employees who consent to waive such vacation at the request of employers shall be compensated at an amount equal to three times their normal salaries for each vacation day being waived. As a result, our labor costs may increase. There is no assurance that any dispute, work stoppage or strike will not arise in the future. Increases in our labor costs and future disputes with our employees could materially and adversely affect our business, financial condition and results of operation.

We are subject to a wide variety of environmental regulations, and any failure to comply with these regulations or to control the associated costs could harm our business.

We are required to comply with various and extensive environmental, health and safety laws and regulations promulgated by the PRC government and the governments of the overseas jurisdictions in which we operate. If we fail to comply with these laws and regulations, we could be exposed to penalties, fines, suspension or revocation of our licenses or permits to conduct business, administrative proceedings and litigation. Given the magnitude and complexity of these laws and regulations, the compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As these laws and regulations continue to evolve, we cannot give assurance that the PRC government or the governments of other overseas jurisdictions in which we may have future operations will not impose additional or more onerous laws or regulations, compliance with which may cause us to incur significantly increased costs. Such events could materially and adversely affect our business, financial condition and results of operation.

It may be difficult to effect service of process upon us or our Directors or senior management who reside in the PRC or to enforce against us or them judgments obtained from non-PRC courts.

We are incorporated in the Cayman Islands. The majority of our Directors and senior management reside in the PRC. Almost all of our assets and some of the assets of those Directors and senior management are located within the PRC. Therefore, it may not be possible for Bondholders to effect service of process upon us or those persons inside the PRC. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned（最高院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民事案件判決的安排）(the "**Arrangement**") and revised on 3 July 2008, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the PRC. In addition, on 18 January 2019, the Supreme People's Court of China (the "**SPC**") and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region（關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排）(the "**New Arrangement**"). The New Arrangement extends the scope of judicial assistance, and the effective date of the New Arrangement shall be announced by SPC and Hong Kong after SPC has issued the judicial interpretation and Hong Kong has completed relevant procedures.

Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute do not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for Bondholers to effect service or process against our assets or Directors or senior management in China in order to seek recognition and enforcement for foreign judgments in China.

Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, or most other western countries or Japan. Hence, the recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

We may be subject to acts of God, acts of war and epidemics which are beyond our control and which may cause damage, loss or disruption to our business.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some cities in the PRC are under the threat of flood, earthquake, sandstorm, snowstorm, fire or drought. For instance, a serious earthquake and its successive aftershocks hit Sichuan province in May and June of 2008, resulting in tremendous loss of lives and injury and destruction of assets in the region. Our business, financial condition and results of operation may be materially and adversely affected if such natural disasters occur. Certain areas of China are susceptible to epidemics, such as Severe Acute Respiratory Syndrome ("**SARS**"), the human swine flu, the H5N1 avian influenza, or, most recently, the COVID-19 outbreak. A recurrence of SARS, an outbreak of swine or avian influenza, or any epidemic in China could result in material disruptions to our operations or a slowdown of China's economy, which could materially and adversely affect our business, financial condition and results of operation. Acts of war and terrorism may also injure our employees, cause loss of lives, damage our facilities, disrupt our distribution channels and destroy our markets, any of which could materially and adversely impact our business, financial condition and results of operation. The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot predict. Our business, financial condition and results of operation may be materially and adversely affected as a result.

Certain of our leasehold interests in leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

Certain of our leasehold interests in leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines if we fail to remediate after receiving any notice from the relevant PRC government authorities. In case of failure to register or file a lease, the parties to the unregistered lease may be ordered to make rectifications (which would involve registering such leases with the relevant authority) before being subject to penalties. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. We are unable to control whether and when the applicable lessors will complete or cooperate with us to complete the registration in a timely manner. In the event that a fine is imposed on both the lessor and lessee, and if we are unable to recover from the lessor any fine paid by us, such fine will be borne by us.

RISKS RELATING TO THE BONDS AND THE SHARES

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained or incorporated by reference in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;

- understand thoroughly the terms of the relevant Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk– based capital or similar rules.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk– based capital or similar rules.

Holders will have no rights as holders of the Shares prior to conversion of the Bonds but are subject to changes made with respect to the Shares.

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. However, such Bondholders are subject to all changes affecting the Shares. For example, in the event that an amendment is proposed to the Company's Memorandum and Articles of Association requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Shares and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Shares after conversion.

The Company will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which standards may be different from those applicable to companies in certain other countries.

The Company will be subject to reporting obligations in respect of the Bonds to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to.

Bondholders may be subject to tax.

Prospective investors of the Bonds are advised to consult their own tax advisors concerning the overall tax consequences of the purchase, ownership, disposition or conversion of the Bonds or the Shares. See "Taxation" for a discussion of tax consequences in certain jurisdictions.

Conversion of the Bonds would dilute the ownership interest of existing shareholders and could also adversely affect the market price of the Shares.

The conversion of some or all of the Bonds will dilute the ownership interests of existing shareholders of the Company. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the existence of the Bonds may facilitate short selling of the Shares by market participants.

The Company may not have the ability to redeem the Bonds.

Bondholders may require the Company, subject to certain conditions, to redeem for cash all or some of their Bonds upon an event constituting a change of control or delisting or otherwise as described under the heading "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Delisting, Suspension of Trading or Change of Control". The Company may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Company's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Company would constitute an event of default under the Bonds, which may also constitute a default under the terms or other indebtedness held by the Company.

The Bonds may be redeemed at the option of the Company, which may adversely affect the trading price and liquidity of the Bonds and may subject Bondholders to reinvestment risks.

Subject to certain conditions, the Bonds may be redeemed at the Company's option prior to the Maturity Date at of their outstanding principal amount. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Issuer". As a result, the trading price of the Bonds may be affected when this option of the Company becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds. In addition, the proceeds from the redemption of the Bonds may be reinvested by the Bondholders and the Bondholders may thereby be subject to additional risks associated to such reinvestment.

The Bonds are redeemable in the event of certain withholding taxes being applicable.

No assurances are made by the Company as to whether or not payments on the Bonds may be made without withholding taxes or deductions applying from the Issue Date on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or any subdivision or authority therein or thereof having power to tax.

Although pursuant to the Conditions, the Company is required to gross up payments in respect of the Bonds on account of any such withholding taxes or deductions, the Company also has the right to redeem the Bonds at any time in the event it has or will become obliged to pay additional amounts on account of any existing or future withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or any subdivision or authority therein or thereof having power to tax as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or any subdivision or authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 1 June 2021.

The Company's subsidiaries are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Company and its subsidiaries.

As a holding company, the Company depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, including its PRC subsidiaries, to pay dividends to the Company's shareholders and to satisfy its obligations, including its

obligations under the Bonds. The ability of the Company's subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these subsidiaries, applicable laws and restrictions contained in the debt instruments or agreements of such subsidiaries. In addition, if any of the Company's subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such equity securities would not be available to the Company to make payments due on the Bonds or pay dividends to its shareholders. These restrictions could reduce the amounts that the Company receives from its subsidiaries, which would restrict the Company's ability to meet its payment obligations under the Bonds.

As a result of the foregoing, there is no assurance that the Company will have sufficient cash flow from dividends or payments on intercompany loans or advances from its subsidiaries to satisfy its obligations under the Bonds.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of other jurisdictions with which the holders of the Bonds are familiar.

Because the Company is incorporated under the laws of the Cayman Islands, any insolvency proceeding relating to the Company may involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

The Company conducts a substantial part of its business operations through PRC-incorporated subsidiaries in the PRC. The Company's PRC subsidiaries are subject to the bankruptcy and insolvency laws of the PRC. The PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of other jurisdictions with which the holders of the Bonds are familiar. Investors should analyse the risks and uncertainties carefully before investing in the Company's Bonds.

We may be unable to obtain and remit foreign exchange.

Our ability to satisfy our obligations under the Bonds depends solely upon the ability of our subsidiaries in the PRC to obtain and remit sufficient foreign currency to pay dividends to us and to repay shareholder loans. Our PRC subsidiaries must present certain documents to SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of the PRC (including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with SAFE). Prior to payment of interest and principal on any shareholder loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of the 10% withholding tax on the interest payable in respect of such shareholder loan. If any PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, the PRC subsidiary will be unable to pay us dividends or interest and principal on our existing shareholder loans, which may affect our ability to satisfy our obligations under the Bonds. In addition, the PRC government may also at its discretion or impose additional requirements to restrict access to foreign currencies in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to satisfy our obligations under the Bonds.

If the Company is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.

If the Company is unable to comply with the restrictions and covenants in its current or future debt agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Company, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. As a result, the Company's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including

the Bonds, or result in a default under its other debt agreements. If any of these events occur, there is no assurance that the Company's assets and cash flow would be sufficient to repay in full all of its indebtedness, or that the Company would be able to find alternative financing. Even if the Company could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to the Company.

An active trading market for the Bonds may not develop, and there are restrictions on resale of the Bonds.

The Bonds are a new issue of securities for which there is currently no trading market. Although application for the listing of the Bonds has been submitted to the Hong Kong Stock Exchange, there is no assurance that the Company will be able to maintain a listing on the Hong Kong Stock Exchange, or that, if listed, a liquid trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's business, and the trading prices of similar securities. The Joint Lead Managers are not obliged to make a market for the Bonds. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Bonds.

If an active trading market were to develop, the Bonds could trade at a price that may be lower than the initial offering price of the Bonds. Whether or not the Bonds will trade at lower prices depends on many factors, including:

- prevailing interest rates and the market for similar securities;
- general economic, market and political conditions;
- the Company's financial condition, financial performance and future prospects;
- the publication of earnings estimates or other research reports and speculation in the press;
- investment community in relation to the Company; and
- changes in the industry and competition affecting the Company.

Securities laws restrictions on the resale and conversion of the Bonds and the resale of the Shares issuable upon their conversion may impact investors' ability to sell the Bonds.

The Company has not registered the Bonds or the Shares issuable upon conversion of the Bonds under the Securities Act or other securities laws. Unless and until the Bonds and the Shares issuable upon conversion of the Bonds are registered, they may not be offered or sold or resold except in transactions that are exempt from the registration requirements of the Securities Act and hedging transactions may not be conducted unless in compliance with the Securities Act. The Bonds and the Shares issuable upon conversion of the Bonds thereof will not be freely tradable absent registration or an exemption from registration.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to its industry and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

Holders will bear the risk of fluctuations in the price of the Shares.

The market price of the Bonds at any time will be affected by fluctuations in the price of the Shares. The Shares are currently listed on the Hong Kong Stock Exchange. There can be no certainty as to the effect, if any, that future issues or sales of the Shares, or the availability of such Shares for future issue or sale, will have on the market price of the Shares prevailing from time to time and therefore on the price of the Bonds.

Sales of substantial numbers of Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and the Bonds. The Company's results of operations, financial condition, future prospects and business strategy could affect the value of the Shares. The trading price of the Shares will be influenced by the Company's operational results and other factors, such as changes in the regulatory environment that may affect the markets in which the Company operates and capital markets in general. Corporate events such as share sales, reorganisations, takeovers or share buy-backs may also adversely affect the value of the Shares. Any decline in the price of the Shares would adversely affect the market price of the Bonds.

The issuance of the Bonds may result in downward pressure on the market price of the Shares.

Many investors in convertible bonds seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares as well as on the trading price of the Bonds.

Holders have limited anti-dilution protection.

The Conversion Price will be adjusted in the event that there is a sub-division, consolidation or redenomination, rights issues, bonus issue, reorganisation, capital distribution or other adjustment including an offer or scheme which affects Shares, but only in the circumstances and only to the extent provided in "Terms and Conditions of the Bonds – Conversion". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

The Trustee may request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including without limitation the giving of notice to the Company pursuant to Condition 10 and/or the taking of enforcement proceedings pursuant to Condition 12, the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if it is not first indemnified and/or secured and/ or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre– funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity and/or security and/or pre– funding to it, in breach of the terms of the Trust Deed and/or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law or regulations, it will be for the Bondholders to take such actions directly.

The Bonds are unsecured obligations.

The Bonds constitute direct, unconditional, unsubordinated and subject to Condition 4(a) (see "Terms and Conditions of the Bonds – Negative Pledge") unsecured obligations of the Company ranking pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds rank at least equally with all its other unsecured and unsubordinated obligations, indebtedness and monetary obligations of the Company, from time to time outstanding, subject to Condition 4(a). The repayment of the Bonds may be compromised if:

(a) the Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;

(b) there is a default in payment under the Group's future secured indebtedness or other unsecured indebtedness; or

(c) there is an acceleration of any of the Group's indebtedness.

If any of the above events occurs, the Group's assets may not be sufficient to pay amounts due on the Bonds.

Modification and waivers of the Conditions may be made in respect of the Conditions and the Trust Deed by majority Bondholders or the Trustee, and decisions may be made on behalf of all Bondholders that which are binding on all Bondholders and may be adverse to the interests of the individual Bondholders.

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including those Bondholders who did not attend and vote at the relevant meeting and those Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of the Bondholders may be adverse to the interests of the individual Bondholders.

The Conditions also provide that the Trustee may, without the consent of Bondholders, agree to:

(a) any modification of any of the provisions of the Trust Deed, the Agency Agreement and/or the Conditions that is, in the Trustee's opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; and

(b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Conditions, the Trust Deed and/or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders.

The Bonds will initially be represented by the Global Bond Certificate and holders of a beneficial interest in the Global Bond Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be represented by the Global Bond Certificate. Such Global Bond Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "Clearing System" and together the "Clearing Systems"). Except in the circumstances described in the Global Bond Certificate, investors will not be entitled to receive definitive Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Bond Certificate. While the Bonds are represented by the Global Bond Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by the Global Bond Certificate, the Company will discharge its payment obligations under the Bonds by making payments to the common depositary for the Clearing Systems, for distribution to their account holders. A holder of a beneficial interest in the Global Bond Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bond Certificate.

Holders of beneficial interests in the Global Bond Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Further issuances, offers or sales of Shares or fluctuations in the price of the Shares could adversely affect the price of the Bonds.

Further issuances, offers or sales of, or the real or perceived possibility of further issuances, offers or sales of a significant number of additional Shares or securities convertible or exchangeable into or exercisable for the Shares or any securities or financial instruments whose economic value is determined directly or indirectly by reference to the market price of the Shares could adversely affect prevailing market prices for the Shares and have an impact on the market price of the Bonds. It is difficult to predict the effect, if any, that sales of Shares, including sales or transfers of large positions held by institutional and corporate investors, or the availability of the Shares for future sale, will have on the market price of the Shares and the Bonds. In addition, the market price of the Bonds will at any time be affected by fluctuations in the price of the Shares. The price of the Shares may be adversely or positively influenced by, among other things, the Company's results of operations and other political, economic and financial factors that can affect the capital markets and general market sentiments. Any decline in the price of the Shares would adversely affect the secondary market price of the Bonds.

USE OF PROCEEDS

The net proceeds from this offering of the Bonds, after deducting the fees and commissions and other estimated expenses payable by us in connection with this offering will be approximately US$689.5 million. We intend to use the net proceeds from this offering for research and development investment, certain capital expenditure and for working capital purposes.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalization and indebtedness as of 31 December 2020 and adjusted to give effect to the issue of the Bonds after deducting the fees and commissions and other estimated expenses payable in connection with this offering. The following table should be read in conjunction with our consolidated financial information and related notes included elsewhere in this Offering Circular.

	As of 31 December 2020	
	Actual	As adjusted (unaudited)
	US$	US$
	(in thousands)	
Cash and cash equivalents	1,002,077	1,691,584
Current liabilities:		
– Interest-bearing borrowings	10,891	10,891
Total short-term indebtedness	10,891	10,891
Non-current liabilities:		
– Interest-bearing borrowings	181,988	181,988
– Convertible bonds	48,583	48,583
– Bonds to be issued[(1)]	–	689,507
Total long-term indebtedness	230,571	920,078
Total equity	1,387,946	1,387,946
Total capitalization [(2)]	1,618,517	2,308,024

Notes:

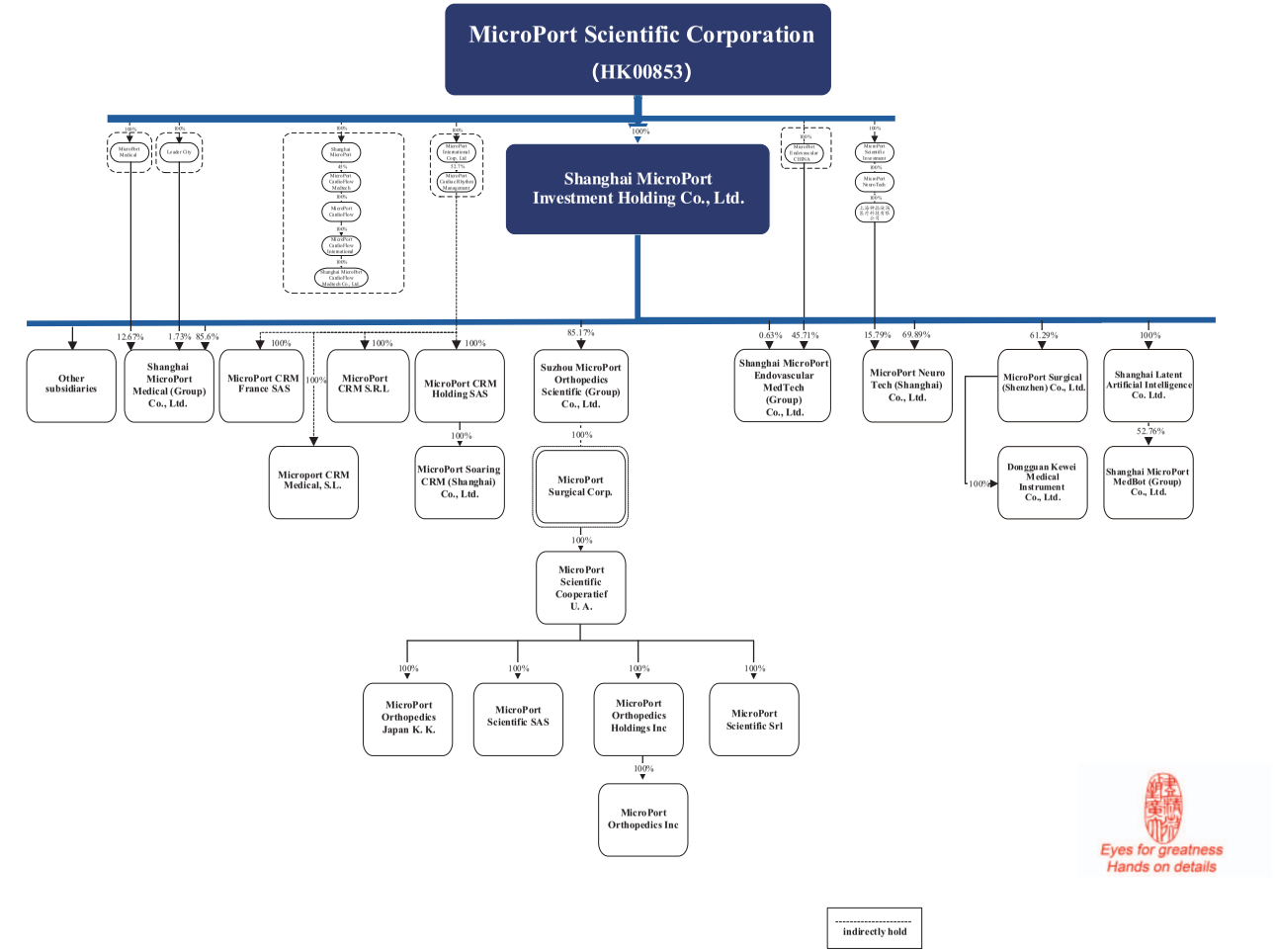
(1) In accordance with Hong Kong Accounting Standard 32, *Financial Instrument: Presentation*, the Bonds should be split into equity component and liability component. For illustrative purpose only, the net proceeds from this offering of the Bonds of approximately US$689.5 million have been represented as a liability in the table above.

(2) Total capitalization represents total long-term indebtedness and total equity.

Subsequent to December 31, 2020, we continue to, in the ordinary course of business, enter into additional financial arrangements, to finance our business development and for general corporate purposes. Except as otherwise disclosed above, there has been no material adverse change in our capitalization and indebtedness since 31 December 2020.

CORPORATE STRUCTURE

The below corporate structure chart sets forth our basic corporate structure, showing our major subsidiaries as of the date of this Offering Circular.



OVERVIEW

We are a leading medical device group focusing on developing, manufacturing and marketing high-end medical devices globally. We are dedicated to offer trustworthy and world-class medical devices and solutions to people across the globe. As of 31 December 2020, we had more than 300 varieties of medical devices and provided nearly 300 medical solutions to over 10,000 hospitals in over 80 countries or regions. We are one of the leading market players which provide medical devices and solutions in a number of fields. In 2020, we obtained registration approval for 30 of our products from the NMPA. Two products were approved to enter the Green Path program in the PRC, which allows for fast-tracked review and approval for only innovative medical devices. As of the end of 2020, we had a total of 20 products that have been approved to enter the Green Path, making us the company with the largest number of such approvals in six consecutive years.

We have a comprehensive product portfolio covering eight major business segments, namely, cardiovascular, orthopedics, cardiac rhythm management ("**CRM**"), endovascular and peripheral vascular, neurovascular, heart valve, surgical robot and surgical devices, and others. While the healthcare industry in the world experienced unprecedented challenges in 2020, we were able to achieve significant revenue growth in certain major business segments, such as our endovascular and peripheral vascular, neurovascular and heart valve device business segments, which recorded an increase in revenue from 2019 to 2020 of approximately 40.9%, 17.5% and 383.4% (excluding the foreign exchange impact), respectively. We take a market-oriented approach to product development, and built a robust product pipeline after careful evaluation on market potential and benefits afforded to patients. We were able to achieve a number of critical milestones for certain products in 2020. For example, our self-developed Toumai® Surgery Robotic System ("**Toumai® Robot**") completed patient enrollment for clinical trials in January 2021, and became the first domestically manufactured endoscopic robot for multicenter clinical trials in the field of urology. As an attestment to our innovative R&D capabilities, we filed 988 patent applications and 582 trademark applications in the PRC and overseas markets in 2020 and, as of 31 December 2020, we held a total of 5,097 patents (including applications) from 28 countries and regions, and 2,766 trademarks from 66 countries and regions.

In 2020, we had approximately 44.6% of our revenue generated from sales to the PRC market, and approximately 55.4% of our revenue generated from total sales to North America, Europe, Asia (excluding the PRC), South America and others. With a widespread global footprint, we have built an extensive product distribution network across different countries and hospital coverage for our products. For example, our drug eluting stents ("**DES**") were provided to more than 2,400 hospitals in the PRC and over 1,000 hospitals overseas in 2020. Such performance and the overall coverage of more than 10,000 hospital worldwide for our products demonstrate our ability in developing and expanding into global markets and attests to the quality of our products. We also have solid production capabilities with a proven track record, and a visionary management team that has stayed at the core of our Group and led our growth.

Attributable to the foregoing, our business remained competitive in the global market. For the years ended 31 December 2018, 2019 and 2020, our revenue was US$669.5 million, US$793.5 million and US$648.7 million, respectively.

OUR STRENGTHS

The Group is a leading innovative high-end medical device group

We are a leading medical device group focusing on developing, manufacturing and marketing high-end medical devices and solutions. As of 31 December 2020, we had more than 300 varieties of medical devices and provided nearly 300 medical solutions to over 10,000 hospitals in over 80 countries or regions. Our medical devices cover a wide range of areas and span across eight major business segments, namely, cardiovascular devices, orthopedics devices, CRM, endovascular and peripheral vascular devices, neurovascular devices, heart valve, surgical robot and surgical devices and others. In 2020, our cardiovascular devices, orthopedics devices and CRM businesses remained at the

forefront of the global market, while our endovascular devices and neurovascular devices businesses continued to maintain their leading positions in the PRC market. We have continued to perform and grow a number of business segments, and also made strides in terms of R&D investments in emerging business segments for future growth.

In 2020, we continued to innovate, market and invest in our products to expand our business. As a result, our endovascular and peripheral vascular, neurovascular and heart valve device business segments experienced rapid growth in revenue from 2019 to 2020. Our endovascular and peripheral device business recorded revenue of US$68.5 million in 2020, representing a 40.9% increase (excluding the foreign exchange impact) compared to that of 2019. Our neurovascular device segment recorded revenue of US$32.9 million, representing a 17.5% increase (excluding the foreign exchange impact) as compared to that of 2019. Our heart valve device business recorded revenue of US$15.2 million, representing a 383.4% increase (excluding the foreign exchange impact) as compared to that of 2019. At the same time, we continued to strengthen our cardiovascular and orthopedics device business segments and invest in CRM business segment in 2020, and remained a leading player in these areas in terms of technology and product coverage in the global market. For our cardiovascular device business, we unswervingly invested in R&D and expanded sales force to further solidify our leading position in the PRC market with the provision of all-round coronary heart disease treatment solutions. We maintained momentum to expand geographic market coverage in the PRC in 2020, offering world-class medical solutions to a greater population. Moreover, we actively penetrated lower-tier cities in the PRC market to allow greater accessibility of the world's leading medical solutions to the masses. In the national centralized procurement for coronary stent products in 2020, we were the only PRC company with two selected products and were granted the largest total intentional procurement volume among all participants. We have a leading position in this field for the PRC market, which is one of the fastest-growing economies in the world with increasing disposable income and health awareness, aging population and increased life expectancy, resulting in a market with vast growth potential for healthcare solutions. In addition, we secured 14 registrations in 10 countries or regions for our DES in 2020, expanding our DES' presence to 30 countries and regions in the global market. For our orthopedics device business, our domestic and overseas R&D teams have actively cooperated with each other on new product development in 2020, resulting in an array of key products being certified for commercialization in various regions in the world and further growing our product portfolio for the global market, such as the certification of a number of made-in-China hip joint products for commercialization. In addition, we successfully implemented a management model for our production and supply chain to reduce costs and enhance efficiency, helping to increase the gross margin of the international orthopedics business by approximately 300 bps. We also continued to adopt a direct sales model for certain regions to further enhance our profitability. For the CRM business, we have been committed to creating leading comprehensive CRM solutions in the world and our domestic and overseas R&D teams worked closely together to advance the development of a number of key products in this field, including but not limited to our pacemakers. Our pacemaker series were upgraded to equip with Bluetooth connectively and connected to remote home monitors. We have filed registration for the series in Europe, the United States and Japan and successfully obtained the CE certification in January 2021. Our made-in-China pacemakers also continued to improve its brand recognition in China as we maintained steady sales in the PRC, becoming a catalyst for continued growth of CRM business in the domestic market.

To further enhance the competitiveness of our comprehensive product portfolio and increase market share, we continued to make significant R&D investments and efforts in emerging business segments such as our heart valve device and surgical robot businesses. Our extensive industry knowledge and integrated R&D capabilities enable us to execute various stages of R&D work in-house and offer innovative solutions for unmet needs faced by healthcare professionals in the global market. Our heart valve device business is focused on offering innovative transcatheter and surgical solutions in the field of heart valve disease. Our self-developed VitaFlow® is the first approved transcatheter aortic valve implantation ("**TAVI**") product made of bovine pericardial leaflets in the PRC and has secured the largest market share in some major hospitals and cemented a leading market position in some provinces, with it being sold in approximately 144 hospitals in 28 provinces and cities in the PRC as of 31 December 2020. Our self-developed VitaFlow® II is the only made-in-China TAVI product used to conduct clinical trials in Europe and has the potential to become the first commercialized China-developed TAVI product in Europe upon successful completion of relevant processes. Our

surgical robot business is focused on providing cutting-edge research and technology integration in the fields of robotics, intelligent control and information to provide innovative medical products. Our self-developed Toumai Robot completed patient enrollment for clinical trials in January 2021, and became the first domestically manufactured endoscopic robot for multicenter clinical trials in the field of urology. Our self-developed Honghu (鴻鵠®) Orthopedic Surgical Robert ("Honghu") started first-in-man clinical trial in June 2020, achieving a remarkable milestone as it became the first total knee replacement robot designed and developed in the PRC with complete case enrollment for its pre-marketing multicenter clinical trials.

Our broad array of commercialized and developing solutions in a wide range of fields, combined with our advanced and integrated development, manufacturing and marketing capabilities, help us to transform innovative technologies into mass commercial products and remain competitive in the global market. We believe we have established a comprehensive product portfolio that will continue to help us capture additional market opportunities and competing with other market players at home and overseas.

The Group has a diversified product portfolio in multiple high-end medical device areas to address huge unmet medical needs

Over the years, we have built a diversified product portfolio with products in multiple high-end medical device areas and incubated product pipeline with great potential using our advanced technologies. Our products are generally classified into eight major business segments: cardiovascular devices, orthopedics devices, CRM, endovascular and peripheral vascular devices, neurovascular devices, heart valve, surgical robot and surgical devices and others, amounting to more than 300 varieties of medical devices and providing nearly 300 medical solutions to doctors and patients across the world as of 31 December 2020. According to the data published by Evaluate MedTech and Frost & Sullivan, the market size of the global medical device market is approximately US$477.4 billion in 2020, representing an increase of approximately 5.6% from US$452.1 billion in 2019, of which the medical device market in the PRC had a market size of approximately US$110.8 billion in 2020, representing an increase of approximately 16.0% from US$95.5 billion in 2019. We believe that many of the medical needs existing in the healthcare industries in the PRC and global markets are still unmet, and that, through our continuous efforts, strong R&D efficiency and resource integration, we are capable of integrating cutting-edge technologies developed through our in-house platform into clinical trials to provide innovative and trustworthy medical solutions to address such a vast and underserved market.

Our product diversification is evidenced by balanced revenue mix on two fronts, by business segment and geographical layout. In terms of business segment, our three largest business segments in terms of revenue for 2020 are cardiovascular devices (22.3%), orthopedics devices (31.1%) and CRM business (27.8%), which were generally on par with the revenue mix from 2019, i.e. cardiovascular devices (33.4%), orthopedics devices (29.3%) and CRM business (26.3%). In terms of geographical layout, the revenue generated from the PRC and other markets constituted approximately 44.6% and 55.4% of our total revenue for 2020, respectively. Such balanced revenue mix has contributed to our stable and robust commercialized products and product pipeline for each of these three business segments, supporting vast growth opportunities in different geographic markets while reducing our reliance risk on limited number of products.

We believe our comprehensive product portfolio sets us apart from many of our competitors in the global market, as it enables us to offer world-class products or technologies in different medical fields to customers in many geographical markets, and expand our market shares by doing so. We continued to develop innovative products to enrich our diversified product portfolio:

- For example, our cardiovascular device business segment has four DESs and four balloon products for sale in nearly 30 countries and regions. Our self-developed Firebird2® Rapamycin-Eluting CoCr Coronary Stent System ("**Firebird2®**") and Firekingfisher® Coronary Rapamycin-Eluting CoCr Coronary Stent ("**Firekingfisher®**") that obtained registration approval in the PRC in 2020 were both shortlisted in the PRC centralized procurement system for coronary stents, making us the only PRC company with two

shortlisted products. Firebird2® and Firekingfisher® also ranked first in terms of total intentional purchase volume in 2020, further solidifying our leading position in the product field in the PRC market.

- We also advanced certain R&D projects for the orthopedics devices business in 2020, completing the design and development for several new products, including PROFEMUR® cementless monolithic HA-coated collared GLADIATOR® femoral hip stem and PROFEMUR® cemented monolithic collared GLADIATOR® femoral hip stem, both of which have obtained the approval from the FDA in the United States; and PROCOTYL® P acetabular cup system, additional femoral heads of PROFEMUR® femoral stems, the new generation Evolution® NitrX™ Knee System for patients with allergies to certain metallic ions and Evolution™ stemmed CS Knee System, which also obtained CE certifications.

- We continued to gain ground in terms of developing and providing more comprehensive solutions in CRM business. For example, in 2020, we submitted registration application for our Alizea™, Borea™ and Celea™ pacemakers, which have been equipped with Bluetooth technology and offer remote home control ability through SmartView Connect™, in Europe, the United States and Japan. We obtained the CE certification for these products in January 2021. We also made CE certification applications for our ARC and 2D Navigo™ pacing leads used in resynchronizing the left ventricular. We also made application to register our entire Vega™ pacing lead pacemaker system that is compatible with MRI in the United States.

Leveraging our strong and innovative capabilities and keeping an eye on serving unmet medical needs in the future, we continue to expand our diversified product portfolio, which we believe will help us to push ahead of our peers and gain greater market share in the global market.

The Group has robust global product distribution capabilities and extensive hospital coverage

We are a well-recognized name in the global market with product offerings to more than 10,000 hospitals in over 80 countries and regions. In 2020, while we had approximately 44.6% of our revenue generated from sales to the PRC market, we also had approximately 31.8%, 13.5%, 8.8%, 0.9% and 0.4% of our revenue generated from sales to Europe, North America, Asia (excluding the PRC), South America and others, respectively. With a widespread global footprint, we have built an extensive product distribution network across different countries and established long-term relationships with many major customers. Under our extensive product distribution network, we have continued to offer and expand local markets for a large number of products. For example, our DESs were provided to more than 2,400 hospitals in the PRC and over 1,000 hospitals overseas in 2020. Such strong track record demonstrates our ability in developing and expanding into global markets and attests to the quality of our products.

Our highly successful product distribution network is attributed to our capable sales and marketing force, which has exceptional academic promotion capabilities, among others. We have carefully selected and maintained successful relationships with major distributors across different regions over the years. In selecting our distributors, we mainly assess each distributor's business operations from a variety of aspects with consideration to their compatibleness with our business development plans and goals. We also regularly review such assessments to ensure the distributor's qualifications and contractual arrangements with us are mutually beneficial or updated according to refreshed business needs or development plans. In addition, for our new product launches, our sales and marketing force develops comprehensive marketing strategies with wide-ranging market knowledge that it has gained over the years. With targeted academic promotion campaigns and dedicated efforts to reach the largest possible number of audiences, we have achieved significant success with a number of products. We effectively communicate our product strengths and details with hospitals and doctors, who can then introduce and recommend our products to physicians and hospitals based on their assessments. For example, our SuperPATH® hip replacement minimally invasive surgery, which was the world's first of its kind featuring quick recovery, was met with success as more than 700 surgeons from over 550 hospitals in the PRC received training for mastering the techniques for using such product in 2020, driving up the revenue for our orthopedics devices business for 2020. For another example, our PKP balloon product

under the orthopedics device segment launched in 2019 also experienced significant success thanks in part to the marketing efforts, having been sold to over 1,000 hospitals worldwide as of the end of 2020. With such growing global reach, we consider that we will further bring our patient-oriented and world-class products and solutions to patients and physicians around the world in the future, achieving greater growth through the expansion.

Our solid product distribution network is supported by our equally strong manufacturing capabilities. To make better and more direct product offerings across the globe, we have set up and operated manufacturing facilities in various countries, including Shanghai, Jiaxing, Suzhou and Dongguan in the PRC, Memphis in the United States, Clamart in France, Saluggia in Italy and Dominican Republic. Our global manufacturing bases, with extensive in-house R&D resources, enable us to closely control the entire product manufacturing process, and to provide local support for business operations and expansion.

Innovative R&D for global leading technologies and product pipeline to sustain long-term success

We have always been dedicated to the development of first-in-class and/or best-in-class medical devices and solutions through innovation. Through relentless commitment and concerted efforts, we have developed and built a comprehensive product portfolio including an enriched product pipeline that address a large number of medical needs across different fields. We have built an integrated R&D platform that is committed to offer high-quality and innovative products for doctors and patients worldwide. Our strong in-house R&D capabilities, as supported by a committed R&D team and an "1+12+5" Innovation and Commercialization Platform as discussed below. allows us to closely manage all major aspects of the R&D process to increase the success rates and improve the quality of our products, which are further exhibited through the following aspects:

- *Marketable and targeted R&D ideas.* We invest in R&D ideas that come to us through market insight, academic and scientific studies and exchanges and deep industry knowledge. We assess the ideas with a particular eye on the estimated market demand, technical feasibility and financial requirements. Every invested R&D idea has been carefully evaluated and studied by internal teams through a detailed and strenuous process before being approved and put into production. The first "1" part of our "1+12+5" Innovation and Commercialization Platform is focused on activities and work relating to academic forums that promote innovation, which helps us to better gather and understand trends and/or new ideas in the academia and market.

- *Specialized R&D units covering the product lifecycle.* We have 12 specialized R&D units covering the entire product lifecycle, from early R&D to commercialization, including but not limited to, technology support, product design, clinical studies and physician training. These 12 R&D units are the "12" parts of our "1+12+5" Innovation and Commercialization Platform which are focused on translating R&D ideas into meaningful, innovative products or solutions that solve targeted medical issues. We have approximately 1,278 R&D personnel overall and we continue to attract talented R&D professionals across the PRC and the world.

- *Continuous rollout of innovative products.*

    - In 2020, we obtained registration approvals from the NMPA for 30 of our medical devices, two of which had entered into the Green Path program of the PRC, which allows for fast-tracked review and approval for only innovative medical devices. As of the end of 2020, we had a total of 20 products that have been approved to enter the Green Path, making us the company with the largest number of such approvals in six consecutive years. As of the end of 2020, we also had four products that were in the process of obtaining approval from the FDA in the United States and 14 products in the process of obtaining CE marks, a gold standard for health and safety in the overseas market, including the European Union.

- For the endovascular and peripheral vascular devices business, our strong R&D efforts paid off with the certification and market launch of our Reewarm® PTX drug balloon, as well as the completion of our venous stent system of its first clinical implantation in 2020. For the neurovascular devices business, our NUMEN® Coil Embolization System, Bridge® Rapamycin Target Eluting Vertebral Artery Stent System and U-track® Intracranial Support Catheter System obtained certifications in 2020, laying a solid foundation for providing comprehensive solutions for treating cerebral stroke. For the heart valve business, our VitaFlow® Transcatheter Aortic Valve and Delivery System has achieved remarkable growth in sales in its second year of the launch in the PRC market, and was also approved for the market launch in the overseas market in 2020.

- *Collaboration with internationally recognized physicians and scientists.* We have established long-term collaborations with leading physicians and scientists in different medical fields to stay abreast of industry trends and better understand scientific developments.

- *Growing IP portfolio.* We consider intellectual property protection vital to our long-term success. In 2020, we filed 988 patent applications and 582 trademark applications in the PRC and overseas markets. As of 31 December 2020, we held a total of 5,097 patents (including applications) from 28 countries and regions, and 2,766 trademarks from 66 countries and regions.

- *Detailed follow-up service to ensure quality.* We aim to refine our products through collecting and analyzing detailed feedback gathered by a number of communication channels, such as our telemedicine and big-data service center, to regularly solicit and assess feedback on the performance and possible issues with our products and work with R&D team to further evaluate and address and refine our products to achieve better results. The last "1" in our "1+12+5" Innovation and Commercialization Platform is focused on integrating advanced technologies, such as information technology, big data and Internet of Things, into our in-house technological system to help ensure smooth day-to-day operations, including the collection, analysis and storage of such feedback information for our development.

We also possess global leading technologies to offer innovative products for long-term success. In recent years, we have achieved the following selected milestones:

- In the field of cardiovascular disease, we have developed the Firehawk® Rapamycin Target Eluting Coronary Stent ("**Firehawk®**"), which began its clinical trials in 2020, in preparation for introduction to overseas markets such as the United States, Canada and Japan. The relevant results of Firehawk® showed that it can achieve identical clinical efficacy and safety with the first-in-class DES.

  - The clinical data for Firehawk® has been published in The Lancet, one of the world's oldest and best-known medical journals, becoming the first PRC medical device company to receive such recognition.

  - We also launched the TARGET IV NA clinical study of Firehawk® in the United States and completed our first patient enrollment, reaching a critical milestone in rolling out the product in the overseas market. We plan to collect relevant follow-up data over a five-year period from approximately 1,616 patients in about 100 clinical centers in the United States, Canada and Japan, in order to prepare the relevant materials for entry into these three large markets.

- In addition, our Firesorb® Bioresorbable Rapamycin Target Eluting Coronary Scaffold System in the cardiovascular device business segment commenced its multi-center clinical trials in 2020 titled Future-III trials, which would involve a large number of subjects for long-term studies. As of the end of 2020, we have completed the first patient enrollment for the Future-III trials.

- For our CRM business, we received CE certification for our Alizea™, Borea™ and Celea™ pacemakers, all of which are equipped with Bluetooth and controllable by SmartView Connect™, a remote monitoring instrument used at home, in January 2021. This was an important step toward commercializing and marketing these products in the United States, Europe and Japan. We also made registration application for our Vega™ pacing lead pacemaker system, which is compatible with MRI, in the United States in 2020 in efforts to further strengthen our foothold in the US market.

- We have also entered into or completed certain stages of clinical trials. For example, our Axone pacing lead for cardiac resynchronisation therapy has entered into Astral-4LV clinical trials and completed its first implantation. We believe this product could be a major breakthrough in the application of cardiac resynchronization therapy for treating heart failure if successful.

We believe that our innovative and advanced R&D technologies and development competences will continue to enable us to consistently produce high-quality products and efficiently commercialize future products, yielding first-in-market and/or best-in-market products and achieving more sustainable market share in the long term.

Visionary and experienced management team supported by talented and global work force

We are led by a visionary and experienced management team with solid industry background, market insight and extensive working experience in the medical device industry. Many core management team members have stayed with our Company for over 20 years, and their collective and in-depth industrial knowledge and know-hows have helped to guide our continuous growth, as evidenced by our business expansions and strong track record over the years. Our sustained global success is also in part attributable to a team of world-class and experienced management team members at different subsidiaries across the globe, including but not limited to, our management teams based in Clamart, France for CRM business, and Arlington, Tennessee, the United States for orthopedics device business.

Our talented work force located in different offices around the world, including but not limited to R&D, manufacturing, quality control, marketing and sales, finance, legal and other personnel, have cooperated together to not only develop and maintain a cohesive and collegial work culture that inspires and encourages innovation, but also created the dynamics among the global work force that are aimed to constantly motivate growth and driving market expansion. With a focus on our global business expansion, we aim to continue to attract talented professionals with experience and educate and cultivate our employees with training and advancement opportunities. Combined with the steady support for our business and product expansions from our substantial shareholders with which we have maintained stable relationships, we believe that our visionary and experienced management teams and talented and global work force have set a strong foundation for our long-term growth.

OUR STRATEGIES

We aim to become a patient-orientated global enterprise that continuously innovates and provides high-quality medical solutions to help prolong and improve all lives. To achieve this goal, we intend to implement the following strategies:

Expand medical device markets in the PRC and abroad through enhanced marketing and sales efforts and mergers and acquisitions

We plan to continue to strengthen our product marketing and sales and product development to further expand our presence in the medical device markets in the PRC and abroad. In 2020, approximately 44.6% of our revenue was generated from sales in the PRC, while 55.4% of our revenue came from sales to North America, Europe, Asia (excluding the PRC), South America and others. We believe there are still vast and underserved market needs and opportunities that remain untapped and that, through dedicated and successful efforts and development, our commercialized products and

product pipeline can be well-positioned to meet such demands. To this end, we plan to further expand our marketing and sales efforts for new products to increase market penetration, such as in lower-tier markets in the PRC or new markets overseas.

In addition, we will also consider suitable merger and acquisition opportunities that may help us expand business scale and increase market share in certain business segments or geographical markets.

Strengthen our R&D and production capabilities to further diversify our product portfolio

We will further strengthen our R&D and production capabilities to better research, develop and manufacture various products to further diversify our product portfolio and meet demands in the PRC and global markets, particularly in the key areas of high-end medical devices. We intend to further invest in our experienced R&D team and advanced technologies, and offer integrated medical solutions to doctors and patients. We consider that continuous enhancements and improvements to our R&D and production capabilities will help us towards lower cost while producing world-class medical devices with competitive edge in the long-term. We will also continue to invest in collaboration with leading physicians and scientists to stay familiar with market trends and collect relevant feedback on our products. We will continue to develop new R&D ideas and carefully evaluate targets to determine their market potential and potential synergy with our existing product portfolio. In addition, we will also continuously advance clinical trials and pursue commercialization of product candidates by leveraging our in-house R&D, production and sales and market outreach capabilities to maximize or advance each of our products. Meanwhile, we will continue to seek adequate intellectual property protection for developed products, technologies and techniques.

Expand financing channels to support further growth

We have a proven track record of raising external financing and applying the funds to support our business growth and innovation, including R&D activities, which are generally capital-intensive and relatively long-term investments. In 2020, we successfully raised nearly US$1.0 billion in external financing. We have also successfully listed our subsidiaries, Shanghai MicroPort Endovascular MedTech Co., Ltd. on the Science and Technology Innovation Board of the Shanghai Stock Exchange in 2019, and MicroPort CardioFlow Medtech Corporation on the Main Board of the Hong Kong Stock Exchange (stock code: 02160) in February 2021. See "Business – Recent Developments – Spin-off and Separate Listing of MicroPort CardioFlow" in this Offering Circular for more details on the latter listing. We also established stable relationships with banks and obtained financing through bank loans. We believe that expanding available financing channels could enable us to further grow our operations in target markets and areas, providing us with greater flexibility in capital management and help us achieve long-term growth.

Continue to retain, train and attract quality management team members

We believe our success is in part attributable to our experienced management team at the Company and subsidiary levels, many of whom have years of experience in the medical device industry. As we grow, we intend to hire the qualified professionals with experience in, among others, R&D, production, sales and marketing, to join our professional teams at different levels. We will continue to retain, train and attract talents through competitive compensation packages and share-based payment awards. Through such, we strive to foster a corporate culture of collective success.

RECENT DEVELOPMENTS

Spin-off and Separate Listing of MicroPort CardioFlow

On 4 February 2021, we completed the spin-off and separate listing of MicroPort CardioFlow Medtech Corporation ("**MicroPort CardioFlow**") (Stock code: 02160) on the Main Board of the Hong Kong Stock Exchange. The final offer price for the shares of MicroPort CardioFlow was HK$12.20 per share and, upon the full exercise of the over-allotment option, an aggregate of 236,463,000 equity shares were offered. As of the date of this Offering Circular, we held approximately 45.0% of the total issued share capital of MicroPort CardioFlow.

Grant of Share Options

On 31 March 2021, we offered to grant an aggregate of 1,449,386 shares under the share option scheme adopted by the Company on 18 June 2020 (the "**Share Option Scheme**"). The options were granted to 61 eligible grantees, including one director and 60 employees of us. Each of the share options shall entitle the holder of such share option to subscribe for one ordinary share of the Company at an exercise price of HK$43.75. The share options may be exercised by the grantee during a 10-year period commencing from the date of grant in accordance with a vesting schedule.

On 14 May 2021, we offered to grant an aggregate of 17,118,723 shares under the Share Option Scheme. The options were granted to four eligible grantees, who are Directors of the Company. Each of the share options shall entitle the holder of such share option to subscribe for one ordinary share of the Company at an exercise price of HK$57.59. The share options may be exercised by the grantee during a 10-year period commencing from the date of grant in accordance with a vesting schedule.

Leasing of Industrial Facility

On 13 May 2021, certain of our subsidiaries entered into lease agreements with Shanghai Weichuang Investment Management Co., Ltd.（上海微創投資管理有限公司）for an industrial facility located at China (Shanghai) Pilot Free Trade Zone with a total gross floor area of approximately 149,263.79 sq.m. for a term of five years. The aggregate rent payable by our subsidiaries under the entire term of the lease agreements is approximately US$194.66 million, which was determined by the parties after arm's length negotiations with reference to the prevailing market rents of comparable properties.

Effects of COVID-19 Pandemic

Since early 2020, a growing number of countries and regions around the world have experienced an outbreak of the novel coronavirus (the "**COVID-19**"), a highly contagious disease known to cause respiratory illness. Significant rises in COVID-19 cases have been reported since then, causing governments around the world to implement unprecedented measures such as city lockdowns, travel restrictions, quarantines and business shutdown. The spread of COVID-19 continues to affect China and Europe, where we conduct substantially all of our business and engage in preclinical studies and clinical trials, as well as certain other countries and regions that are part of our supply chain.

The COVID-19 outbreak had a material impact on our business operations and results of operations for the year ended 31 December 2020. In response to the pandemic, we required some of our employees in China and overseas to work remotely in the beginning of 2020, but there was no major suspension to our production. Our revenue decreased by 18.2% from US$793.5 million to US$648.7 million as the sales of our medical device products declined partially because outpatient visits and elective surgeries for purposes other than COVID-19 treatment were postponed due to the COVID-19 pandemic. Our financial results from overseas markets were also negatively impacted, with our revenue decreased by 16.9% from US$432.3 million to US$359.3 million as a result of the COVID-19 pandemic.

We have adopted measures to mitigate the impact of the COVID-19 outbreak on our business operations and maintain a safe and hygienic working environment in our offices and manufacturing facilities. For example, after we resumed on-site operations, we provided our staff with protective equipment (surgical masks, sanitation and sterilization supplies, and thermometers), required all staff to self-quarantine after travel or if feeling unwell, limited in-person meetings and non-essential travel, sterilized our premises daily, and monitored the health conditions of our employees. It is uncertain when and whether COVID-19 will be contained globally. We cannot guarantee you that the COVID-19 outbreak will not further escalate or continue to have a material adverse effect on our results of operations, financial position or prospects. See "Risk Factors – Risks Relating to our Business-We face risks related to natural disasters, health epidemics, civil and social disruption and other outbreaks, which could significantly disrupt our operations, including clinical trials. In particular, the COVID-19 outbreak in China and worldwide has adversely affected, and may continue to adversely affect, our business, results of operations and financial condition" for further details.

OUR BUSINESS

We currently have eight main business segments, namely, cardiovascular devices, orthopedics devices, CRM, endovascular and peripheral vascular devices, neurovascular devices, heart valve, surgical robot and surgical devices. We primarily sell medical devices in China, Europe, North America, Asia (excluding China) and South America. As of 31 December 2020, we had offered more than 300 varieties of medical devices and providing nearly 300 medical solutions to doctors and patients across the world. In 2018, 2019 and 2020, our total revenue amounted to US$669.5 million, US$793.5 million and US$648.7 million, respectively. We recorded a profit of US$18.4 million and US$29.0 million in 2018 and 2019, respectively, and a net loss of US$223.3 million in 2020.

In 2020, we generated revenue of US$648.7 million, of which US$144.8 million, representing 22.3% of our total revenue, was derived from the cardiovascular devices business; US$201.6 million, representing 31.1% of our total revenue, was generated from the orthopedics devices business; US$180,3 million, representing 27.8% of our total revenue, was derived from the CRM business; US$68.5 million, representing 10.6% of our total revenue, was derived from the endovascular and peripheral vascular devices business; US$32.9 million, representing 5.1% of our total revenue, was derived from the neurovascular devices business; US$15.2 million, representing 2.3% of our total revenue, was derived from the heart valve business and US$4.6 million, representing 0.7% of our total revenue from the surgical devices business was derived from the surgical devices business.

In 2020, revenue generated from our sales in the PRC amounted to US$289.4 million, accounting for 44.6% of our total revenue in 2020. In our overseas market, we recorded US$206.5 million of revenue generated from Europe, accounting for 31.8% of our total revenue in 2020; US$87.8 million from North America, accounting for 13.5% of our total revenue in 2020; US$57.2 million from Asia (excluding China), accounting for 8.8% of our total revenue in 2020 and US$5.7 million from South America, accounting for 0.9% of our total revenue in 2020.

Cardiovascular Device Business

Our cardiovascular devices business offers products and services for the treatment of coronary artery-related diseases. We are committed to developing, manufacturing and commercializing market-leading coronary stents and the relevant delivery systems, along with balloon catheters and accessories.

In 2018, 2019 and 2020, sales of cardiovascular devices amounted to US$202.8 million, US$264.6 million and US$144.8 million, accounting for 30.3%, 33.4% and 22.3% of our total revenue, respectively. In 2020, our cardiovascular devices business recorded revenue of US$144.8 million, representing a decrease of 44.6% (excluding the foreign exchange impact) from 2019 primarily due to the COVID-19 pandemic and the impact of national volume-based procurement policies which has led to price adjustments for stent products that have been sold but not yet implanted in the channels. In the national centralized procurement for coronary stent products conducted in 2020, we were the only domestic company with two selected products and was granted the highest total intentional procurement volume among all players, thanks to our excellent product performance and diversified product portfolio. However, due to the centralized procurement policy for coronary stents of the PRC in the fourth quarter in 2020, we made adjustments to provision for price subsidy with reference to the 2021 implementation price for stent products that have been sold but not yet implanted in the channels, which partially led to a net loss in 2020. See "Risk Factors – Risks Relating to Our Industry – As part of its regulation of the medical industry, the PRC government has imposed reductions in the retail prices of our products periodically in the past and is expected to continue to do so. Ongoing decreases in the retail prices of our products or limitations on the profit margins we earn could materially and adversely affect our business, financial condition and results of operation" for further details. In the overseas market, we recorded revenue generated from stents of US$11.4 million, representing a decrease of 31.3% from 2019 due to the impact of COVID-19.

Drug-eluting stents

Firehawk®

Firehawk®, a rapamycin target eluting coronary stent system, is our third general drug-eluting stent. We received NMPA approval in January 2014 and commercially launched Firehawk® in March 2014. Firehawk® is a balloon-expandable cobalt-chromium target-eluting stent coated with sirolimus. Firehawk® uses a biodegradable drug coating that is specially applied so that it attaches only to the area of stent that contacts the blood vessel, thereby reducing the amount of drug released and minimizing the impact on the patient. The clinical data for Firehawk® has been published in The Lancet, one of the world's oldest and best-known medical journals, becoming the first PRC medical device company to receive such recognition. We also launched the TARGET IV NA clinical study of Firehawk® in the United States and completed our first patient enrollment, reaching a critical milestone in rolling out the product in the overseas market. We plan to collect relevant follow-up data over a five-year period from approximately 1,616 patients in about 100 clinical centers in the United States, Canada and Japan, in order to prepare the relevant materials for entry into these three large markets.

Firebird2®

Firebird2®, a rapamycin-eluting CoCr coronary stent system, is our second generation drug-eluting stent. We received NMPA approval in 2008 and launched Firebird2® commercially in January 2009. Firebird2® is a balloon-expandable stent constructed of 0.034 inch thick cobalt-chromium and coated with sirolimus. Cobalt-chromium stents are thinner, stronger and more flexible than stainless steel stents, and, as a result, provide higher efficacy.

Our Firebird2® also ranked first in terms of total intentional purchase volume in 2020, further solidifying our leading position in the product field in the PRC market.

Firebird®

Firebird is our first generation drug-eluting stent. We received NMPA approval in May 2004 and commercially launched Firebird® in July 2004. Firebird® is a balloon-expandable stent constructed of 0.042 inch thick stainless steel and coated with sirolimus. The polymer used in Firebird® is designed to be biostable and biocompatible. Firebird® was designed by our research and development team and was the first domestic drug-eluting stent in China.

Bare-metal stents

Mustang is our balloon-expandable stainless steel stent without a drug coating. We received NMPA approval in November 2000 and commercially launched Mustang in November 2000. Currently, we primarily sell Mustang in the Asia Pacific region (excluding China), South America and Europe, where there is higher demand for the relatively low cost bare-metal stents.

PTCA balloon dilatation catheters

PTCA balloon dilatation catheters are used to open blocked or narrowed coronary arteries during angioplasty procedures. PTCA balloon dilation catheters can also be used before or after the implantation of stents to open blocked or narrowed blood vessels. We use certain specific materials and coating for our PTCA balloon dilation catheters which we believe enhance their flexibility, smoothness and delivery.

We currently market three types of PTCA balloon dilatation catheters, namely, Pioneer, Foxtrot NC PTCA and Firefighter™ PTCA. Pioneer is a PTCA balloon dilation catheter and is sold in China. Pioneer is named as Scipio for sale in Japan. Foxtrot NC PTCA is a PTCA balloon dilation catheter and is sold in Asia, South America and Europe. Firefighter™ PTCA is a PTCA balloon dilation catheter designed for use with patients whose coronary arteries have hardened and require catheters with higher pressure to open the blocked or narrowed arteries and is sold in Argentina, Brazil, Chile, France, Indonesia, Iran and Spain. We received NMPA approval in July 2017 and commercially launched

Firefighter in May 2018. We commercially launched Pioneer, Foxtrot NC PTCA and Firefighter PTCA in 2010, 2017 and 2018, respectively. We received NMPA approval or the first regulatory approval from an overseas regulator for Pioneer, Foxtrot NC PTCA and Firefighter PTCA in September 2004, October 1999/September 2005 and September 2005, respectively.

Angiographic catheters and single-use accessory devices for use with intravascular catheters

Angiographic catheters are used to inject a kind of colored dye into a blood vessel which can then be viewed via a digital scanner to determine where blockages exist. Cardiologists then use this information to determine whether a stent is required and the most effective place to insert the stent. We received NMPA approval in October 1999 and commercially launched our angiographic catheters in June 2000.

Single-use accessory devices for use with intravascular catheters include various accessory devices used during intravascular procedures, such as collectors and syringes. We received NMPA approval in December 2000 and commercially launched these devices in December 2000.

Orthopedics Device Business

Our orthopedics devices business offers an extensive range of products that include reconstructive joints, spine and trauma, and other professional implants and equipment. In addition, the orthopedics global supply chain center established in 2015 provides centralized purchasing and logistic distribution services of surgical instruments for joints, spine and trauma in order to optimize the management of surgical instruments and consumables used in the implantation of our products.

In 2018, 2019 and 2020, sales of orthopedics devices amounted to US$236.3 million, US$232.4 million and US$201.6 million, accounting for 35.3%, 29.3% and 31.1% of our total revenue, respectively. For the year ended 31 December 2020, our orthopedics devices business recorded revenue of US$201.6 million, representing a decrease of 13.7% (excluding the foreign exchange impact), primarily due to the postponement of elective surgery due to the outbreak of the COVID-19. The international (non-China) orthopedics business recorded revenue of US$171.7 million, representing a decrease of 16.4% as compared to the same period of the previous year (excluding foreign exchange impact). The China orthopedics business recorded revenue of US$29.9 million, representing an increase of 11.0% as compared to the same period of the previous year (excluding foreign exchange impact).

Our orthopedic devices include titanium braces and brackets in various shapes to immobilize and/or stabilize vertebrae in the spine. Such products are often required following an injury or as a result of aging. Our orthopedic devices in development include a posterior spinal fixation system which immobilizes and stabilizes spinal segments in adults as an adjunct to surgery to fuse together vertebrae in the treatment of acute or chronic instability or deformity of the areas of the spine known as thoracic (mid– and upper-back), lumbar (lower back) and sacral (bottom of the spine), as well as devices to stabilize two cervical vertebrae (neck area of the spine) or two thoracic and lumbar vertebrae during fusion surgery. We are also developing an anterior cervical plate system which is a semi-rigid system bolted into cervical vertebrae to treat degeneration, trauma (such as fractures) and tumors involving such vertebrae and other devices for the stabilization of the cervical, thoracic and lumbar spinal areas.

CRM business

Our CRM business principally develops, manufactures and markets products including defibrillators, cardiac resynchronization therapy devices and pacemakers for the diagnosis, treatment and management of heart rhythm disorders and heart failure. In 2018, 2019 and 2020, the CRM business recorded revenue of US$158.4 million, US$209.0 million and US$180.3 million, accounting for 23.7%, 26.3% and 27.8% of our total revenue in the same years, respectively.

Since our acquisition of our CRM business from LivaNova on 30 April 2018, we have further implemented the globalization strategy of CRM business, and it is conducive to the launch of domestic products and our competitiveness. In 2018, 2019 and 2020, the international (non-China) CRM business recorded revenue of US$152.7 million, US$201.1 million and US$172.2 million, representing 96.4%, 96.2% and 95.5% of our revenue during the same years.

MicroPort Soaring CRM (Shanghai) Co., Ltd ("**MSC**") manages the research and development, production and marketing of the Company's CRM business in China. Since its establishment, the business has pushed forward its operation in an orderly manner with the guideline of the "Serving China", "Made in China" and "Created in China". In 2020, the CRM business in China achieved revenue of US$8.1 million representing an increase of 1.8% as compared to the same period of previous year (excluding the foreign exchange impact). Despite the impact of the COVID-19 pandemic in the first half of 2020, its sales volume recovered in the second half of 2020, with revenue up 15.5% (excluding the impact of foreign exchange) as compared to the same period in 2019. As the first domestic pacemaker with internationally leading quality, our brand recognition for made-in-china pacemakers continued to grow, with year to year growth in revenue of 24.7% (excluding the impact of foreign exchange) in 2020. In 2020, domestic pacemakers penetrated 168 hospitals, covering 480 hospitals as of 31 December 2021 and further solidifying its market leading position. We also strengthened our domestic R&D activities. For example, we submitted a registration application for Kora 100, a thoracic nucleus magnetic resonance compatible pacemaker. In 2020, the BonaFire passive pacing lead completed its first enrolment, and the ENO™ series pacemaker and Vega(tm) pacing lead completed their type testing and the pre-market 1.5+3.0T whole body MRI compatible clinical trial will be launched soon. The leadless pacemaker project was also officially launched in the PRC.

Endovascular and Peripheral Vascular Devices Business

Our endovascular and peripheral vascular devices business focuses on providing a range of products and services for the interventional treatment of thoracic and abdominal aortic aneurysm, peripheral vascular disease, aortic dissection and other endovascular related diseases. As of 31 December 2020, a total of five products in the endovascular devices business have been approved for the special review procedures for innovative medical devices ("**Green Path**"), with significant innovation advantages and driving long-term development. In 2020, we completed capital injection to Shanghai Blue Vein Medical Technology Co., Ltd., and established a new wholly-owned subsidiary, Shanghai Hongmai Medical Technology Co. Ltd., to further increase our investment in the research and development in the field of peripheral artery and venous vascular intervention. In 2018, 2019 and 2020, the endovascular and peripheral vascular devices business recorded revenue of US$35.0 million, US$48.5 million and US$68.5 million, accounting for 5.2%, 6.1% and 10.6% of our total revenue in the same years, respectively. The increase in revenue from the endovascular devices business from 2019 to 2020 was mainly attributable to Castor®, the world's first thoracic branch stent-graft system, strengthening our market recognition and competitiveness in aortic aneurysm and endovascular treatment market.

In the international market, the Minos®, Abdominal Aortic Aneurysm and Delivery System, has entered the market of nine overseas countries and completed its first implantation in several European countries in 2020. Castor®, the world's first branched aortic stent for clinical application, completed its first implantation in Poland as its first overseas market. Hercules® Aneurysm and Delivery system and Reewarm® PTX Drug Balloon Dilation Catheter, both obtained CE marking in 2020, further bolstering our international product portfolio, accelerating our expansion into overseas markets and offering more high quality and affordable solutions to patients around the world.

TAA/AAA stent grafts

Stent graft procedures are the primary vascular procedures for treating aneurysms. A stent graft is a metal stent covered with non-porous, waterproof film or fiber, which creates an artificial vessel wall over the aneurysm to support the blood flow and relieve pressure on the aneurysm. We manufacture and sell TAA stent grafts, Hercules stent graft system and Castor branched aortic stent-graft system used to treat thoracic aortic aneurysms, and AAA stent grafts, Hercules B, Aegis B and Minos abdominal stent graft system ("Minos"), which are used to treat abdominal aortic aneurysms.

We received NMPA approval in July 2006 and commercially launched Hercules stent graft system in July 2006, which features a unique proximal tip-capture mechanism, which enables controlled deployment and accurate placement of the stent graft. We received NMPA approval in August 2009 and commercially launched Hercules B in September 2009. We received NMPA approval in November 2002 and commercially launched Aegis B in July 2006. Aegis B is our first– generation AAA stent graft, and Hercules B is our second generation AAA stent graft which has a different structure and different fiber from Aegis B. We received NMPA approval for Minos in March 2019, which features ultra-low profile delivery system with 14F OD.

Operational stent grafts

Our operational stent graft, Cronus, is a fiber-covered bare-metal stent which is stitched directly to a patient's aorta during surgical procedures to allow continued blood flow through the vessel. These grafts thus serve as an artificial blood vessel lining which prevents a rupture or leakage of blood. We received NMPA approval in August 2004 commercially launched Cronus in September 2004.

Neurovascular Devices Business

Our neurovascular devices business segment specializes in providing products and services for the treatment of neurovascular diseases including cerebral aneurysms, intracranial atherosclerotic diseases ("**ICAD**"), carotid artery diseases ("**CAD**") and other neurovascular diseases. In 2018, 2019 and 2020, the neurovascular devices business recorded revenue of US$18.4 million, US$27.6 million and US$32.9 million, accounting for 2.8%, 3.5% and 5.1% of our total revenue in the same years, respectively. In 2020, the neurovascular devices business recorded revenue of US$32.9 million, representing an increase of 17.5% (excluding the foreign exchange impact) as compared to 2019, primarily attributable to (i) rapid growth from Tubridge®, the first flow diverting stent approved for product launch in China; (ii) the revenue contribution of newly launched product, the NUMEN® Coil Embolization System; and (iii) rapid growth of an agent product, neurovascular guide wire ASAHI.

In 2020, eight devices were available for sale. The Tubridge® Vascular Reconstruction Device ("**Tubridge®**") is the first approved domestic blood flow device for the treatment of intracranial large and giant aneurysms in China. In 2020, Tubridge® has continued to expand its clinical application. With the introduction of the hierarchical medical system that leads to further market penetration, Tubridge® has continued to increase its market share and cover 277 hospitals as of 31 December 2020. The APOLLO™ Intracranial Stent System ("**APOLLO™**") for cerebral ischemia is for treatment of intracranial atherosclerotic cerebrovascular stenosis. WILLIS™ Intracranial Stent Graft System ("**Willis™**") is the only stent graft system for intracranial cerebral aneurysms approved by the NMPA. We obtained six registration certificates in Philippines, Brazil, Argentina and Thailand for WILLIS™, Fastrack™ Microcatheter System, Tubridge® and APOLLO™ in 2020. In addition, there are a number of products under development to strengthen the neurovascular product line in the future.

Intracranial stents

Intracranial stents are extremely small stents that are used to treat vascular disorders in the brain. Our first intracranial stent, APOLLO™, is a balloon-expandable stainless steel intracranial stent without a drug coating designed to treat brain strokes by opening up blocked or narrowed blood vessels in the brain. We received NMPA approval in November 2004 and commercially launched APOLLO™ in December 2004.

Willis is a fiber-covered balloon-expandable cobalt-chromium intracranial stent graft without a drug coating and treats cerebral aneurysms by preventing the bursting of blood vessels in the brain. We received NMPA approval in February 2013 and commercially launched Willis in May 2013.

Tubridge® Vascular Reconstruction Device is a novel flow diversion device, with low porosity and high metal coverage. After placement, the flow diverter disrupts the blood flow at the aneurysm neck and diverts the blood flow away from the aneurysm sac, thus promoting intra-saccular thrombosis and endothelialization at the aneurysm neck, eventually achieving healing. We received NMPA approval in March 2018 and commercially launched Tubridge® in May 2018.

NUMEN® Coil Embolization System is designed for the treatment of neurovascular aneurysms. Depositing the platinum coil into the intracranial aneurysm could achieve reduction or blockage of the blood flow into the aneurysm to reduce the risk of the aneurysm rupture. With its three series (MicroFrame, MicroFill, MicroFinish), NUMEN® delivers coil conformability, softness and volume in a single product family. We received NMPA approval in September 2020 and commercially launched NUMEN® in May 2018.

U-track® Supporting Catheter is specifically designed for distal navigation and supports to precise delivery of a variety of neurovascular therapies. We received NMPA approval in December 2020 and would commercially launch U-track® in 2021.

Bridge® Rapamycin Target Eluting Vertebral Artery Stent System is used for extracranial vertebral artery stenosis. Bridge® features groves on the stent strut surface to control drug release. We received NMPA approval in December 2020 and would commercially launch Bridge® in 2021.

Heart Valve Business

The heart valve business focuses on the development and commercialization of innovative transcatheter and surgical solutions in the field of heart valve disease. The product on sale in this segment is the VitaFlow® Transcatheter Aortic Valve System ("**VitaFlow®**"), together with the self-developed Alwide™ balloon catheter and Alpass™ catheter sheath, providing a more comprehensive treatment solution for domestic surgeons. As of 31 December 2020, VitaFlow® was sold in 144 hospitals in 28 provinces and cities across the PRC, including 18 of the top 20 transcatheter aortic valve implantation ("**TAVI**") hospitals. We have also applied to the NMPA for the registration of VitaFlow® II transcatheter aortic valve system ("**VitaFlow® II**"), the second generation TAVI products, which has a retrievable delivery system. Our self-developed VitaFlow® II is the only made-in-China TAVI product used to conduct clinical trials in Europe and has the potential to become to the first commercialized China-developed TAVI product in Europe upon successful completion of relevant processes. In addition to the TAVI product line, we also has five transcatheter mitral valve ("**TMV**") products currently under development, aiming to penetrate the vast mitral regurgitation market. In 2019 and 2020, the heart valve business recorded revenue of US$3.1 million and US$15.2 million, representing 0.4% and 2.3% of our total revenue during the same years, respectively.

Surgical Robot Business

The surgical robot business is committed to cutting-edge research and technology integration in the fields of robotics, intelligent control and information to provide innovative medical products.

In 2020, the Group bolstered its strategic presence in the surgical robot business by establishing a diversified product portfolio that covers five "golden tracks" of surgical robots, including endoscopy, orthopedics, vascular intervention, natural cavity and percutaneous puncture. As of 31 January 2021, our self-developed Toumai® Endoscopic Surgery Robotic System (the "Toumai® Robot") has completed patient enrollment for clinical trials, being the first domestically manufactured endoscopic robot for multicenter clinical trials in the field of urology in China. Our self-developed Honghu has entered the Green Path and started its first-in-man (FIM) clinical trial in 2020, achieving a remarkable milestone as it became the first total knee replacement robot designed and developed in the PRC with complete case enrollment for its pre-marketing multicenter clinical trials. Additionally, the in-house developed DFVision 3D Electronic Laparoscope and medical endoscope cold light were granted clinical exemptions by the NMPA and have been submitted for registration with the NMPA. In 2020, we expanded into the fields of vascular robotics and percutaneous puncture robotics by investing in Robocath SAS (a French vascular robotic company), NDR Medical Technology Private Limited (a Singaporean percutaneous puncture robotic company) and Biobot Surgical Pte. Ltd. (a Singaporean prostate puncture robotic company).

We are engaged in the research and development and commercialization of surgical robots that are used to assist in surgical procedures mainly through our non-wholly owned subsidiary, Shanghai MicroPort MedBot (Group) Co., Ltd.（上海微創醫療機器人(集團)股份有限公司）("**MicroPort MedBot**").

We made a voluntary announcement regarding "Possible Spin-off and Separate Listing of MicroPort Medbot (Shanghai) Co., Ltd." on 11 December 2020. As of the date of this Offering Circular, details of the Possible Spin-off and Listing are yet to be finalized.

Surgical Devices Business

The surgical devices business focuses on extracorporeal circulation products used for cardiac surgery and occlusion series products used for congenital heart disease. These products include extracorporeal circulation series consumable products such as Oxygenation System (artificial lungs), occlusion series products used in congenital heart disease treatment (Atrial Septal Defect Occluder ("**ASD Occluder**") and Delivery System, Ductus Arteriosus Occluder ("**PDA Occluder**") and Delivery System, Ventricle Septal Defect Occluder ("**VSD Occluder**") and Delivery System) and general surgical polypropylene herniorrhaphy series products. In 2018, 2019 and 2020, the surgical devices business recorded revenue of US$5.9 million, US$4.7 million and US$4.6 million, representing 0.9%, 0.6% and 0.7% of our total revenue during the same years, respectively.

In 2020, a new generation of membrane oxygenator completed the entire enrollment process and received excellent clinical feedback.

Research and Development

We believe that the success of our operations has depended and will continue to depend to a large extent on our ability to develop new or improved medical devices. We have a proven track record of independently developing and commercializing new or improved medical devices.

Excellent research and development capability and effective research and development are key drivers for our sustainable development as an innovative medical device company. Over the past 20 years, we have been pursuing the mission of "provide doctors with access to the best medical solutions for prolonging and reshaping the lives of patients". With the goal of import substitution and building up Chinese brands, we are committed to innovation and research and development of global leading technologies, to create a technological innovation system by combining production, education and research, and to provide quality products and services to the global market. In 2020, we obtained NMPA approvals for a total of 30 products and Green Path for two products. As of the end of 2020, we had a total of 20 products that have been approved to enter the Green Path, making us the company with the largest number of such approvals in six consecutive years. In the overseas markets, we obtained FDA approvals for four products and CE marking for 14 products. As of 31 December 2020, we had 15 R&D projects that were ongoing. For the cardiovascular devices business, the Firekingfisher® Coronary Rapamycin-Eluting CoCr Coronary Stent System, which has upgraded the delivery system based on Firebird2®, obtained NMPA certification in 2020. For our orthopedics devices business, we obtained approvals for the PROFEMUR® cementless monolithic HA-coated collared GLADIATOR® femoral hip stem and the PROFEMUR® cemented monolithic collared GLADIATOR® femoral hip stem in the US and Canada in 2020. In the endovascular and peripheral vascular devices business, our self-developed Reewarm® PTX Drug Balloon Dilation Catheter has also obtained NMPA registration certificate in 2020. In the neurovascular devices business, the Bridge® Rapamycin Target Eluting Vertebral Artery Stent System, the NUMEN® Coil Embolization System and the U-track® Intracranial Support Catheter System have all obtained NMPA registration certificates in 2020. In the heart valve business, VitaFlow® obtained certificates for launch in Argentina and Thailand, gradually expanding its global presence in 2020.

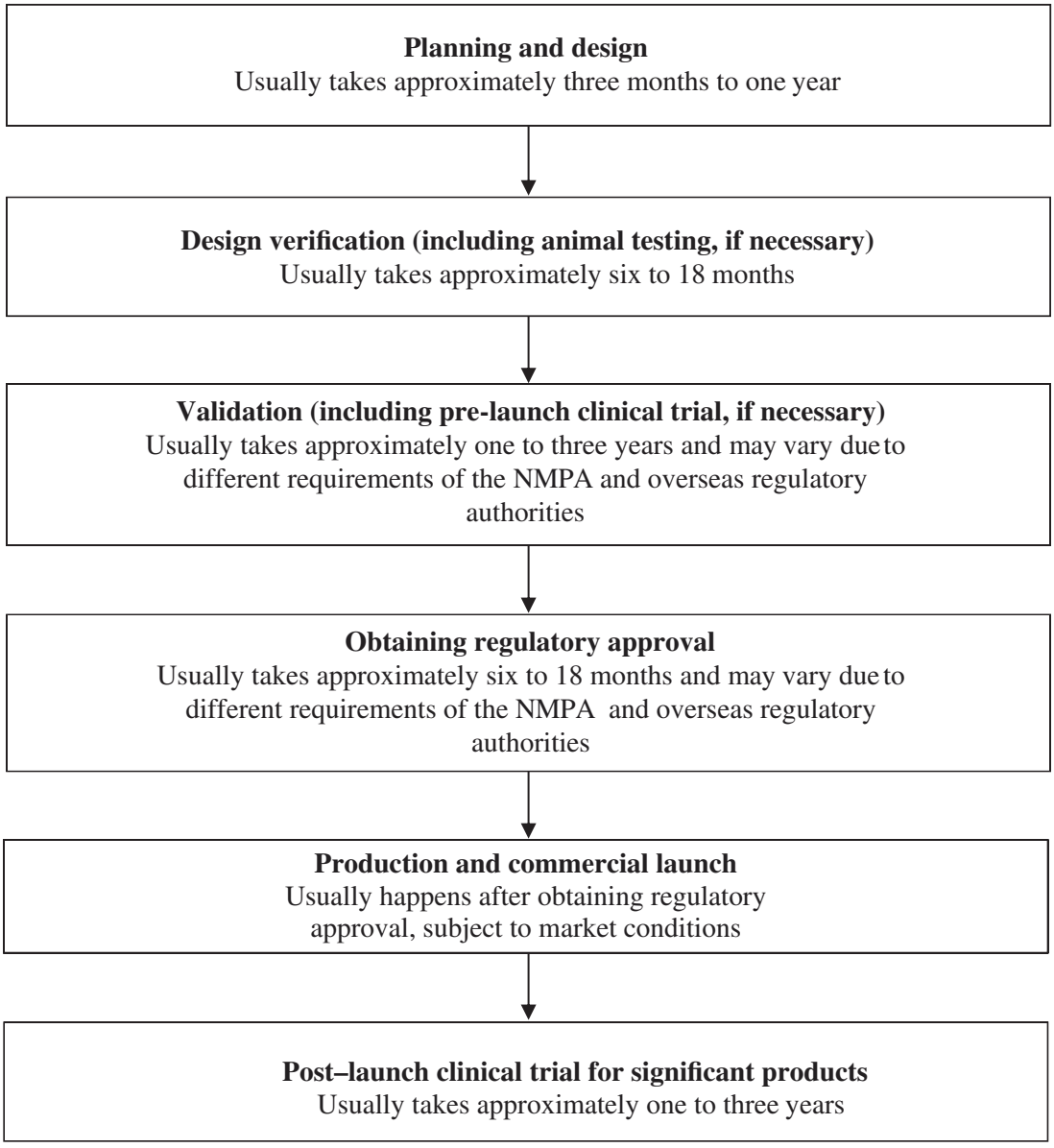
We believe that we maintain one of the largest highly skilled teams of research and development engineers and technicians in the medical device industry in China. We have a dedicated research and development department divided into 12 units focusing on different areas of product lifecycle, including, but not limited to, technology support, product design, clinical studies and physician training.

Our research and development department is led by our chief technology officer, with the support of research and development directors and manager-level professionals and various engineers and technicians for each sub-group that focuses on a particular line of products. As of 31 December 2020, there were 1,278 employees in our research and development department, which accounted for 18% of

our employees. We believe that we are able to attract highly qualified personnel who have the requisite educational or technical backgrounds we need for our operations due to the reputation of our senior management and our market position in China in the interventional technology area. We also work in close cooperation with internationally recognized physicians and scientists worldwide, to develop a range of products that meet the highest quality and clinical standards. As we strive to provide state-of-the-art medical technologies and deliver new-generation medical devices and treatments for chronic ailments, our R&D team applies their expertise to ensure the sustained innovation of our latest products. With our global footprint and a strong focus on technological innovation, we have established R&D and manufacturing facilities in Shanghai, Jiaxing, Suzhou, Dongguan in China, Memphis in the United States, Clamart in France, Saluggia in Italy and in the Dominican Republic, with over 5,000 patents (including applications), and a global workforce of over 7,000 as of 31 December 2020.

The cornerstone of our research and development platform is a core team of experienced engineers, many of whom were trained and held leadership roles at many of the major medical device companies in the world. We have engineers who focuses primarily on one product application and is involved in the entire research and development process from product design to testing and regulatory approval. Our engineers also have regular contact with the major hospitals which use our products, providing them with real-time information regarding their needs. This understanding of the entire product development process and customer needs provides a strong, flexible engineering platform which can be used to quickly develop innovative products for a wide range of medical device applications.

Our development process for a new product is typically as follows:



In 2020, our research and development projects were carried out in an orderly manner. A total of two products gained the NMPA approval and three products entered the Green Path. Since the establishment of the Green Path, 20 of our products has been granted access to the Green Path as of 31 December 2020.

Sales, Marketing and Distribution Network

We focus on innovating, manufacturing and marketing high-end medical devices globally. We offer more than 300 varieties of medical devices, and provides nearly 300 medical solutions to doctors and patients in more than 10,000 hospitals across over 80 countries or regions. We generated 57.9%, 54.5% and 55.4% of our revenue from international markets for the years ended 31 December 2018, 2019 and 2020, respectively.

We use a combination of our own marketing teams and a network of independent distributors to market and sell our products in China. Our highly trained marketing teams focus on continuously interacting with physicians through regular visits to interventional cardiologists, radiologists, vascular surgeons and physicians by our marketing teams, on-site demonstration of our products to physicians, our sponsorship of conferences, seminars and physician education programs and other activities. Our SuperPATH® hip replacement minimally invasive surgery, which was the world's first of its kind

featuring quick recovery, was met with success as more than 700 surgeons from over 550 hospitals in the PRC received training for mastering the techniques for using such product in 2020, driving up the revenue for our orthopedics devices business for 2020.

In line with market practice, we sell a majority of our products to distributors who then resell our products to hospitals. Our distributors make sales to hospitals including delivery of products and collection of payments, and conduct their own marketing of our products through their sales forces. Revenue from sales represents the invoiced value of goods, net of VAT, trade discounts, allowances and rebates. We recognize revenue when the customer takes ownership and assumes the risk of loss. For sales through distributors, transfer of ownership occurs at the time when our products are shipped or picked up by the distributors from our facility without any recourse.

Sales and marketing

We market our products directly to hospitals through our highly trained marketing teams. As of 31 December 2020, our marketing and sales department had 1,645 employees dedicated to marketing and managing and supporting our distributors. Our marketing and sales department consists of sub-groups, each of which focuses on a particular line of products, and covers both domestic and international markets.

Because purchasing departments of hospitals and physicians are key decision-makers with respect to our products, our marketing employees visit these purchasing personnel and doctors in the hospitals to educate them about our products and to introduce our new products. Our marketing employees also attend various medical conferences and seminars organized by hospitals and other medical professional organizations to promote our products, as well as participate in exhibitions and trade shows of medical devices. In addition, they gather market information on the competitive landscape and user feedback on the performance of our products as compared with our competitors' products. We also sponsor doctors' conferences and education programs. As part of our marketing campaign for a new product, we will invite on occasion well-known physicians to perform a medical procedure using the new product in public demonstrations for other doctors. We also advertise our products in industry and trade magazines and other publications. In 2020, our distribution costs were US$254.1 million.

Distribution network

In line with market practice, we sell a majority of our products to distributors who then resell our products to hospitals. As of 31 December 2020, we sold our products to approximately 500 distributors across China and over 160 distributors overseas.

Domestic distributors

Our domestic distributors are primarily engaged in the medical device distribution business. We select our distributors based on their experience in the medical device industry and logistical infrastructure. In addition, they must possess the requisite business licenses and permits to sell medical devices in China and have established relationships with hospitals and physicians within their territory. Before we appoint a distributor, we assess its sales staff and management to ensure that they have the appropriate educational background and professional skills. We review the qualifications of our distributors when our contracts with them are due to be renewed. We generally enter into distribution agreements with our distributors in China for a one-year term which are renewable by mutual agreement. Pursuant to our contractual arrangements, our distributors may not distribute any other manufacturer's products that directly compete with ours, but they are free to distribute other products, including medical devices, that we do not manufacture. Typically, our distributors sell only one category of our products.

We review each of our distributors annually based on purchase order targets set before the beginning of the year and on feedback we receive from physicians regarding the quality of such distributor's services. Our marketing and sales department monitors, manages and supports the activities

of our distributors to ensure that they comply with our guidelines, policies and procedures. See "Risk Factors – Risks related to our Company – Our business, prospects and brand may be harmed by actions taken by our distributors." in this Offering Circular.

We typically provide our principal distributors with proven credit history a credit term of 30 to 90 days, which may be extended to 180 days, and do not require them to pay us a portion of the purchase price upon their placement of an order. For other distributors, depending on our relationship with such distributors and their credit history, we typically allow them to pay 50% of the purchase price upon placement of an order with the remaining 50% due within 30 to 90 days of our delivery of the product, or ask them to pay the entire purchase price at the time of purchase. We typically require new distributors of our products to pay the entire purchase price at the time of purchase. Generally, we classify distributors with large sales volumes, proven credit histories and/or strong market positions and reputation with whom we believe we can develop long-term relationships as principal distributors and the remaining distributors as other distributors. We evaluate the classification approximately every six months.

International distributors

We sell a majority of our products in the international markets through distributors. As of 31 December 2020, we had 160 international distributors. We generally enter into exclusive distribution agreements with these distributors for a term of one to five years. Each such distributor is the exclusive distributor of a category of our products for the specific country covered by it, and has a right of first refusal with regard to our other vascular products to be distributed in the specific country. Our selection criteria, and management and credit policies for international distributors are similar to that for domestic distributors.

Relationship with distributors

We have established long-term and stable business relationships with most of our principal distributors. We have been dependent on a limited number of distributors for a significant portion of our revenue. For the years ended 31 December 2018, 2019 and 2020, the aggregate sales to our five largest domestic distributors were US$100.9 million, US$182.5 million and US$120.0 million, representing 15.1%, 23.0% and 18.5% of our revenue, respectively. For the years ended 31 December 2018, 2019 and 2020, the aggregate sales to our five largest international distributors were US$38.5 million, US$20.9 million and US$11.2 million, representing 5.8%, 2.6% and 1.7% of our revenue, respectively. We believe that we will continue to generate a significant portion of our revenue from a limited number of distributors. See "Risk Factors – Risks related to our Company – We depend on a limited number of distributors for a significant portion of our revenue. If we lose one or more of these distributors and are unable to replace them quickly, we may be unable to effectively market and sell our products, which could materially and adversely affect our business, financial condition and results of operation." in this Offering Circular.

Customer service

We have a dedicated customer service department that handles customer complaints and customer queries.

Pricing

In China, the government maintains a high level of involvement in the determination of retail prices (i.e., the prices paid by public hospitals and healthcare institutions to distributors or medical device manufacturers, as the case may be) of medical devices, and public hospitals and healthcare institutions are required to purchase high-value medical supplies, including our vascular products, at prices established through a periodic tender process. NHC periodically publishes lists of which medical devices are subject to the tender process, with the criteria being the value of the device (higher value devices are included and lower value devices are excluded from the lists). Since we commercially launched our first drug-eluting stent, Firebird®, in 2004, the tender process has occurred at irregular intervals, and at each tender, the retail prices of all tendered products, including our products, have

been reduced. For further details regarding the tender process, please see "Risk Factors – Risks related to our industry – As part of its regulation of the medical industry, the PRC government has imposed reductions in the retail prices of our products periodically in the past and is expected to continue to do so. Ongoing decreases in the retail prices of our products or limitations on the profit margins we earn could materially and adversely affect our business, financial condition and results of operation" in this Offering Circular.

Raw Materials and Suppliers

Our principal raw materials are sirolimus for the coating of our Firebird® and Firebird2® stents and plastic tubes and plastic pellets, which we melt to make our own plastic tubes, in each case for use in catheter devices. We also purchase various chemicals which we use to prepare our polymers and solvents, as well as tantalum markers and metal tubes for our stents. In line with market practice, we source a majority of our principal raw materials from international markets, including Europe, the United States and Hong Kong, with the remainder purchased in China.

We primarily use a limited number of suppliers for our principal raw materials. We generally enter into (i) framework agreements, which are renewed automatically every year unless terminated or amended by the parties, pursuant to which we place orders from time to time, or (ii) annual supply agreements which are renewed annually upon mutual agreement of the parties, with our principal suppliers. In line with market practice, our principal suppliers usually provide us a credit term of 30 to 60 days, and we also make prepayments. For the years ended 31 December 2018, 2019 and 2020, the aggregate purchases from our five largest suppliers were US$36 million, US$41 million and US$38 million, representing 18.2%, 18% and 18% of our cost of sales, respectively. We have not had any material disputes with our suppliers as of 31 December 2020.

Manufacturing

Our principal manufacturing facilities are located at our headquarters in Zhangjiang Hi-Tech Park, Shanghai, China. We also have major manufacturing facilities in Jiaxing, Suzhou and Dongguan in China, Memphis in the United States, Clamart in France, Saluggia in Italy and the Dominican Republic. We manufacture our proprietary products in a controlled environment and have implemented quality management systems as part of our manufacturing processes, as described in "– Quality control" below.

For example, the manufacturing process for our stent products generally involves the following steps:

- laser cutting the metal for the stent frame, based on designs developed by our metallurgists and engineers;
- heat treating the cut metal to enhance the durability of the stent and reduce the chance of a stress fracture;
- polishing the metal;
- inspecting the stent;
- for our drug-eluting stents, mixing the polymer and combining it with the drug and solvent to coat the exterior of the stent; in the case of our stent grafts, we apply the outside cover to the stent at this stage; and
- sanitizing and packaging.

Our integrated production process increases our production efficiency and reduces our dependence on third-party suppliers, which distinguishes us from our domestic competitors. This vertical integration also enables us to adjust our production quickly to respond to changes in market demand for our products.

We maintain separate manufacturing lines for each of our eight businesses. For catheters which are used as delivery systems for stents, our final production task is to attach the stent to the end of the catheter for later delivery into the patient. We outsource the coating of certain of our catheters to an independent third party which has a license for the technology for such coating application. We have outsourced the coating to this independent third party since 2003.

Inventory

Our inventories consist of raw materials, work in progress and finished goods. We generally maintain 3 months' to 12 months' supply of our raw materials, and such levels will vary according to the demand of our distributors, sales and production plans. We generally maintain three months to one year supply of our raw materials primarily because (i) we source a majority of our principal raw materials from overseas which may take a longer time for delivery in comparison to domestically-sourced raw materials, (ii) we spend a longer time on the inspection of inventory quality before acceptance as we require particularly high quality standards for our raw materials and (iii) we tend to order certain raw materials in relatively large batches to obtain better pricing from our suppliers. We store our inventories in our manufacturing facilities in various countries, including Shanghai, Jiaxing, Suzhou and Dongguan in the PRC, Memphis in the United States, Clamart in France, Sluggia in Italy and Dominic Republic.

Quality Assurance

Priority is given to "quality" in our values as we know that the quality of each of our products has a close bond with human life. We have an independent quality and regulatory business department and devote significant resources to quality management of our products through monitoring every stage of our quality control process, including research and development, product design, procurement of raw materials, manufacturing, product release, product feedback and risk management, so as to assure that the product quality meets our quality management standards and policies. As of 31 December 2020, our quality and regulatory affairs department had 870 employees. Our quality and regulatory affairs departments covers the following:

- *Quality assurance*: Our quality and regulatory affairs department ensures our product realization process, including research and development, product designs, purchase of raw materials, manufacturing, product releases, product feedbacks and risk management, meet our quality management standards and policies.

- *Quality control*: Our quality and regulatory affairs department inspects our products both during and after the manufacturing process, including raw material inspection, manufacturing process inspection and final products delivery inspection.

- *Testing*: Our quality and regulatory affairs department conducts various tests of our products throughout the research and development and manufacturing processes, including metal and drug analyses and product fatigue tests.

- *Quality management*: Our quality and regulatory affairs department establishes, maintains and improves our quality management system to ensure that our system is in compliance with applicable regulations and standards.

In addition, our quality and regulatory affairs department is responsible for ensuring that we are in compliance with applicable regulations, standards and internal policies. Our senior management team is actively involved in setting quality management policies and managing internal and external quality performance.

Intellectual Property Rights

We believe that in order to maintain a competitive advantage in the marketplace, we must develop and protect the proprietary aspects of our technologies. We have established an intellectual property management team under our legal department that devotes its efforts to protecting our intellectual property. Intellectual property rights are our important intangible assets, and also an inherent driver to enhance our core competitiveness in the medical devices market. Thus, while being devoted to technological innovation, we also attach great importance to the patent application and intellectual property protection, which are conducive to our healthy and sustainable development in the long run. In 2020, we filed 988 patent applications and 582 trademark applications domestically and internationally. As of 31 December 2020, we had a total of 5,097 patents (including applications) covering 28 countries and 2,766 trademarks (including applications) covering 66 countries. We had received a total of 1,066 patents in China, including 369 invention patents, 526 utility model patents and 171 design patent, 193 patents in the European Union, 36 patents in the United States, and 15 patents in Japan as of 31 December 2020.

Competition

The market in which we compete is characterized by rapid changes resulting from technological advances and scientific discoveries. In addition, it is subject to changes in China's healthcare industry overall. We face intense competition across our product lines from both international and domestic companies. Some of our major competitors include Johnson & Johnson (through its Cordis subsidiary), Medtronic, Inc., Boston Scientific Corporation, Abbott Laboratories, Cook Medical, a division of Cook Group Inc., St. Jude Medical Inc., ev3 Inc., C.R. Bard, Inc., Beijing Lepu Medical Device, Inc., Shandong JW Medical Systems Limited, Dalian Yinyi Biomaterials Development Co., Ltd and Shenzhen APT Medical Device Co., Ltd. As of the date of this Offering Circular, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent.

Employees

We had 7,084 employees as of 31 December 2020. The following table sets forth the number of our employees categorized by function as of 31 December 2020.

Function	Number
Manufacturing	2,404
Quality and regulatory affairs	870
Research and development	1,278
Marketing and sales	1,645
General and administration[(1)]	887
Total:	7,084

Notes:

(1) General and administration includes customer service employees.

(2) Others include finance staff, legal staff and head office staff.

Our total staff costs for the years ended 31 December 2018, 2019 and 2020 were US$252.6 million, US$323.3 million and US$382.4 million, respectively.

Insurance

We maintain product liability insurance, clinical trial liability insurance, property damage, business interruption, Directors and Officers ("D&O"), cyber risk, travel and transportation, and civil liability insurance policies. We believe our insurance coverage is customary for our industry and operations.

Properties and Facilities

As of 31 December 2020, we have received ownership certificates for an aggregate gross floor area of approximately 304,483 square meters for use as our manufacturing facilities, research center and office buildings.

Safety

We have established work safety policies or procedures to ensure that all parts of our operations are in compliance with applicable laws and regulations. As of 31 December 2020, our manufacturing facilities complied with applicable laws, regulations and standards and we have obtained all necessary licenses in relation to safety.

Environmental Matters

Our operations in the PRC are subject to, among other relevant environmental protection standards, the following environmental laws and regulations:

- Environmental Protection Law of the PRC（中華人民共和國環境保護法）;
- Water Pollution Prevention Law of the PRC（中華人民共和國水污染防治法）;
- PRC Law on the Prevention and Control of Air Pollution（中華人民共和國大氣污染防治法）;
- PRC Law on the Prevention and Control of Environmental Pollution by Solid Waste（中華人民共和國固體廢物污染環境防治法）;
- PRC Law on the Prevention and Control of Environmental Noise Pollution（中華人民共和國環境噪聲污染防治法）; and
- Environmental Impact Assessment Law of the PRC（中華人民共和國環境影響評價法）.

We do not operate in a high pollution generating industry, and our manufacturing process primarily produces waste water, waste liquid, solid wastes and noise.Waste water which we produce is treated in our waste water treatment facility which is managed and maintained by a professional institute. We then discharge the treated waste water to city waste water centralized disposal facilities and pay waste water disposal fees to the water supply company. Waste liquid and solid wastes produced are recycled and disposed of by waste disposal entities. Our PRC legal counsel, Global Law Offices, has advised that we have been in compliance in all material respects with applicable environmental laws and regulations as of 31 December 2020.

Special Incident

Our Company and Dr. Zhaohua Chang, our founder and Director and Chairman of our Company, were involved in an incident whereby payments were made to Mr. Hao Heping, the former director of the Division of Medical Devices of the NMPA, the details of which are set forth below. These payments were against the Anti-Unfair Competition Law（反不正當競爭法）, the Interim Rules on Prohibition of Commercial Bribery（關於禁止商業賄賂行為的暫行規定）and relevant laws and regulations and were made in the content of an environment of serious corruption inside NMPA, and multiple senior NMPA officials were convicted of accepting bribes during this time period. Notwithstanding our involvement in Mr. Hao's case, however, all of the products we have offered for sale in China have met, and currently meet, NMPA's requisite technical standards of safety and efficacy. As part of the approval process for our products, we obtained favorable test results for our devices from a test center recognized by the NMPA. For each device, the test center conducts animal and laboratory testing by strictly following the applicable product registration standards. We also conducted extensive clinical trials in conjunction with various hospitals and doctors in the PRC and gathered and correlated the relevant patient data. After the clinical trial, the provincial level of the NMPA, after receiving our application of inspection, conducted an on-site inspection of our quality management system and the

integrity of the clinical trial conducted and delivered an inspection report to us. We then provided the requisite pre-clinical and clinical trial data and information, including the foregoing inspection report, on the device and its components regarding, among other things, device design, manufacturing and labeling, to the NMPA for our product registration application. Under NMPA procedures, Mr. Hao was not involved in any of the foregoing stages. Thereafter, NMPA conducted a technical review on our application materials to ensure our products meet the requisite technical standards of safety and efficacy. In the discretion of the NMPA, the technical review may also include a review by a team of independent practitioners and experts. Typically, products which are more complex and/or can seriously affect a patient's health are subject to such independent review. All of our products approved during Mr. Hao's tenure at the NMPA were subject to a technical review by independent practitioners and experts who were non-NMPA officials, other than our PTCA balloon dilatation catheter and single-use accessory device which were reviewed by the NMPA staff and contributed an insignificant amount of our revenue during the 2018, 2019 and 2020. After we passed such technical review, our application materials underwent an administration review for the issuance of the approval certificate by the NMPA, and it was only at this stage that the signature of Mr. Hao was required. Such administration review ensured that the registration process has been in compliance with relevant laws and regulations in China. After Mr. Hao's signature, one additional signature from the deputy chief of the NMPA was required, although per NMPA procedures, the deputy chief could not sign approval certificates until Mr. Hao had signed them. Based on our Company's understanding, Mr. Hao's signature was only a procedural or administrative step which occurred after NMPA's technical review of our application materials including pre-clinical and clinical trial data and inspection report which confirmed that our products met NMPA's requisite technical standards of safety and efficacy. Without passing the technical review, our application would not have reached the stage of the NMPA's administration review for the issuance of the approval certificate. As such, our products whose certificates were signed by Mr. Hao were in full compliance with the technical requirements for NMPA approval according to its standards, and the payments to Mr. Hao described below were not paid to conceal any deficiencies in our products.

In 2003, Mr. Hao indicated to one of our former senior executives that he expected payments for certain of his personal expenses. As subsequently confirmed by Dr. Zhaohua Chang (our founder and Director and chairman of our Company) to our Directors, Dr. Chang was aware that such payments were improper, but he determined that he had no alternative because declining Mr. Hao's request might lead to a delay in the granting of the approval for our new products (for which the requisite clinical data had been provided and technical review conducted or would be conducted), particularly Firebird®, which would substantially harm our business. As a result, Dr. Chang, after several months of consideration, indirectly provided RMB220,000 in cash from his personal funds for such purpose. As confirmed to our Directors, he made this payment from his personal funds in order to minimize the impact of this conduct on our Company. In addition, the above-mentioned former senior executive also provided to Mr. Hao RMB40,000 in 2005, which was reimbursed by us.

We have, after Mr. Hao ceased to be an NMPA official, received NMPA approvals for all our product renewal applications for those products initially approved by the NMPA during Mr. Hao's tenure (with two of such products, Aegis T and Aegis B, currently being reviewed by the NMPA for their second renewal applications following Mr. Hao's departure from the NMPA). These renewal applications involve a separate review or approval process. To further demonstrate the safety and efficacy of our principal products, Firebird® and Firebird2®, we have been conducting several nation-wide post-launch clinical trials for these products, although we are not required to do so by the NMPA. As discussed in "Clinical trials" above, we have to date achieved all the safety and efficacy targets (which are consistent with those used by our international competitors) established in the protocols for our Firebird® in China, Fireman and Focus clinical trials for Firebird® and Firebird2®, which trials involve approximately 7,600 patients in total.

Each of Dr. Chang and our senior management confirmed that they have not made any payments to officials of the NMPA since the incidents involving Mr. Hao described above. Furthermore, the Board has taken Mr. Hao's case very seriously and has taken various steps to improve our corporate governance procedures and enhance the composition of our management and Board, as well as review

our internal controls, with the purpose of ensuring we have proper checks and balances in place at both the Board and management levels to minimize the likelihood that compliance issues will arise in the future.

Aside from the foregoing special incident, our Directors confirm that Dr. Chang has throughout such period maintained a positive reputation in the healthcare industry in China. For example, he has been or is currently still an advisory member of various political, technical and other bodies and has been given numerous awards in recognition of his political, entrepreneurial and technical achievements, including: (i) in January 2008, he was selected as one of the Eleventh CPPCC National Committee members（中國人民政治協商會議第十一届全國委員會委員）by the General Office of the CPPCC National Committee （中國人民政治協商會議全國委員會辦公廳). CPPCC stands for Chinese People's Political Consultative Conference, which is a political advisory body in the PRC charged with the discussion and formulation of proposals on major political and social issues and consists of delegates from a range of political parties and organizations, as well as independent members, in China, (ii) in July 2009, Dr. Chang was recognized as an Outstanding Individual（全國歸僑僑眷先進個人）by Overseas Chinese National Affairs Office of the State Council（國務院僑務辦公室), and (iii) currently Dr. Chang is a professor and associate dean of the Medical Device College of the Shanghai University of Science and Technology（上海理工大學).

Corporate Governance

Our business is governed at two levels: by our senior management, acting primarily through our executive committees, and by our Directors. We have three geographically distinctive operational committees which are Greater China Executive Committee, InterContinental Orthopedics Committee and InterContinental CRM Committee and they serve as the overall leadership teams of our Company and coordinate and make decisions with regard to day-to-day administrative, operational and managerial matters of our business. Our Directors are responsible for overseeing the overall activities of the executive committees and making significant decisions with respect to our business, such as appointing executive officers, engaging in strategic planning and adopting or revising corporate policies.

Legal Proceedings and Compliance

Our Directors confirm that we were not subject to any claims or litigation concerning the quality of our products as of the date of this Offering Circular. As of the date of this Offering Circular, we are not a party to any legal or administrative proceedings, and we are not aware of any pending or threatened legal or administrative proceedings against us. We may from time to time become party to various legal or administrative proceedings arising in the ordinary course of our business. As of the 31 December 2020, we had obtained all requisite permits, licenses and approvals for our business operations.

DIRECTORS

Our board of directors comprises seven directors, all of whom serve a term of three years. The principal focus of the Board is overall strategic development, internal controls and risk management. The Board provides guidance on business plans and monitors the results of such plans implemented by the management and reviews and approves its financial objectives and major financial activities.

The members of the Board as of the date of this Offering Circular are as follow:

Name	Position	Age
Dr. Zhaohua Chang（常兆華）.	Executive Director	58
Mr. Norihiro Ashida（蘆田典裕）.	Non-Executive Director	67
Dr. Yasuhisa Kurogi（黑木保久）.	Non-Executive Director	57
Mr. Hongliang Yu（余洪亮）.	Non-Executive Director	47
Mr. Jonathan H. Chou（周嘉鴻）.	Independent Non-Executive Director	57
Dr. Guoen Liu（劉國恩）.	Independent Non-Executive Director	64
Mr. Chunyang Shao（邵春陽）.	Independent Non-Executive Director	57

Executive Director

Dr. Zhaohua Chang（常兆華）, born in 1963, is the Chairman, Executive Director and Chief Executive Officer of the Company. He has over 30 years' experience in the medical device industry, and currently also serves as a full professor at School of Medical Device, University of Shanghai for Science and Technology. Before establishing Shanghai MicroPort Medical (Group) Co., Ltd.（上海微創醫療器械（集團）有限公司）("**MP Shanghai**") in 1998, from 1996 to 1997, Dr. Chang served as vice president of R&D at Endocare Inc., a NASDAQ listed medical device company based in California, U.S. From 1990 to 1995, he served as senior engineer, chief scientist, director of R&D and vice president of engineering at Cryomedical Sciences Inc., a public medical device company in Maryland U.S. Dr. Chang received his bachelor's degree in refrigeration engineering in 1983 and master's degree in cryogenic engineering in 1985, both from University of Shanghai for Science and Technology. In 1992, he received his doctoral degree in Biological Science from State University of New York (Binghamton). Dr. Chang has published extensively in biomedical fields and holds several dozens of patents in the United States and in China.

Non-Executive Directors

Mr. Norihiro Ashida（蘆田典裕）, born in 1954, is a Non-Executive Director of the Company. Mr. Ashida has served as a Director since 1 November 2006. He is currently holding directorship in certain subsidiaries of the Group. Mr. Ashida is also an Advisor of Otsuka Medical Devices Co., Ltd. ("**OMD**") and a Director of KISCO. OMD and KISCO are subsidiaries of Otsuka Holdings Co., Ltd ("**Otsuka Holdings**"). He had served as a Director of OMD from February 2011 to March 2019. Mr. Ashida was an Executive Operating Officer of Otsuka Holdings and the Director of its business development and planning department until 2015. Before joining Otsuka Pharmaceutical Co., Ltd. ("Otsuka Pharmaceutical") in April 2003, he was a general manager of Mizuho Corporate Bank Ltd. from 2002 to 2003. From 1999 to 2002, Mr. Ashida was a general manager of the Industrial Bank of Japan ("IBJ"), where he headed the credit department for western Japan. From 1995 to 1999, Mr. Ashida served as Vice President responsible for business development at 3iBJ Ltd., a venture capital firm formed by 3i Group plc and IBJ. From 1989 to 1995, Mr. Ashida was a Senior Vice President of IBJ (Canada). He joined IBJ in 1977 in its Tokyo branch. Mr. Ashida received his bachelor's degree in economics from the University of Tokyo in 1977.

Dr. Yasuhisa Kurogi（黑木保久）, born in 1964, is Head of Business Development of Otsuka Holdings, a substantial Shareholder of the Company. Dr. Kurogi is currently holding directorship in certain subsidiaries of Otsuka Holdings. He is also a director of the Licensing Executive Society JAPAN. Before joining Otsuka Holdings in August 2017, he was a deputy director of Business

Development of Otsuka Pharmaceutical Co., Ltd ("**Otsuka Pharmaceutical**") from 2015 to 2017. From 2007 to 2015, he was responsible for business development at Astex Pharmaceutical, Inc. and OPC. From 1992 to 2007, he was responsible for Research & Development at Cambridge Isotope Laboratories, Inc., Otsuka Maryland Research Laboratory, Inc., OPC, and Otsuka Pharmaceutical Factory, Inc. Dr. Kurogi received his Ph.D. degree in medicinal chemistry from the Hiroshima University in 1992 and was a fellow at Okazaki National Research Institutes in 1990. He also was a visiting lecturer of Tohoku University in 2000.

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

Independent Non-Executive Directors

Mr. Jonathan H. Chou（周嘉鴻）, born in 1964, was appointed as our Independent Non-Executive Director ("**INED**") on 3 September 2010. He is a seasoned finance and operations executive with more than 30 years of professional experience from banking to various senior leadership positions with Fortune 500 companies. These companies include Honeywell International, Tyco (ADT), Lucent Technologies/Bell Labs, and Public Service Enterprise Group (PSEG). His publicly listed company CFO roles include CFO for Feihe International, where his efforts led to a successful listing on the Main Board of the New York Stock Exchange in 2009. He held the CFO plus other C-level roles from 2010 to 2018 for Kulicke & Soffa Industries, Inc. (NASDAQ: KLIC), a leading provider of semiconductor packaging and electronic assembly solutions supporting the global automotive, consumer, communications, computing, and industrial segments. More recently in January 2021, Mr. Chou was appointed as an Independent Non-Executive Director of MicroPort CardioFlow Medtech Corporation, a subsidiary of the Company, which gained successful listing on the Hong Kong Stock Exchange on February 4, 2021. Mr. Chou joined the Singapore headquartered UTAC Group in February 2021 as its CFO. The UTAC Group is an independent provider of assembly and test services for a broad range of semiconductor chips offering a full range of semiconductor assembly and test services. Mr. Chou holds an MBA from Duke University's Fuqua School of Business and a B.A. from the University at Buffalo.

Dr. Guoen Liu（劉國恩）, born in 1957, was appointed as our Independent Non-Executive Director on 3 September 2010. Dr. Liu is a noted scholar in the fields of health and development economics, health reform and pharmaceutical economics. Dr. Liu currently serves as Peking University BOYA Distinguished Professor of Economics, Dean of Peking University Institute for Global Health and Development, MOH Yangtze River Scholar professor of economics at the Peking University National School of Development. From 2000 to 2006, Dr. Liu was a tenured associate professor of University of North Carolina at Chapel Hill. From 1994 to 2000, Dr. Liu was an assistant professor of University of Southern California. Dr. Liu also serves as an editor or associate editor in various journals in the field of health economics and pharmaceutical economics. Dr. Liu received his bachelor's degree in mathematics from Southwestern University for Nationalities in 1981, his master's degree in statistics from Southwestern University of Finance and Economics in 1985, his Ph.D. in economics from the City University of New York Graduate Center in 1991, and postdoctoral training in health economics from Harvard University in 1994.

Mr. Chunyang Shao（邵春陽）, born in 1964, was appointed as our INED on 23 September 2016. Mr. Shao is currently a partner of JunHe LLP and a member of the All China Lawyers Association and Shanghai Bar Association. Mr. Shao specializes in practice such as corporate, foreign investment, real estate, mergers and acquisitions, securities, infrastructure and project finance. From July 1988 to

October 1993, Mr. Shao worked in Anhui Foreign Economy Law Office. From November 1995 to March 2002, Mr. Shao worked in the London, Hong Kong and China offices of major international law firms, including in Simmons & Simmons as PRC legal counsel and Sidley Austin as a senior PRC legal consultant. Mr. Shao joined JunHe LLP in April 2002. Mr. Shao is currently the independent director of Changjiang & Jinggong Steel Building (Group) Co., Ltd. (長江精工鋼結 構(集團)股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 600496)), Zhejiang Aishida Electric Co., Ltd. (浙江愛仕達電器股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002403)) and Pharma Resources Shanghai Co., Ltd. (上海泓博智源醫藥股份有限公司). Mr. Shao received his bachelor's degree in law from East China University of Political Science and Law in 1987, and was admitted to practice PRC law in 1988. From 1993 to 1994, Mr. Shao worked as a visiting lawyer in Sino-Britain Young Lawyers' Exchange Program in the UK. In 2002, he received his master's degree in law from East China University of Political Science and Law.

Senior Management

We currently consists of three geographically distinctive operational units which are Greater China Executive Committee ("**CEC**"), InterContinental Orthopedics Committee ("**IOC**") and InterContinental CRM Committee ("**ICC**"). The above committees are under management of Dr. Zhaohua Chang (常兆華), Executive Director, the Founder, Chairman and CEO of the Company and MP Shanghai. Please refer to the section headed "Directors-Executive Director" above for the details of his biography.

Greater China Executive Committee

Mr. Bo Peng (彭博), is the Chief Marketing Officer of Shanghai MicroPort Medical (Group) Co., Ltd. and the Chairperson of CEC. Prior to current position, Mr. Peng served as Senior Vice President of Domestic Sales and Marketing of the Company. Mr. Peng has over 22 years of experience in marketing and sales. Prior to joining the Company in 2001, Mr. Peng served as the director, vice president and sales general manager of Xianxing Electronics Group. Mr. Peng received his bachelor's degree in Computer Science from Changchun University of Science and Technology in 1990 and his master's degree in Business Administration from Shanghai University of Finance & Economics in 2003.

Mr. Hongbin Sun (孫洪斌), is the Chief Financial Officer of the Company, the Co-Chairperson of CEC and a member of ICC. Mr. Sun has over 23 years of finance experience. Mr. Sun was the Director and general manager of Otsuka China from 2006 to 2010. From 2004 to 2006, he served as a financial director of Otsuka China. From 1998 to 2003, Mr. Sun was an assistant manager of the Shanghai office of KPMG. Mr. Sun is a member of the Chinese Institute of Certified Public Accountants and is also a Chartered Financial Analyst. Mr. Sun received his bachelor's degree in Economics from Shanghai Jiao Tong University in 1998.

Dr. Qiyi Luo (羅七一), is the Chief Technology Officer ("**CTO**") of the Company and a member of CEC and ICC. Dr. Luo has over 29 years of experience in the medical device industry. Prior to joining the Company in 2003, he worked as a principal research and development engineer and a senior manufacturing/development engineer at Medtronic AVE from 1995 to 2002. From 1991 to 1995, he worked as a supervisor and an engineer of the angioplasty research and development team at Vas-Cath Inc., a subsidiary of C.R. Bard, Inc. Dr. Luo is the inventor or a co-inventor of over 200 patents in China, the United States, Japan and the European Union. Dr. Luo received his bachelor's degree in Applied Science from Yunnan University of Technology in 1983, his master's degree in Applied Science from Queen's University in Canada in 1990 and doctor's degree in Biomedical Engineering from University of Shanghai for Science and Technology in 2015.

Mr. Yimin Xu (徐益民), is Executive Vice President of Regulatory Affairs & Property Management of Shanghai MicroPort Medical (Group) Co., Ltd. and a member of CEC. Prior to current position, Mr. Xu has served as Vice President of Quality and Regulatory of the Company. He has over 20 years of experience in medical device industry. Prior to joining us in 2000, Mr. Xu served as project manager in Shanghai Zhangjiang Hi-Tech Development Co., Ltd. and Shanghai Zhangjiang Hi-Tech Innovation Centre, from 1995 to 2000. Mr. Xu also served as quality engineer in Nanjing No.2 Air Compressor Factory from 1988 to 1992. Mr. Xu received his master's degree in Mechanical and Electronic Engineering from Shanghai Jiao Tong University in 1995.

Dr. Chengyun Yue（樂承筠）, is the Senior Vice President of Business Development and Project Management of MP Shanghai and a member of CEC. Prior to current position, Dr. Yue has served as First Vice President of Business Development and Project Management, Vice President of Planning and Project Management, Senior Director of Project Management Office, and Director of R&D Support of the Company. Before joining the Company, Dr. Yue worked in a Biotech company in Southern California for 7 years for developing islets transplantation product. Dr. Yue received both her bachelor's and master's degree from Nanjing University, Ph.D. in Material Science from University of Alabama, and conducted her postdoctoral research in Biomedical Engineering at the California Institute of Technology.

Mr. Yiyun Que（闕亦雲）, is the Senior Vice President of Supply Chain of Interventional Cardiology of MP Shanghai and a member of CEC. Prior to current position, Mr. Que served as First Vice President of Coronary Manufacturing and Engineering, Vice President of Manufacturing and Engineering of the Company and has over 14 years' experience in medical device industry. Prior to joining the Company in 2006, Mr. Que served as an engineering manager in Shanghai Lenovo Electronic Co., Ltd. Mr. Que received his bachelor's degree in Industrial Engineering from Sichuan University in 2001 and his master's degree in Biomedical Engineering from University of Shanghai for Science and Technology in 2015.

Dr. Linda Lin（林映卿）, is the First Vice President of Overseas Business of Shanghai MicroPort Medical (Group) Co., Ltd. and a member of CEC. Dr. Lin has over 25 years of experience in healthcare industry. Prior to joining the Group in 2013, Dr. Lin served as director of RA&QA, health economics and government affairs for Boston Scientific China, international marketing manager for Boston Scientific HQ in United State and marketing manager of coronary business in China. Dr. Lin also worked as the general manager for foreign government loan business for GE Healthcare China; she was responsible for the management of large projects involving interest-free loans from foreign governments to Chinese medical institutions. Dr. Lin graduated from Guangdong Foreign Normal University; she received her postgraduate degree in Accounting from Tianjin Institute of Finance and Economics in 1999, and her doctor's degree in business administration from Belgium United Business Institutes in 2011.

Intercontinental Orthopedics Committee

Ms. Glendy Wang（王固德）, is the Chief Operating Officer of the Company, Chairperson of IOC. Ms. Wang has more than 39 years of experience in the medical device industry. Before joining the Company, from 1997 to 2016, Ms. Wang served as a managing director of Greater China at Smith & Nephew, based in Shanghai. From 1996 to 1997, she served as a business director of China and Hong Kong at Becton Dickinson, based in Beijing. From 1982 to 1989, Ms. Wang served as a franchise manager at Johnson & Johnson Ethicon, based in Taiwan. Ms. Wang graduated from Taiwan Christ's college in 1981 and majored in business management. She also finished leadership program in INSEAD.

Mr. Benny Hagag, is the President of MicroPort Orthopedics Inc. and Co-Chairperson of IOC. Mr. Hagag is a highly experienced medical device executive, with over 25 years leading a multitude of business functions with a deep background in R&D and business development. One of Benny's most notable accomplishment is the co-founding of MAKO Surgical Group, an orthopedic company, focused in the development of robotic platform and implants for joint replacement surgeries. Mr. Hagag joined Stryker following its acquisition of MAKO in 2013 as the international general manager and vice president for the MAKO robotic business. Most recently, he was the general manager and vice president for Stryker Asia Pacific for the MAKO business, based in Hong Kong. Mr. Hagag holds a bachelor's degree in Aerospace Engineering and a master's degree of Business Administration with a focus on High Technology, both from Technion in Israel.

Mr. Jonathan Chen, is the Chief International Business Officer ("**CIBO**") of the Company, Chairperson of ICC and a member of IOC. Prior to current positions, he has served as the Executive Vice President of International Operations and Investor Relations of the Company. Mr. Chen's primary responsibilities include expanding the Company's International business in markets of the U.S, Europe, Asia Pacific and South America. Mr. Chen has over 24 years of experience in the medical device

industry. Prior to joining the Company, Mr. Chen worked for Angiotech Pharmaceuticals, Inc. for 6 years, where he was senior vice president of business development & financial strategy. He led the management team to build a diversified medical products business through several transformational acquisitions and licensing transactions. Prior to joining Angiotech, Mr. Chen was a life sciences investment banker for Credit Suisse and Alex. Brown & Sons. He helped his clients raise in excess of $2 billion in equity and debt capital and advised on over $3 billion in mergers & acquisitions transactions. Mr. Chen holds a Bachelor of Arts degree in Economics and a bachelor of sciences degree with honors in Biological Sciences from Stanford University.

Mr. Todd Smith, is the Vice President of Finance of MicroPort Orthopedics Inc. and a member of IOC. Following the Company's asset purchase of Wright Medical Technology's OrthoRecon Business in January 2014, he serves as Vice President of Finance of MicroPort Orthopedics Inc. Prior to his current position, Mr. Smith had been Wright's senior director of strategic and financial planning from 2011 to 2014; from 2001 to 2010, he served as Wright's director and senior director of international finance. Prior to joining Wright, Mr. Smith was the vice president and finance controller of Vision America, Inc. and was a member of the audit staff in the Memphis office of KPMG. He holds a Bachelor of Arts degree at Rhodes College and is a member of the American Institute of Certified Public Accountants (AICPA).

Intercontinental CRM Committee

Mr. Jonathan Chen, CIBO of the Company, Chairperson of ICC and a member of IOC. Please refer to the above for the details of his biography.

Mr. Benoît Clinchamps, is President of MicroPort CRM and Co-Chairperson of ICC. Mr. Benoit Clinchamps has 22 years of experience in the medical device industry and 9 years of experience in the aerospace industry. Previously, Mr. Clinchamps served as vice-president & general manager of the CRM business in LivaNova and he served as vice-president for product development & regulatory affairs, vice president for quality assurance & regulatory affairs, director of plant manager and quality assurance & regulatory affairs in Sorin group. Prior to joining Sorin group, Mr. Clinchamps spent 6 years at GE Healthcare and was the director of operations in Europe where he was Six Sigma Champion. Before entering into the healthcare and medical product industry, Mr. Clinchamps served as the project manager in several international projects in the aerospace industry. Mr. Clinchamps holds an Engineering degree from ICAM Lille France (Institut Catholique des Arts et Métiers). He furthermore completed a Management Course in Aerospace in ENSAE Toulouse France (Ecole Nationale Supérieure de l'Aéronautique et de l'Espace) and in TUM Germany (Technische Universitat München). He is a certified 6 Sigma Black Belt and also took an executive course at INSEAD Fontainebleau France.

Mr. Hongbin Sun（孫洪斌）, CFO of the Company, Co-Chairperson of CEC and a member of ICC. Please refer to the above for the details of his biography.

Dr. Qiyi Luo（羅七一）, CTO of the Company, a member of CEC and ICC. Please refer to the above for the details of his biography.

Dr. Philippe Wanstok, is Senior Vice President of Sales & Marketing & Customer Service & Market Access of MircroPort CRM and a member of ICC. Following the Company's asset purchase of LivaNova PLC's CRM business in May 2018, he serves as Senior Vice President of Global Sales of MircroPort CRM since August 2018. He has over 30 years of experience in medical device industry. Most recently, he was acting as Chief Commercial Officer for CVRx. Before that, he served as the international general manager of Cardiac Rhythm Disease Management – Commercial Operations at Medtronic, leading an international team of near 3,000 colleagues generating more than $2.4 billion of revenues in active markets of implantable devices. Dr. Wanstok participated in the establishment and development of cardiac rhythm business of Medtronic. He also worked at Guidant, where he served in a variety of management roles during which he established successful country and regional operation personnel, sales organization and distribution channels in France and Spain. After Guidant's merger with Boston Scientific, Dr. Wanstok served as the vice president of international marketing for Boston

Scientific, where he established and launched global marketing strategies. Dr. Wanstok holds a master's degree in Economics from the University of Paris-Assas and a Ph.D in Finance and International Marketing from the University of Pantheon-Sorbonne.

Mr. Paul Vodden, is Vice President of Finance of MicroPort CRM and a member of ICC, roles he has had since the Company's asset purchase of LivaNova PLC's CRM Business in May 2018. From 2011 to 2018, Mr. Vodden was with the Sorin Group, latterly LivaNova, where as vice president of finance he held financial responsibility for its business in the European and Japanese markets as well as globally for CRM. From 2003 to 2011, he held European finance management roles within Boston Scientific. Prior to 2003, he worked in Hewlett Packard, in both the UK and France, with several roles including worldwide controller of the commercial desktop business. Mr. Vodden has worked in PricewaterhouseCoopers in the UK, where he qualified as a Chartered Accountant with ICAEW. Mr. Vodden graduated in Business Economics and Accounting from the University of Southampton.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding ownership of our outstanding shares as of 31 December 2020 by those persons who beneficially own more than 5% of our outstanding shares, as recorded in the register maintained by us:

Name of substantial shareholder	No. of shares	Capacity	Nature of interest	Percentage of total number of shares in issue (%)
Otsuka Holdings Co., Ltd. [(1)]	382,994,120	Interest of controlled corporation	Long position	21.17
Otsuka Medical Devices Co., Ltd. [(1)]	382,994,120	Beneficial owner	Long position	21.17
Maxwell Maxcare Science Foundation Limited[(2)]	265,107,188	Interest of controlled corporation/ Beneficial owner	Long position	14.65
We'Tron Capital Limited[(2)]	264,085,864	Beneficial owner	Long position	14.59
Shanghai We'Tron Capital Corp. [(2)]	264,085,864	Interest of controlled corporation	Long position	14.59
Shanghai Zhangjiang (Group) Co., Ltd. [(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai Zhangjiang Science and Technology Investment Co. [(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai Zhangjiang Haocheng Venture Capital Co., Ltd. [(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. [(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai Zhangjiang Science and Technology Investment (Hong Kong) Company Limited[(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai ZJ Hi-Tech Investment Corporation[(3)]	221,748,050	Interest of controlled corporation/ Beneficial Owner	Long position	12.25
Shanghai ZJ Holdings Limited[(3)]	221,748,050	Interest of controlled corporation	Long position	12.25
Shanghai Zhangjiang Health Solution Holdings Limited[(3)]	214,705,470	Beneficial Owner	Long position	11.86
Hillhouse Capital Advisors, Ltd. [(4)]	153,694,000	Investment manager	Long position	8.49
Gaoling Fund, L.P. [(4)]	147,009,000	Beneficial Owner	Long position	8.12
China Renaissance Holdings Limited[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
CR Investments Corporation[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
Grand Eternity Limited[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
Helix Capital Partners[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
East Image Limited[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
East Mega Limited[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
Zhang Junjie[(4)]	96,179,847	Interest of controlled corporation	Long position	5.32
Starwick Investments Limited[(4)]	96,179,847	Beneficial Owner	Long position	5.32

Notes:

(1) 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.

(2) Maxwell Maxcare Science Foundation Limited holds 100% interest of Shanghai We'Tron Capital Corp. which in turn is interested in 94.19% of We'Tron Capital Limited. Therefore, Maxwell Maxcare Science Foundation Limited, Shanghai We'Tron Capital Corp. and We'Tron Capital Limited are interested in the same 264,085,864 Shares held by We'Tron Capital Limited.

(3) Shanghai Zhangjiang (Group) Co., Ltd. is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People's Government. Shanghai Zhangjiang (Group) Co., Ltd. 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. Shanghai Zhangjiang (Group) Co., Ltd. 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 ZJ

Holdings Limited, which in turn holds 50% in Shanghai ZJ Hi-Tech Investment Corporation. Shanghai ZJ Hi-Tech Investment Corporation holds 100% interest in Shanghai Zhangjiang Health Solution Holdings Limited. The interest in 221,748,050 Shares relates to the same block of Shares in long position held by the following companies:

Name of Controlled Corporation	No. of Shares	Approximate percentage of total number of Shares in issue (%)
Shanghai Zhangjiang Health Solution Holdings Limited	214,705,470	11.86
Shanghai ZJ Hi-Tech Investment Corporation	7,042,580	0.39
Total	221,748,050	12.25

(4) China Renaissance Holdings Limited holds 100% interests of CR Investments Corporation, which in turn is interested in 100% of Grand Eternity Limited. Grand Eternity Limited, Zhang Junjie and GU Zheyi respectively hold 51%, 29.4% and 19.6% interests of Helix Capital Partners. Zhang Junjie also holds 100% interests of East Mega Limited. Each of Helix Capital Partners and East Mega Limited holds 50% voting management shares of Starwick Investments Limited respectively. East Image Limited is interested in 92.96% non-voting participating shares issued by Starwick Investments Limited. Starwick Investments Limited holds 96,179,847 Shares in long position.

RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between us or our consolidated subsidiaries and our Directors, executive officers and Principal Shareholders and, in each case, the companies with whom they are affiliated. Each of our related party transactions was entered into in the ordinary course of business, on fair and reasonable commercial terms, in our interests and the interests of our shareholders.

TRANSACTIONS WITH RELATED PARTIES

The table below sets forth certain material transactions between us and our related parties for the periods indicated:

	For the year ended 31 December		
	2018	2019	2020
		(US$) (in thousands)	
Sale of goods to:			
Thai Otsuka	875	3,841	3,236
Otsuka Philippines	894	698	403
Otsuka Indonesia	773	992	225
Otsuka Pakistan	804	556	148
JIMRO Co., Ltd.	122	34	–
KISCO Co., Ltd.	553	579	412
MP EP	–	379	751
Horizon	–	–	223
Purple Medical	–	–	209
MP Lifesciences	–	–	80
	4,021	7,079	5,687

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The table below sets forth the remuneration of our key management for the periods indicated:

	For the year ended 31 December		
	2018	2019	2020
		(US$) (in thousands)	
Salaries and other benefits	2,879	2,780	2,934
Discretionary bonuses	2,325	1,542	177
Retirement scheme contributions	73	67	89
Equity-settled share-based payment expenses	3,093	5,400	40,527
Cash-settled share-based payment expenses	1,107	597	468
	9,477	10,386	44,195

TERMS AND CONDITIONS OF THE BONDS

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds.

The issue of the U.S.$700,000,000 in aggregate principal amount of zero coupon convertible bonds due 2026 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 (*Further Issues*) and consolidated and forming a single series therewith) of Microport Scientific Corporation (the "**Issuer**") and the right of conversion into Shares (as defined in Condition 6(a)(v) (*Meaning of "Shares"*)) was authorised by the board of directors of the Issuer on 25 May 2021. The Bonds are constituted by a trust deed (as amended or supplemented from time to time, the "**Trust Deed**") dated on or about 11 June 2021 (the "**Issue Date**") made between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders (as defined below) of the Bonds (the "**Trustee**", which expression shall include all persons for the time acting as trustee or trustees under the Trust Deed). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the paying, conversion and transfer agency agreement dated on or about 11 June 2021 (as amended or supplemented from time to time, the "**Agency Agreement**") relating to the Bonds made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying and conversion agent (the "**Principal Agent**"), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the "**Registrar**") and transfer agent and the other paying, conversion and transfer agents appointed under it (each a "**Paying Agent**", "**Conversion Agent**", "**Transfer Agent**" and together with the Registrar and the Principal Agent, the "**Agents**") relating to the Bonds. References to the "**Principal Agent**", "**Registrar**" and "**Agents**" below are references to the principal agent, registrar and agents for the time being for the Bonds.

Copies of the Trust Deed and the Agency Agreement are available for inspection upon prior written request and satisfactory of proof of holding during usual business hours at the principal office for the time being of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom). The Bondholders are entitled to the benefit of and are bound by all provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

1. Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge and Other Covenants*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4 (*Negative Pledge and Other Covenants*), at all times rank at least equally with all of the Issuer's other present and future unsecured and unsubordinated obligations.

2. Form, Denomination and Title

(a) *Form and Denomination:* The Bonds are in registered form in the denomination of U.S.$200,000 each and integral multiples of U.S.$100,000 in excess thereof (the "**Authorised Denomination**"). A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be represented by the Global Bond Certificate deposited with a common depositary for, and representing Bonds registered in the name of a nominee of, Euroclear and Clearstream. The Conditions are modified by certain provisions contained in the Global Bond Certificate. See "***The Global Bond Certificate***".

(b) *Title*: Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3 (*Transfers of Bonds; Issues of Certificates*). The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

3. Transfers of Bonds; Issue of Certificates

(a) *Register*: The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) *Transfer*: Subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back of such Certificate duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of the transfer; *provided, however, that* a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Bond Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) *Delivery of New Certificates*: Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within five business days (as defined below) of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer.

Except in the limited circumstances described herein (see "***The Global Bond Certificate***"*), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form.*

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Bonds not so transferred, converted or redeemed will be made available for collection at the specified office of the Registrar or such other relevant Agent

or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or redeemed (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3, Condition 5 (*Interest*) and Condition 6 (*Covenants*), "**business day**" shall mean a day other than a Saturday, Sunday or public holiday on which banks are open for business in Hong Kong and in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

(d) *Formalities Free of Charge*: Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or any of the Transfer Agents, but (i) upon payment (or the giving of such indemnity as the Issuer, the Registrar or such Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer and (ii) subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*).

(e) *Closed Periods*: No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice (as defined in Condition 6(f) (*Notice of Change in Conversion Price*)) has been delivered by such Bondholder with respect to a Bond; (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*)) or a Put Notice (as defined in Condition 8(e) (*Redemption at the Option of the Bondholders*)) has been deposited by such Bondholder in respect of such Bond pursuant to Conditions 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) or 8(e) (*Redemption at the Option of the Bondholders*) respectively; or (iv) during the period of seven days ending on (and including) any date of redemption pursuant to Conditions 8(b) (*Redemption for Taxation Reasons*) and 8(c) (*Redemption at the Option of the Issuer*). Each such period is a "**Closed Period**".

(f) *Regulations*: All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Bondholder upon prior written request and satisfactory proof of holding.

4. Negative Pledge and Other Covenants

(a) *Negative Pledge*: So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries (other than Listed Subsidiaries) will, create or permit to subsist any Security Interest 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 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.

(b) *Undertakings relating to the NDRC*: The Issuer undertakes to submit or cause to be submitted the National Development and Reform Commission of the PRC or its competent local counterpart (the "**NDRC**"), the requisite information and documents within the prescribed timeframe after the Issue Date in accordance with the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) promulgated by the NDRC on

14 September 2015 which came into immediate effect and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (the "**NDRC Post-Issuance Filing**"). The Issuer shall comply with all applicable PRC laws and regulations in relation to the issue of the Bonds.

The Issuer shall within ten PRC Business Days after submission of such NDRC Post-Issuance Filing provide the Trustee with a certificate (substantially in the form scheduled to the Trust Deed) in English signed by two directors of the Issuer confirming the submission of the NDRC Post-Issuance Filing. The Issuer shall within ten PRC Business Days after submission of such certificate to the Trustee give notice to the Bondholders (in accordance with Condition 16 (*Notices*)) confirming the completion of the NDRC Post-Issuance Filing. The Trustee shall have no duty or obligation to monitor or assist with or ensure the completion of the NDRC Post-Issuance Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-Issuance Filing, and shall not be liable to Bondholders or any other person for not doing so.

In these Conditions:

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases (other than any liability in respect of a lease or hire purchase contract which would have been classified as an "operating lease" before the adoption of GAAP 16);

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days (other than trade payables incurred in the ordinary course of business); and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Listed Subsidiary**" means, with respect to any Person, any Subsidiary any class of shares carrying Voting Rights of which is listed, whether on the Issue Date or in the future, on a Qualifying Exchange and any Subsidiary of a Listed Subsidiary;

"**PRC Business Day**" means a day, other than a Saturday, Sunday or public holiday on which commercial banks are open for business in Beijing, the PRC;

"**PRC**" the People's Republic of China, which, for the purposes of these Conditions, shall not include Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Qualifying Exchange**" means either (a) the New York Stock Exchange, the London Stock Exchange, The Stock Exchange of Hong Kong Limited, the Nasdaq Stock Market, Singapore Exchange Securities Trading Limited, The Shanghai Stock Exchange or the Shenzhen Stock Exchange or (b) a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act).

"**Relevant Indebtedness**" means 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 Issuer or any of the Issuer's Subsidiaries);

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

"**Subsidiary**" means, in relation to any Person, any entity which is "controlled" and consolidated by such Person in accordance with applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards.

In this Condition 4, "**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

5. Interest

The Bonds do not bear interest.

However, if the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 3 per cent. per annum (both before and after judgment) 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 has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh business day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). Such default interest shall accrue on the basis of a 360-day year of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

6. Conversion

(a) Conversion Right

(i) *Conversion Period*: Subject as hereinafter provided, the Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(a)(v) (*Meaning of "Shares"*)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the "**Conversion Right**".

Subject to and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 22 July 2021 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the tenth day prior to the Maturity Date (as defined in Condition 8(a) (*Maturity*)) (both days inclusive), except as provided in Condition 6(a)(iv) (*Revival and/or Survival after Default*), in no event thereafter,) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) or Condition 8(e) (*Redemption at the Option of the Bondholders*) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the "**Conversion Period**").

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of shareholders of the Issuer is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a "**Book Closure Period**"), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(e)(i)) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

The number of Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bond to be converted (translated into Hong Kong dollars at the fixed rate of HK$7.7594 = U.S.$1.00 (the "**Fixed Exchange Rate**")) by the Conversion Price in effect on the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted by such holder rounded down to the nearest whole number of Shares.

(ii) *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if a Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 1 June 2021 which reduces the number of Shares outstanding, the Issuer will upon conversion of

Bonds pay in cash (in U.S. dollars) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(c)(ii)(A), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds U.S.$10.00. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6(e)(i)) after the relevant Conversion Date.

(iii) *Conversion Price and Conversion Ratio*: The price at which Shares will be issued upon conversion (the "**Conversion Price**") will initially be HK$92.8163 per Share, but will be subject to adjustment in the manner provided in Condition 6(c) (*Adjustments to Conversion Price*) and Condition 6(d) (*Adjustment upon Change of Control*). For the purposes of these Conditions, "**Conversion Ratio**" means the principal amount of each Bond (translated into Hong Kong dollars at the Fixed Exchange Rate) divided by the applicable Conversion Price.

(iv) *Revival and/or Survival after Default*: Notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10 (*Events of Default*), or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(a) (*Maturity*) or the applicable date for redemption in accordance with Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) or Condition 8(e) (*Redemption at the Option of the Bondholders*), the Conversion Rights attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

(v) *Meaning of* "***Shares***": As used in these Conditions, the expression "**Shares**" means ordinary shares of par value U.S.$0.00001 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(b) Conversion Procedure

(i) *Conversion Notice*: Upon the exercise of any Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during the usual office hours (being 9:00 a.m. to 3:00 p.m., Monday to Friday on which commercial banks are open for business) in the city at the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(b)(ii) (*Stamp Duty etc.*) have been so paid or, if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) or Condition 8(e) (*Redemption at the Option of the Bondholders*), then up to the close of

business (at the place aforesaid) on the day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when a Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(iv) (*Revival and/or Survival after Default*)) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice to the relevant Conversion Agent and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the hours specified above on the next business day following such day. Any Bondholder who deposits a Conversion Notice during a Closed Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next business day after the end of the Closed Period, which (if all other conditions to the exchange have been fulfilled) will be the Conversion Date for such Bonds *provided that* such date did not fall outside the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal or the Issuer fails to deliver Shares in accordance with these Conditions. "**Stock Exchange Business Day**" means any day (other than a Saturday, Sunday or public holiday) on which The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") or the Alternative Stock Exchange (as defined in Condition 6(d) below (*Adjustment upon Change of Control*)), as the case may be, is open for the business of dealing in securities.

(ii) *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities (A) any taxes and capital, stamp, issue, documentary and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange on conversion) and (B) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion (together, the "**Taxes**"). The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder must declare in the relevant Conversion Notice that any Taxes payable to the relevant tax authorities pursuant to this Condition 6(b)(ii) have been paid. Neither the Trustee nor any Agent is under any duty or obligation to determine whether a Bondholder is liable to pay or has paid any taxes including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6(b)(ii).

(iii) *Registration*: As soon as practicable, and in any event not later than five Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder as required by sub-paragraphs (i) and (ii) have been paid, (A) register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register and (B) (x) if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the "**CCASS**") effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or (y)

make such certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (currently Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) notified to Bondholders in accordance with Condition 16 (*Notices*) or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

If the Conversion Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(c) (*Adjustments to Conversion Price*) but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective, the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as is, together with Shares to be issued on conversion of the Bonds, equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects, subject to mandatory provisions of applicable law, rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these 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. Upon delivery of Shares in satisfaction of the Conversion Right of any converting Bondholder and the completion of such registration in accordance with this Condition 6(b)(iii), the right of such converting Bondholder to any repayment of the principal, premium or any other amounts under the Bond so converted shall be extinguished.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this sub-paragraph (iii) prior to the time such retroactive adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in U.S. dollars (the "**Equivalent Amount**") equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by transfer to a U.S. dollar account maintained by the payee in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(c) Adjustments to Conversion Price

Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows but no adjustment shall be made which will cause the Conversion Price to be less than the par value of the Shares:

(i) *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

"**A**" is the nominal amount of one Share immediately after such alteration; and

"**B**" is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(ii) *Capitalisation of Profits or Reserves*:

(A) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the "**Shareholders**") by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the "**Relevant Cash Dividend**"), being a dividend which the Shareholders concerned would or could otherwise have received (a "**Scrip Dividend**") and which would not have constituted a Distribution (as defined in this Condition 6), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

"**A**" is the aggregate nominal amount of the issued Shares immediately before such issue; and

"**B**" is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if the number of such Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

(B) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the last Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

"**A**" is the aggregate nominal amount of the issued Shares immediately before such issue;

"**B**" is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

"**C**" is the aggregate nominal amount of Shares issued by way of such Scrip Dividend;

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(iii) *Distributions*:

(A) Subject to Condition 6(c)(iii)(B), if and whenever the Issuer shall pay or make any Distribution to the Shareholders other than in cash only (except to the extent that the Conversion Price falls to be adjusted under Condition 6(c)(ii) (*Capitalisation of Profits or Reserves*) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction: where:

$$\frac{A - B}{A}$$

"**A**" is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

"**B**" is the Fair Market Value on the date of such announcement of the portion of the Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Distribution is actually made or, if later, the first date upon which the Fair Market Value of the Distribution is capable of being determined as provided in these Conditions.

(B) If and whenever the Issuer shall pay or make any Distribution in cash only to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

"**A**" is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

"**B**" is the amount of cash so distributed attributable to one Share.

Such adjustment shall become effective on the date on which such Distribution in cash is actually made or if a record date is fixed therefore, immediately after such record date.

(iv) *Rights Issues of Shares or Options over Shares*: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights issue, or issue or grant to all or substantially all Shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

"**A**" is the number of Shares in issue immediately before such announcement;

"**B**" is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Shares comprised therein would subscribe, purchase or otherwise acquire at such Current Market Price per Share; and

"**C**" is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(v) *Rights Issues of Other Securities*: If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class, by way of rights issue, or the grant to all or substantially all Shareholders as a class by way of rights issue, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

"**A**" is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and

"**B**" is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(vi) *Issues at less than Current Market Price*: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or

exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

"**A**" is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

"**B**" is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and

"**C**" is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vii) *Other Issues at less than Current Market Price*: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(vii) if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*), 6(c)(v) (*Rights Issues of Other Securities*) or 6(c)(vi) (*Issues at less than Current Market Price*) or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries), any other company, person or entity shall issue wholly for cash any securities (other than the Bonds but excluding for this purpose any further bonds issued pursuant to Condition 15 (*Further Issues*)) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

"**A**" is the number of Shares in issue immediately before such issue;

"**B**" is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

"**C**" is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(viii) *Modification of Rights of Conversion etc.*: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(c)(vii) (*Other Issues at less than Current Market Price*) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A - B}{A}$$

where:

"**A**" Current Market Price of one share on the date on which such modification is announced; and

"**B**" is the difference on a per Share basis between Fair Market Value of the modification on the date of such announcement and the consideration received for such modification (if any).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) *Other Offers to Shareholders*: If and whenever the Issuer or any of its Subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*), Condition 6(c)(v) (*Rights Issues of Other Securities*), Condition 6(c)(vi) (*Issues at less than Current Market Price*) or Condition 6(c)(vii) (*Other Issues at less than Current Market Price*), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

"**A**" is the Current Market Price of one Share on the date on which such issue, sale or distribution is publicly announced; and

"**B**" is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share or, in relation to a Qualifying IPO (as defined below), the date at which the IPO Price (as defined below) is announced or if a record date is fixed therefor, immediately after such record date.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities, or in relation to a Qualifying IPO, the date immediately after the date at which the IPO Price is announced, or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.

(x) *Determination by the Issuer*: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in paragraphs (i) to (ix) above) (even if the relevant event or circumstance is specifically excluded in these Conditions from the operation of paragraphs (i) to (ix) above), or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in paragraphs (i) to (ix) above), or that the effective date for the relevant adjustment should be a date other than that mentioned in paragraphs (i) to (ix) above, the Issuer may, at its own expense, request an Independent Investment Bank, acting as expert, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereto and is appropriate to give the result which the Independent Investment Bank considers in good faith to reflect the intentions of the provisions of this Condition 6(c); and (ii) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination; *provided that* where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(c) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(c) as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result, *provided that* an adjustment shall only be made pursuant to this Condition 6(c) if it would result in a reduction to the Conversion Price.

(d) Adjustment upon Change of Control:

If a Change of Control (as defined in Condition 8(i) (*Definitions*)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the "**Change of Control Notice**") in accordance with Condition 16 (*Notices*) 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 (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula

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

where:

"**NCP**" means the Conversion Price after such adjustment;

"**OCP**" means the Conversion Price in effect on the relevant Conversion Date; "**CP**", or conversion premium, means 32.5 per cent. expressed as a fraction;

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

"**t**" means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced pursuant to this Condition 6(d) below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period.

For the purposes of these Conditions:

"**Alternative Stock Exchange**" means 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;

"**Closing Price**" for the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet;

"**Current Market Price**" means, in respect of a Share at a particular time on a particular date, the average of the Closing Price quoted by the Hong Kong Stock Exchange or, as the case may be, by the Alternative Stock Exchange for one Share (being a Share carrying full entitlement to dividend) for each of the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; *provided that* if at any time during the said 20 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Closing Price thereof reduced by an amount equal to the amount of that dividend per Share; or

(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex– dividend shall for the purpose of this definition be deemed to be the Closing Price thereof increased by such similar amount;

and *provided further that* if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

(a) if such Closing Prices are not available on each of the 20 Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and

(b) if only one or no such Closing Prices is available in the relevant period, then the Current Market Price shall be determined in good faith by two Independent Investment Banks.;

"**Daily Quotation Sheet**" means the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange;

"**Distribution**" means any dividend or distribution, whether of cash or assets in specie or other property by the Issuer for any financial period, and whenever paid or made and however described or declared after the Issue Date, but excludes for the purposes of Condition 6(c)(iii) (*Conversion – Distributions*) the final dividend declared by the Issuer on 30 March 2021 in the amount of HK$0.043 (tax inclusive) per Share for the year ended 31 December 2020 which is expected to be paid on or about 18 August 2021), and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent that an adjustment to the Conversion Price is made in respect thereof under Condition 6(c)(ii)(A)) by way of capitalisation of reserves and including any Scrip Dividend to the extent of the Relevant Cash Dividend;

"**Fair Market Value**" means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank; provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded; (iii) where (a) all or substantially all Shareholders as a class are offered the option or right to subscribe for the shares in a Qualifying IPO of any of the Issuer's Subsidiaries at or above the price per share equal to that offered to all or substantially all other prospective investors at the same time as the initial public offering or listing, and (b) such option or right cannot be transferred or traded, the fair market value of such option or right shall be zero; and (iv) where all or substantially all Shareholders as a class are offered the option or right to subscribe for the shares in a Qualifying IPO of any of the Issuer's Subsidiaries at below the price per share equal to that offered to all or substantially all other prospective investors at the same time as the Qualifying IPO, the fair market value (if not expressed in Hong Kong dollars, translated into Hong Kong dollars at the Prevailing Rate on the Qualifying IPO date) of such option or right to subscribe attributable to one Share shall be determined by the following as at the date at which the IPO Price is announced:

$$\frac{\text{(IPO Price – Subscription Price for Shareholders) x n}}{\text{Total number of the Issuer's Shares outstanding at the time of such offer}}$$

where:

"**n**" means number of such shares that can be allocated to subscribing Shareholders;

"**Independent Investment Bank**" means an independent investment bank of international repute, acting as an expert, selected and appointed by the Issuer and notified in writing to the Trustee;

"**IPO Price**" means the price per share at which all or substantially all prospective investors will subscribe to the shares in cash of any of the Issuer's Subsidiaries the subject of a Qualifying IPO and if not expressed in Hong Kong dollars, translated into Hong Kong dollars at the Prevailing Rate;

"**Qualifying IPO**" means an initial public offering, and a listing, of ordinary shares of a company on a Qualifying Exchange; provided that in the case that such listing is on a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act), such listing shall result in a public float of no less than the percentage required by the applicable listing rules;

"**Subscription Price for Shareholders**" means the price per share at which Shareholders will subscribe to the shares of any of the Issuer's Subsidiaries the subject of a Qualifying IPO and if not expressed in Hong Kong dollars, translated into Hong Kong dollars at the Prevailing Rate; and

"**Trading Day**" 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* 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.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 16 (*Notices*) as soon as practicable after the determination thereof.

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.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in its opinion appropriate in order to give such intended result.

Notwithstanding any provision in Condition 6(c) (*Adjustments to Conversion Price*), when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any Employee Share Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange), no adjustment will be made to the Conversion Price. No adjustment will be made to the Conversion Price involving an increase in the Conversion Price, except in the case of a consolidation or re– classification of the Shares as referred to in Condition 6(c)(i) (*Consolidation, Subdivision or Reclassification*) above or where there has been a proven manifest error in the calculation of the Conversion Price.

Neither the Trustee nor the Agents shall be under any duty or obligation to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation (or verification thereof) in connection with the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by them to do so. All adjustments to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) shall be determined by the Issuer, and neither the Trustee nor the Agents shall be responsible for verifying such determinations.

(e) Undertakings

The Issuer has undertaken in the Trust Deed, inter alia, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

(i) it will use its reasonable endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, *provided that* if the Issuer is unable to obtain or maintain such listing or if the maintenance of such listing is unduly onerous, it will use its reasonable endeavours to obtain and maintain a listing for all the issued Shares on such Alternative Stock Exchange as the Issuer may from time to time select and notify to the Trustee and the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting of the Shares (as a class) by any of such stock exchanges;

(ii) it will use its reasonable endeavours to maintain a listing for the Bonds on the Hong Kong Stock Exchange *provided that* if the Issuer is unable to obtain or maintain such listing having used its reasonable endeavours or if the maintenance of such listing or trading is unduly burdensome or impractical, it will use its best endeavours to obtain and maintain admission to listing, trading and/or quotation for the Bonds on an Alternative Stock Exchange as the Issuer may from time to time decide and notify to the Trustee and the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting Bonds by any of such stock exchanges; and

(iii) it will pay the expenses of the issue of, and all expenses of obtaining listing for the Shares issued on the exercise of the Conversion Rights attaching to the Bonds and for the Bonds (other than Taxes payable by the relevant Bondholder, as defined in Condition 6(b)(ii) (*Stamp Duty etc.*)).

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding:

(A) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid;

(B) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the redemption or reduction is permitted by applicable law and results in (or would, but for the provisions of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price in accordance with Condition 6 (*Conversion*) or is otherwise taken into account for the purposes of determining whether such an adjustment should be made;

(C) it will comply with any law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign having jurisdiction over the Issuer or any Subsidiary or any of their respective assets and properties; and

(D) it will not make any offer, issue, grant or distribute or take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would be reduced to such an extent that the Shares to be issued on the conversion of any Bond would be issued below the par value of the Shares of the Issuer,

provided always that the Issuer shall not be prohibited from purchasing its Shares to the full extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(f) Notice of Change in Conversion Price

The Issuer shall give notice to the Bondholders, the Trustee and the Principal Agent in accordance with Condition 16 (*Notices*) of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7. Payments

(a) Principal

Payment of principal, premium (if any) and default interest (if any) will be in U.S. dollars and will be made by transfer to the registered account of the Bondholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

*Notwithstanding the foregoing, so long as the Global Bond Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Bond Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(b) Registered Accounts

For the purposes of this Condition, a Bondholder's registered account means the U.S. dollar account maintained by or on behalf of it, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) Fiscal Laws

All payments in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) Payment Initiation

Payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(e) Delay In Payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so).

(f) Business Day

In this Condition, "**business day**" means a day other than a Saturday, Sunday or public holiday on which commercial banks are open for business in New York City, London and Hong Kong and the city in which the specified office of the Principal Agent is located, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

(g) Partial Payment

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8. Redemption, Purchase and Cancellation

(a) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 105.11 per cent. of its principal amount on 11 June 2026 (the "**Maturity Date**"). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(b) (*Redemption for Taxation Reasons*) or 8(c) (*Redemption at the Option of the Issuer*) below (but without prejudice to Condition 10 (*Events of Default*)).

(b) Redemption for Taxation Reasons

(i) The Bonds may be redeemed at the option of the Issuer 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 in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) at the Early Redemption Amount if (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) 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 (as defined in Condition 9 (*Taxation*)), or any change in the general application or official interpretation of or the standing of an official position with respect to, such laws, regulations or rulings, which change or amendment becomes effective, or official position is announced, on or after 1 June 2021, and (B) such obligation cannot be avoided by the Issuer 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 Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

(ii) Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) and it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds on the date fixed for redemption.

(iii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i), each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment to be made in respect of such Bond(s) whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 9 (*Taxation*) and payment of all amounts shall be made subject to the deduction or withholding of any tax required to

be deducted or withheld. To exercise a right pursuant to this Condition 8(b)(iii), the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the "**Tax Option Exercise Notice**") together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the date fixed by the Issuer for the redemption of the Bonds pursuant to this Condition 8(b). A Tax Option Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

(c) Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee in accordance with Condition 16 (*Notices*) (which notice will be irrevocable), the Issuer:

(i) may at any time after 21 June 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, *provided that* (a) the Closing Price of the Shares (as derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into United States dollars at the Prevailing Rate) 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 per cent. of the applicable Early Redemption Amount for each Bond divided by the then prevailing Conversion Ratio and (b) the applicable redemption date does not fall within a Closed Period; or

(ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount *provided that* prior to the date of such notice at least 90 per cent. of the principal amount of the Bonds originally issued (including any further bonds issued pursuant to Condition 15 (*Further Issues*) and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.

If there shall occur an event giving rise to a change in the Conversion Price during any such 20 Trading Day period, appropriate adjustments for the relevant days shall be made, as determined by an Independent Investment Bank, for the purpose of calculating the Closing Price for such days.

Redemption under this Condition 8(c) may not occur within seven days of the end of a Closed Period but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

For the purpose of these Conditions:

"**Prevailing Rate**" means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined.

(d) Redemption for Delisting, Suspension of Trading or Change of Control

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder's Bonds redeemed and the principal amount of the balance of such holder's Bonds not redeemed being an Authorised Denomination) of

such holder's Bonds on the Relevant Event Redemption Date at the Early Redemption Amount. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred ("**Relevant Event Redemption Notice**"), together with the Certificate evidencing 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 Issuer in accordance with Condition 16 (*Notices*). 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.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to Bondholders in accordance with Condition 16 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 8(d) and shall give brief details of the Relevant Event.

None of the Trustee or the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with Condition 8(d) has occurred. None of the Trustee or the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 8(d) and will not be responsible to Bondholders for any loss arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(d) or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

A "**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 (a "**Delisting**"); or

(ii) when there is a Change of Control.

(e) Redemption at the Option of the Bondholders

On 11 June 2024 (the "**Put Option Date**"), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Put Option Date at the Early Redemption Amount. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the then current form obtainable from the specified office of any Paying Agent ("**Put Notice**") together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.

A Put Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of the Put Notices delivered as aforesaid on the Put Option Date.

(f) Purchase

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise.

(g) Cancellation

All Bonds which are redeemed or converted, or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(h) Redemption Notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 will specify (i) the Conversion Price as at the date of the relevant notice, (ii) the Conversion Period, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the date for redemption, (v) the manner in which redemption will be effected, (vi) if applicable, the applicable Early Redemption Amount and the calculation of the Early Redemption Amount made by the Independent Investment Bank and (vii) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable hereunder or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto.

In the case of a partial redemption of Bonds represented by the Global Bond Certificate, the Bonds to be redeemed will be selected on a pro rata basis in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate, in accordance with the rules of the clearing systems, not more than 60 and not less than 30 days prior to the date fixed for redemption.

(i) Definitions

For the purposes of this Condition 8:

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock but excluding debt securities convertible into such equity;

a "**Change of Control**" occurs when:

(i) any Person or Persons, acting together, acquires Control of the Issuer; or

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer'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 Issuer or the successor entity;

"**Control**" or used as a verb "**Control(s)**" means (a) the acquisition or holding of legal or beneficial ownership or control of more than 50.0 per cent. of the Voting Rights of the issued share capital of the Issuer, or (b) the right to appoint and/or remove all or the

majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise;

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares;

"**Early Redemption Amount**" means an amount in respect of each U.S.$100,000 principal amount of the Bonds (the "**Calculation Amount**") representing for the Bondholder on the relevant date for determination of the Early Redemption Amount (the "**Determination Date**") a gross yield of 1.00 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each U.S.$100,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) the resulting figure to the nearest cent (half a cent being rounded upwards) (provided that if the date fixed for redemption is a Semi-annual Date (as set out below), such Early Redemption Amount shall be as set out in the table below in respect of such Semi-annual Date):

$$\text{Early Redemption Amount} = (\text{Previous Redemption Amount} \times (1 + r/2)^{d / p})$$

Previous Redemption Amount = the Early Redemption Amount for each Calculation Amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to 11 December 2021, U.S.$100,000):

Semi-annual Date	Early Redemption Amount (U.S.$)
11 December 2021	100,500.00
11 June 2022	101,002.50
11 December 2022	101,507.51
11 June 2023	102,015.05
11 December 2023	102,525.13
11 June 2024	103,037.75
11 December 2024	103,552.94
11 June 2025	104,070.70
11 December 2025	104,591.06

r = 1.00 per cent. expressed as a fraction

d = number of days from and including the immediately preceding Semi-annual Date (or if the Bonds are to be redeemed on or before 11 November 2021, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed

p = 180

"**Person**" 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 Issuer's directors or any other governing board and does not include the Issuer's direct or indirect subsidiaries; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

9. Taxation

All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by (i) any jurisdiction where the Issuer is organised or otherwise considered by a taxing authority to be resident for tax purposes or any political organisation or governmental authority thereof or therein having power to tax or (ii) Hong Kong, or any political organisation or governmental authority thereof or therein having power to tax ((i) and (ii) each, a "**Relevant Tax Jurisdiction**"), unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the "**Additional Tax Amounts**") as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

(a) *Other connection*: to a Bondholder (or to a third party on behalf of a Bondholder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with a Relevant Tax Jurisdiction otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or

(b) *Presentation more than 30 days after the relevant date*: (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such Additional Tax Amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days;

For the purposes hereof, "**relevant date**" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

References in these Conditions to principal shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

10. Events of Default

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding, or if so directed by an Extraordinary Resolution, shall (subject in either case to being indemnified and/or secured and/or pre-funded by the holders to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become due and repayable at the Early Redemption Amount (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6 (*Conversion*)) if:

(a) *Non-Payment*: there is a default in the payment of any principal due in respect of the Bonds on the due date for such payment and such default continues for a period for 10 consecutive days;

(b) *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Bonds, the Trust Deed or the Agency Agreement, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;

(c) *Failure to deliver Shares*: the Issuer fails to deliver the Shares as and when such Shares are required to be delivered;

(d) *Cross-default of Issuer or Subsidiary*:

(i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;

(ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or

(iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the aggregate amount of the relevant Indebtedness and Guarantees in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.$30,000,000 or its equivalent in any other currency or currencies;

(e) *Unsatisfied judgment*: one or more final judgment(s) or order(s) for the payment outstanding and not paid or discharged of an aggregate amount in excess of U.S.$30,000,000 or its equivalent in any other currency or currencies is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(f) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) *Insolvency, etc.*: (i) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made and such application is not discharged or stayed within 14 days) in respect of the Issuer or any of its Principal Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it and such action is not discharged or stayed within 14 days or (iv) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (other than, in the case of a Principal Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);

(h) *Enforcement proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenue of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(i) *Winding up, etc.*: an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, judicial management or administration of the Issuer or any its Principal Subsidiaries (except for a members' voluntary solvent winding up of a Subsidiary), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Principal Subsidiaries;

(j) *Analogous event*: any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (e) (*Unsatisfied judgment*) to (i) (*Winding up, etc*.) above;

(k) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Bond Certificates and the Trust Deed admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done;

(l) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed;

(m) *Government intervention:* (i) all or a material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer or any of its Principal Subsidiaries is prevented by any such person from exercising normal control over all or a material part of its undertaking, assets and revenues; or

(n) *Authorisation and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, the Trust Deed and the Agency Agreement, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done.

For the purpose of this Condition 10, "**Principal Subsidiary**" means any Subsidiary of the Issuer:

(i) whose revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited statement of profit or loss is at least five per cent. of the consolidated gross revenues as shown by the latest audited consolidated statement of profit or loss of the Issuer;

(ii) whose profit before taxation (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited statement of profit or loss is at least five per cent. of the consolidated profit before taxation as shown by the latest audited consolidated statement of profit or loss of the Issuer; or

(iii) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited statement of financial position are at least five per cent. of the consolidated total assets as shown by the latest published audited consolidated statement of financial position of the Issuer,

provided that, in relation to sub-paragraphs (i), (ii) and (iii) above of this definition:

(A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until audited consolidated financial statements of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are prepared be deemed to be a reference to the then latest audited consolidated financial statements of the Issuer adjusted to consolidate the latest audited financial statements (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such financial statements;

(B) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated financial statements are prepared and audited, the determination of whether or not a Subsidiary is a Principal Subsidiary shall be on the basis of *pro forma* consolidated financial statements prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee;

(C) if at any relevant time in relation to any Subsidiary, no financial statements are audited, the determination of whether or not a Subsidiary is a Principal Subsidiary shall be on the basis of *pro forma* financial statements (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee; and

(D) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Issuer; or

(iv) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited consolidated financial statements of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii) or (iii) above of this definition.

In addition, any Subsidiary which is not itself a Principal Subsidiary shall nevertheless be treated as a Principal Subsidiary in respect of any of the events referred to in this Condition 10 if its revenue, profit before taxation or total assets (or consolidated revenue, consolidated profit before taxation or consolidated total assets in the case of a Subsidiary which has subsidiaries) when aggregated with the revenue, profit before taxation or total assets of each other Subsidiary which is not itself a Principal Subsidiary (or consolidated revenue, consolidated profit before taxation or consolidated total assets in the case of a Subsidiary which has subsidiaries) with respect to which any of the events referred to this Condition 10 has occurred during the preceding 12 months, exceeds five per cent. of the consolidated revenue, consolidated profit before taxation or consolidated total assets of the Issuer.

A certificate signed by two directors of the Issuer that, in their opinion, a Subsidiary is or is not or was or was not or would or would not have been, pursuant to the paragraph above, treated as, at any particular time, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties concerned. Each such certificate shall be accompanied by a report by a recognised firm of accountants of good repute addressed to the directors of the Issuer and the Trustee as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation. The Trustee shall be entitled to rely on such certificate without any further investigation or liability.

References to the audited statement of profit or loss and statement of financial position of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated statement of profit or loss and consolidated statement of financial position of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such statement of profit or loss or statement of financial position is required by law to be produced, to a *pro forma* statement of profit or loss or statement of financial position, prepared for the purpose of such certificate. References to "**revenue**", "**profit before taxation**", "**total assets**", consolidated or non-consolidated, shall include references to equivalent items in the relevant accounts as extracted from the financial statements audited by a recognised firm of accountants of good repute.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer or the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and the Trustee and the Agents need not do anything to ascertain whether an Event of Default has occurred or is continuing and will not be responsible to Bondholders or any other person for any loss arising from any failure by it to do so, and unless the Trustee or any Agent has received written notice from the Issuer to the contrary, the Trustee and each Agent shall assume that the same are being duly performed.

11. Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the relevant date (as defined in Condition 9 (*Taxation*)) in respect thereof.

12. Enforcement

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such actions or proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed but it will not be bound to take any such actions or proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13. Meetings of Bondholders, Modification, Waiver and Substitution

(a) Meetings

The Trust Deed contains provisions for convening meetings of Bondholders (including meetings held by way of video or audio conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed and the Agency Agreement. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal or Equivalent Amount or Early Redemption Amount payable in respect of the Bonds or changing the method of calculation of the Early Redemption Amount, (iii) to change the currency of payment of the Bonds, (iv) to modify (except by an adjustment to the Conversion Price in accordance with Condition 6(f) (*Notice of Change in Conversion Price*)) or cancel any of the Conversion Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution (each a "**Reserved Matter**"), in which case the necessary quorum

for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

So long as the Bonds are evidenced by the Global Bond Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of all the Bondholders of not less than 90 per cent in aggregate principal amount of the Bonds for the time being outstanding.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except for Reserved Matters in Condition 13(a) (*Meetings*) above) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is, in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

(c) Directions from Bondholders

None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions or clarifications from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or clarifications or in the event that no such directions or clarifications are received. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed or these Conditions.

(d) Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such

exercise upon individual Bondholders except to the extent provided for in Condition 9 (*Taxation*) and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(e) Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not obtained by or addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

14. Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the timing for submitting the NDRC Post-Issuance Filing) so as to be consolidated and form a single series with the Bonds. The Issuer may from time to time create and issue other series of bonds having the benefit of the Trust Deed, provided that such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed.

16. Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar. Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be.

So long as the Bonds are represented by the Global Bond Certificate and the Global Bond Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System for communication by it to entitled account holders in substitution for notification as required by these Conditions.

17. Agents

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (a) a Principal Agent and (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 45 days' notice will be given.

18. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking actions or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any Bondholder and any entity related to the Issuer or any Bondholder without accounting for any profit.

19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

20. Governing Law and Submission to Jurisdiction

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds the Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of the courts of Hong Kong.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Bond Certificate contains provisions which apply to the Bonds in respect of which the Global Bond Certificate is issued, some of which modify the effect of the terms and conditions of the Bonds (the "Conditions" or the "Terms and Conditions") set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

The Bonds will be represented by a Global Bond Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

Under the Global Bond Certificate, the Issuer, for value received, promises to pay such principal sum to the holder on 11 June 2026 or on such earlier date or dates as the same may become payable in accordance with the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Global Bond Certificate will become exchangeable in whole, but not in part, for duly authenticated and completed individual Bond certificates ("**Individual Bond Certificates**") if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (Events of Default) occurs.

Whenever the Global Bond Certificate is to be exchanged for Individual Bond Certificates, such Individual Bond Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Bond Certificate within three business days of the delivery, by or on behalf of the registered holder of the Global Bond Certificate, Euroclear and/or Clearstream, to the Registrar of such information as is required to complete and deliver such Individual Bond Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Bond Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Bond Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Bond Certificate will contain provisions which modify the Conditions of the Bonds as they apply to the Bonds evidenced by the Global Bond Certificate. The following is a summary of certain of those provisions:

Conversion

The Bonds are convertible into fully-paid ordinary shares of par value US$0.00001 of the Issuer subject to and in accordance with the Conditions and the Trust Deed. Subject to the requirements of Euroclear and Clearstream (or any other clearing system (an "**Alternative Clearing System**")), the Conversion Rights (as defined in the Conditions) attaching to the Bonds may be exercised by the presentation of the Global Bond Certificate to or to the order of the Principal Agent of one or more Conversion Notices (as defined in the Conditions) duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Bond Certificate with the Principal Agent together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Bond Certificate.

Record Date

Each payment in respect of the Global Bond Certificate will be made to the person shown as the holder in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Bond Certificate is being held is open for business.

Notices

Notwithstanding Condition 16 (Notices), so long as the Global Bond Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, notices to holders of Bonds represented by the Global Bond Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System rather than by mail or publication as aforesaid. Any such notice will be deemed to have been given at 1700 hours on the day the relevant clearing system receives such notice.

Determination of entitlement

The Global Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the holder is entitled to payment in respect of the Global Bond Certificate.

Transfer

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

Set out below is certain selected information concerning the Company's share capital and certain provisions of its memorandum and articles. This summary does not purport to be complete and is qualified in its entirety by reference to the memorandum and the articles.

The following is a description of the Shares, including summaries of material relevant provisions of our Memorandum and the Articles of Association and the Companies Act (2021 Revision) of the Cayman Islands (the "Companies Act"). These summaries do not purport to be complete and are qualified in their entirety by reference to the full Memorandum and the Articles of Association.

General

We were incorporated in the Cayman Islands as an exempted company with limited liability on 14 July 2006 under the Companies Act. Our current authorised share capital is US$50,000 divided into 5,000,000,000 ordinary shares with a nominal or par value of US$0.00001 each.

Alteration of Capital

The Company may, in general meeting, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Act; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by its Articles of Association, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as we have power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Act.

Variation of rights of existing shares or classes of shares

If at any time its share capital is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of its Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Transfer of Shares

Transfers of shares may be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve, which is consistent with the standard form of transfer as prescribed by the Exchange and approved by the Board. All instruments of transfer must be left at its registered office or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company.

The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee PROVIDED that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The instrument of transfer of any share shall be in writing and shall be executed with a manual signature or facsimile signature (which may be machine imprinted or otherwise) by or on behalf of the transferor and transferee PROVIDED that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, the Board shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and the Board shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.

Notwithstanding the above, transfers of shares which are listed on the Exchange may be effected by any method of transferring or dealing in securities permitted by the Listing Rules and which has been approved by the Board for such purpose.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien.

If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The Board may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favour of the Company; and

(f) a fee of such maximum as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.

No transfer shall be made to an infant or to a person in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a gale warning or black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

Power for us to purchase our own Shares

The Company is empowered by the Companies Act and its Articles of Association to purchase its own shares subject to certain restrictions and the Board may only exercise this power on our behalf subject to the authority of our members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Exchange and the Securities and Futures Commission of Hong Kong.

Power of any subsidiary of ours to own Shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

Annual general meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting shall be held at such time and place as the Board shall appoint. Our may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the

Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than

Notice of meetings and business to be conducted thereat

An annual general meeting or any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that referred to above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all the members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(a) the declaration and sanctioning of dividends;

(b) the consideration and adoption of the accounts and balance sheets and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;

(c) the election of Directors in place of those retiring;

(d) the appointment of Auditors;

(e) the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the Auditors;

(f) the granting of any mandate or authority to the Directors to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20% (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to sub-paragraph (g) below; and

(g) the granting of any mandate or authority to the Directors to repurchase securities of the Company.

Quorum for meetings and separate class meetings

For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by

proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business. Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.

Special resolution – majority required

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Act and shall include an unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles of Association and includes an ordinary resolution approved in writing by all the members of us as aforesaid.

Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in our register of members. A member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where one or more than one proxy is appointed by a recognized clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some other person nominated by him registered as the transferee thereof, to be registered as a member may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by

reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.

A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so, and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting. No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).

A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.

If a recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, notwithstanding any contrary provision contained in the Articles of Association.

At any general meeting a resolution put to the vote of the meeting is to be decided on a poll.

Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).

Dividends and other methods of distributions

Subject to the Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Company and its subsidiaries intend to strike a balance between maintaining sufficient capital to grow the business and rewarding the shareholders of the Company. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the Company's general financial condition, the actual and future operations and liquidity positions, the future cash requirements and availability, any restrictions on payment of dividends that may be imposed by the Company's lenders, the general market conditions, and any other factor that the Board deems appropriate. The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereout of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Board are of a revenue nature, constitute the profits of the Company available for distribution.

Our Articles of Association provide that no dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium. No dividend shall carry interest against the Company..

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes, no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide, the Board shall not incur any responsibility to the holders of shares conferring any preferential rights.

The Board may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash

in lieu of such allotment or (b) that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The Company may also upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Unless otherwise directed by the Board, any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of the person whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares and shall be sent at his or their risk, and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

Inspection of register of members

The Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies Act. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of of Articles of Association with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in the Articles of Associations.

Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of such fee not exceeding HK$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection.

Calls on Shares and forfeiture of Shares

The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. A call may be revoked or postponed as the Board may determine. At least 14 days' notice of any call shall be given to each member specifying the time and place of payment and to whom such payment shall be made. If the sum or any instalment payable in respect of any call is unpaid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 15% per annum as the Board shall determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time during such time as any part thereof remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is unpaid will be liable to be forfeited. The Board may accept a surrender of any share liable to be forfeited hereunder and in such case, references to forfeiture shall include surrender. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture. Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a re-allotment, sale or disposition the forfeiture may be cancelled by the Board on such terms as it thinks fit. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 15% per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares forfeited, at the date of forfeiture. Any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived, be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association of the Company concerning the rights of minority shareholders in relation to fraud or oppression.

Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held

by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the Companies Act divide among the members in specie or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the Law, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

Untraceable members

Pursuant to the Articles of Association, the Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:

(a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years;

(b) the Company has not during that time or before the expiry of the three month period referred to below received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law;

(c) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and

(d) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

MARKET PRICE INFORMATION

The table below sets forth the closing prices and the daily average trading volume of the Shares on the Hong Kong Stock Exchange for the periods indicated:

	Closing Share Price			Average Daily Trading Volume
	End	High	Low	
	(HK$)			
2019				
Third Quarter	7.09	8.47	5.90	4,866,616
Fourth Quarter	9.22	9.22	7.08	2,980,855
2020				
First quarter	17.52	18.98	8.45	13,921,816
Second quarter	31.16	31.16	14.34	17,941,586
Third quarter	30.71	43.20	29.22	15,888,029
Fourth quarter	41.90	42.15	27.22	10,875,458
2021				
First quarter	43.75	63.35	37.00	8,468,544
Second quarter from 1 April to 24 May 2021	57.00	61.00	48.30	5,378,366

Source: Hong Kong Stock Exchange

DIVIDENDS

The table below sets out certain statistics on ordinary dividends paid on Shares since 2017:

Year ended 31 December	Cash Dividend	Script Dividend	Total Dividend
		USD'000	
2017	2,295	1,215	3,510
2018	3,582	1,075	4,657
2019	3,430	2,521	5,951
2020	6,661	5,062	11,723

TAXATION

The following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of the Bonds and Shares is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retrospective effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or Shares or any persons acquiring, selling or otherwise dealing in the Bonds or Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds or Shares. Persons considering the purchase of the Bonds should consult their own tax advisers concerning the possible tax consequences of buying, holding, converting or selling any Bonds or Shares under the laws of their country of citizenship, residence or domicile.

Cayman Islands

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Cabinet:

- That no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and

- That no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by us:

  (i) On or with respect to the shares, debentures or our other obligations; or

  (ii) By way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (1999 Revision).

The concession shall be for a period of 20 years from the 13th day of July 2010.

As long as the holder of the Bonds is a non-Cayman resident, under the existing Cayman Islands Laws:

(a) payments of interest and principal on the Bonds will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds, nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;

(b) no stamp duty is payable with respect to the issue or transfer of the Bonds unless the Bonds are executed in or brought into the Cayman Islands; and

(c) the Global Note representing the Bonds, in registered form, to which title is not transferable by delivery, should not be subject Cayman Islands stamp duty unless the Global Note is brought into the Cayman Islands. However, an instrument transferring title to the Bonds if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

As long as the holder of the Bonds and the Shares issuable upon conversion of the Bonds is not resident of the Cayman Islands and the Company does not hold interests in land in the Cayman Islands, the Cayman Islands currently levies no tax on conversion of the Bonds into Shares, the receipt of any payments from the Company in respect of such Shares or on any gain derived from the disposal or transfer of such Shares, save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands.

Hong Kong

Withholding Tax

No withholding tax in Hong Kong is payable on payments of principal in respect of the Bonds or in respect of any capital gains arising from the sale of the Bonds.

No tax is payable in Hong Kong by withholding or otherwise in respect of payments of dividends on the Shares.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond, or issue of Shares upon conversion of the Bond.

Hong Kong stamp duty is payable on any transfer of Hong Kong stock, including the transfer of the Shares to the holder of the Bonds upon the exchange. The duty is charged on each of the transferor and the transferee at the ad valorem rate of 0.1 per cent. of the consideration for, or (if greater) the value of, the Shares bought and sold. In other words, a total of 0.2 per cent. is currently payable on a typical transfer (i.e. sale and purchase transaction) of Shares. The Hong Kong government has gazetted the Revenue (Stamp Duty) Bill 2021 to increase the ad valorem rate of stamp duty on transfers of Hong Kong stock from 0.1 per cent. to 0.13 per cent., which is expected to take effect on 1 August 2021. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK$5. Where a transfer of Shares registered on a Hong Kong share register is effected by a person who is not resident in Hong Kong and any stamp duty payable thereon is not paid, the relevant instrument of transfer (if any) is chargeable with such duty in default and the transferee is liable to pay such duty.

If stamp duty is not paid, in general, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase of any Hong Kong stock if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed.

PRC

Under the EIT Law, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "tax resident enterprise" of the PRC. Under the implementing rules to the EIT Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

In addition, a circular issued by STA on 22 April 2009 specifies that certain offshore enterprises controlled by a PRC company or a PRC company group will be classified as resident enterprises if the following are located or resident in the PRC: the place where senior management personnel and departments that are responsible for daily production, operation and management perform their duties; financial and personnel decision-making bodies; key properties, accounting books, the company seal, and minutes of board meetings and shareholders meetings; and half or more of the senior management or directors having voting rights.

Most of our Directors and senior management are currently based inside China and we keep our books of account inside China. The above elements may be relevant for the tax authorities to determine whether we are a PRC resident enterprise for tax purposes.

Although it is unclear under PRC tax law whether we have a "de facto management body" located in China for PRC tax purposes, we currently intend to take the position that we are not a PRC resident enterprise for tax purpose. We cannot assure you that tax authorities will respect this position. Our PRC legal advisors, Global Law Office, has advised us that if we are deemed to be a PRC resident enterprise for enterprise income purpose, among other things, we would be subject to the PRC enterprise income

tax at the rate of 25% on its worldwide income, possibly excluding dividends from PRC subsidiaries. Furthermore, if we were treated as a PRC resident enterprise, we would be obligated to withhold PRC income tax from payments of interest on the Bonds to investors that are non-resident enterprises, generally at the rate of 10%, and for investors that are non-resident individuals, generally at the rate of 20%. If we fail to do so, we may be subject to fines and other penalties. In addition, if we were treated as a PRC resident enterprise, the gain realized by such non-resident enterprise investors from the transfer of the Bonds may be subject to PRC income tax at a rate of 10% to the extent that such gain is regarded as derived from sources within the PRC, unless an applicable treaty provides otherwise. In the case of income or gain of individuals, the tax (including withholding tax) rate would generally be 20%, unless an applicable treaty provides otherwise. Any PRC taxes may be reduced under applicable tax treaties. However, if we are not considered as a PRC resident enterprise for enterprise income purposes, non-resident enterprise investors are not likely to be subject to PRC income tax on any interest received on the Bonds or any gains realized from the transfer of the Bonds.

VAT

On 23 March 2016, the MOF and the STA issued the Circular of Taxation on Full Launch of the Pilot Scheme on Levying Value-Added Tax in Place of Business Tax（關於全面推開營業税改徵增值税試點的通知), or Circular 36, which confirms that since 1 May 2016, the income derived from the provision of financial services which attracted business tax has been entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the PRC Bondholders are likely to be treated as the holders of the Bonds located within China providing loans to us, which thus shall be regarded as providing financial services subject to VAT. Thus, the PRC Bondholders shall be subject to VAT under Circular 36 when receiving the interest payments under the Bonds.

In general, while still subject to the competent tax authority's further clarification or interpretation, the provision of loans and the income therefrom will not be subject to VAT in the PRC provided that both the Bondholders and us are not within the PRC and the Bonds are not issued within the PRC. However, due to the lack of explicit tax rules, the risk may not be entirely ruled out that holders of the Bonds might be deemed to be providing financial services to us within the PRC and consequently, the amount of interest payable by us to any non-PRC resident holders may be subject to withholding VAT tax at the rate of 6% plus related surcharges.

Where a non-PRC resident individual resells the Bonds, VAT may be exempted according to Circular 36 if the resale of Bonds is treated as resale of financial products. Where a non PRC-resident enterprise holder resells the Bonds to an entity or individual located outside of the PRC, since neither the service provider nor the service recipient is located in the PRC, Circular 36 should not apply. However, where a non PRC-resident enterprise holder resells the Bonds, there is uncertainty as to the applicability of VAT if the buyer of Bonds is located inside the PRC.

The above statement may be subject to further change upon the issuance of clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Stamp duty

No PRC stamp tax will be chargeable upon the issue or transfer of a Note, so long as the register of holders of the Bonds is maintained outside the PRC and the issuance and the sale of the Bonds is made outside the PRC.

SUBSCRIPTION AND SALE

The Company has entered into a subscription agreement with the Joint Lead Managers dated 1 June 2021 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Company has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in the amounts as set out below.

Joint Lead Mangers	Principal amount of Bonds to be subscribed
J.P. Morgan Securities plc	US$490,000,000
China International Capital Corporation Hong Kong Securities Limited	US$210,000,000
Total	US$700,000,000

The Company has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate the Subscription Agreement in certain circumstances at any time up to the time when subscription moneys have been received and the Bonds issued.

The Joint Lead Managers and certain of their respective affiliates have, from time to time, performed, and may in the future perform, certain investment banking and advisory services for the Company and/or its affiliates for which they have received or will receive customary fees and expenses. The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Company.

The Joint Lead Managers or their respective affiliates may purchase the Bonds for their own account and enter into transactions, including (i) credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities or (ii) equity derivatives and stock loan transactions relating to the Shares of the Company or its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). The Joint Lead Managers and certain of their respective subsidiaries or affiliates have performed certain commercial banking, investment banking and advisory services for the Company or the Group from time to time for which they have received customary fees and expenses. In addition to the transaction services for the Company or the Group, the Joint Lead Managers may, from time to time, engage in other transactions with and perform services for the Company or the Group in the ordinary course of business of the Company or the Group. In addition the Joint Lead Managers and certain of their respective subsidiaries and affiliates may hold Shares as beneficial owners, on behalf of clients or in the capacity of investment advisors.

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Managers.

United States

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each Joint Lead Manager has represented, warranted and agreed that neither it nor its affiliates nor anyone acting on its or their behalf has offered or sold, or will offer or sell, any Bonds except outside the United States in accordance with Rule 903 of Regulation S or pursuant to another exemption from registration. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any "directed selling efforts" with respect to the issuance of the Bonds.

Terms used in this paragraph have the meaning given to them by Regulation S. Each Joint Lead Manager has represented, warranted and agreed that it has not entered and has agreed that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. **European Economic Area**

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

Each Joint Lead Manager has represented, warranted and undertaken that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) ("**SFO**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong (or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

The People's Republic of China

Each Joint Lead Manager has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be

made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Bonds and/or Shares to be issued upon conversion of the Bonds may not be circulated or distributed, nor may any Bonds and/or Shares to be issued upon conversion of the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act") and, accordingly, the Lead Manager has represented, warranted and agreed that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

The Cayman Islands

Each Joint Lead Manager has represented, warranted and agreed that the public in the Cayman Islands has not been or will not be invited to subscribe directly or indirectly for the Bonds.

GENERAL INFORMATION

1. **Legal Entity Identifier:** The legal entity identifier of the Issuer is 5299009MK4VZID944A20.

2. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 234292005 and the International Securities Identification Number for the Bonds is XS2342920050.

3. **Listing of Shares:** Approval in-principle has been received from the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares arising on conversion of the Bonds.

4. **Listing of Bonds:** Application has been submitted to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only, and listing is expected to become effective on or about 15 June 2021.

5. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by resolutions of the Board of Directors of the Issuer passed on May 25, 2021.

6. **No Material Adverse Change:** There has been no material adverse change in the financial or trading position or prospect of the Issuer or the Group since 31 December 2020.

7. **Litigation:** Neither the Issuer nor any of its subsidiaries is involved in any litigation or arbitration proceedings which are material in the context of the Bonds nor is the Issuer aware that any such proceedings are pending or threatened.

8. **Audited Financial Statements:** The Company's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 incorporated by reference in this Offering Circular have been audited by KPMG, as stated in its report appended to such statements.

9. **Documents:** Copies of the latest published annual report and audited consolidated financial statements of the Company for the year ended 31 December 2020, as well as the Company's Memorandum and Articles of Association and copies of the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date, at the specified office of the Company at No.1601, Zhang Dong Road, Zhangjiang Hi-Tech Park, Shanghai, China. Copies of the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date upon written request and satisfactory proof of holding at the principal office of the Principal Agent at One Canada Square, London E14 5AL United Kingdom during normal business hours, so long as any of the Bonds is outstanding.

10. **Cayman Islands Data Protection:** The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "**DPA**") based on internationally accepted principles of data privacy.

    Prospective investors should note that, by virtue of making investments in the Bonds and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Bonds, the Bondholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Bonds.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice

Introduction

The purpose of this notice is to provide Bondholders with information on the Issuer's use of their personal data in accordance with the DPA. In the following discussion, "Issuer" refers to the Issuer, its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Bondholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Bondholder otherwise providing the Issuer with personal information on individuals connected with the Bondholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Bondholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Bondholder and/or any individuals connected with a Bondholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Bondholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Bondholder is a natural person, this will affect such Bondholder directly. If a Bondholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Bondholder for any reason in relation to such Bondholder's investment with the Issuer, this will be relevant for those individuals and such Bondholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Bondholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering and the Foreign Account Tax Compliance Act or the Common Reporting Standard requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Bondholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Bondholder's consent), the Issuer will contact the applicable Bondholder.

Why the Issuer May Transfer a Bondholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Bondholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and its affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Bondholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Bondholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Bondholder or those data subjects to whom the relevant Investor Data relates.

ISSUER

Registered Office

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George Town
Cayman Islands

Principal Place of Business in the PRC

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Shanghai
201203
PRC

Principal Place of Business in Hong Kong

MicroPort Scientific Corporation
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Wan Chai
Hong Kong

AUDITOR

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TRUSTEE

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London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

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Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

PRINCIPAL AGENT

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To the Issuer as to PRC law
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Nanshan District,
Shenzhen, PRC

To the Issuer as to Cayman Islands law
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Central Plaza
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Wan Chai, Hong Kong

To the Issuer as to English law
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70 St Mary Axe
London EC3A 8BE
The United Kingdom

To the Joint Lead Managers and Trustee as to English law

Clifford Chance
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One Connaught Place
Central, Hong Kong

To the Joint Lead Managers as to PRC law

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Beijing, China