

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a China-based company in the neuro-interventional medical device industry, dedicated to providing innovative solutions for physicians and patients. Since our first product approval in 2004, we had, as of the Latest Practicable Date, amassed a total of 30 assets in our portfolio, including ten therapeutic products and three access products approved and commercialized in China and 17 product candidates under development. We boast a comprehensive portfolio of approved therapeutic products covering all of the three major areas of neurovascular disease, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke (AIS). In the field of hemorrhagic stroke, the largest segment of the neuro-interventional medical device industry in China by product sales, we have commercialized products in key therapeutic categories, including embolization coils, flow-diverting stents and stent grafts, according to CIC. In addition to approvals in China, *NUMEN* and *NUMEN FR*, two of our flagship embolization coil products, have been approved in the United States, the European Union and South Korea. We plan to establish a R&D and production center in the United States to supply the global market and to move forward with our global expansion. China’s neuro-interventional medical device market has been dominated by internationally renowned companies. According to CIC, we are the only Chinese company among the top five players in this market in terms of revenue in 2020, with a market share of approximately 4%.

KEY MILESTONES

The following table sets forth the key milestones of our business development:

Year	Key milestones and achievements
2004-2015 Technology Incubation	
2004	Our first product, <i>APOLLO</i> , was approved by the NMPA and became the first approved stent system to treat ICAD in the world.
2007	<i>Willis</i> was recognized as one of the innovative medical devices for the treatment of intracranial aneurysm by the Stroke, a journal published by American Heart Association and American Stroke Association.
2009	<i>Willis</i> won the First Prize in Science and Technology Award of Shanghai (上海市科技進步一等獎) awarded by the Shanghai Municipal Government of the PRC. <i>APOLLO</i> won the Second Prize in Science and Technology Award of Shanghai (上海市科技進步二等獎) awarded by the Shanghai Municipal Government of the PRC.
2012	MP NeuroTech Shanghai, our principal operating subsidiary, was established in Shanghai. <i>Willis</i> won the First Prize in Science and Technology Progress Award of the Ministry of Education of the PRC (教育部科技進步一等獎).
2013	<i>Willis</i> was approved by the NMPA and became the first and the only stent graft for the treatment of cerebral vessel diseases in the world.
2014	<i>Willis</i> won the Second Prize in National Science and Technology Award (國家科學技術進步獎二等獎) awarded by the State Council of the PRC.
2015	We were granted ISO 13485 Certification, which demonstrates our commitment to the international standard on product design and development for our production and sales.

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Year	Key milestones and achievements
2016-2018 Pipeline Expansion	
2016	<p><i>Tubridge</i>, the first Chinese-developed flow-diverting stent, was admitted into the NMPA’s innovative medical device special review and approval procedure (known as the “Green Path”).</p> <p>We cooperated with Japan-based Asahi Intecc and became the exclusive distributor for Asahi’s neurovascular guidewires in mainland China.</p>
2017	<p>We cumulatively had penetrated into approximately 1,000 hospitals in the PRC, among which over 650 hospitals were Class III hospitals.</p>
2018	<p>Our total revenue for the financial year exceeded RMB100 million.</p> <p><i>Tubridge</i> was approved by the NMPA.</p> <p><i>Bridge</i>, the first vertebral artery drug-eluting stent, was admitted to the Green Path.</p> <p>We were recognized as one of the Patent Model Enterprises in Shanghai (上海市專利工作試點企業) by the Shanghai Intellectual Property Administration.</p>
2019-2022 Operation Leapfrog and Globalization	
2019	<p>Our products were used in more than 50,000 neuro-interventional procedures.</p> <p><i>Fastrack</i> was approved by the NMPA.</p> <p>We invested in Israel-based Rapid Medical and established a strategic relationship with it, under which we act as the exclusive distributor of Rapid Medical’s flagship products, <i>Comaneci</i>, <i>Tigertriever</i>, <i>Tigertriever 13</i> and all follow-up products, in Greater China.</p>
2020	<p>Our total revenue for the financial year exceeded RMB200 million.</p> <p><i>NUMEN</i>, <i>NUMEN FR</i>, <i>Bridge</i> and <i>U-track</i> were approved by the NMPA and <i>Tigertriever</i> was admitted to the Green Path.</p>
2021	<p>We cumulatively had penetrated into approximately 2,300 hospitals in the PRC, among which over 1,300 hospitals were Class III hospitals. In September, we passed the milestone of 90,000 neuro-interventional procedures using our products (over 5,000 attributable to <i>Tubridge</i>).</p> <p><i>NUMEN</i> and <i>NUMEN FR</i> obtained CE Marking in the European Union in April and FDA registration in the United States and MFDS approval in South Korea in September. The first overseas coil embolization procedure with <i>NUMEN</i> and <i>NUMEN FR</i> was completed in Chile in August, marking <i>NUMEN</i> and <i>NUMEN FR</i>’s entrance to the overseas markets.</p> <p>We submitted the NMPA registration application of <i>Neurohawk</i>, our self-developed stent retriever system with enhanced full visualization.</p> <p>We further invested in Rapid Medical and became its largest shareholder.</p> <p>We completed the 2021 Pre-[REDACTED] Investment with post-money valuation reached US\$1.75 billion.</p>
2022	<p><i>Diveer</i>, <i>NUMEN Silk</i>, <i>Neurohawk</i> and <i>X-track</i> were approved by the NMPA.</p> <p>We completed the first patient enrollment for the clinical trial of <i>Rebridge</i>.</p>

OUR CORPORATE DEVELOPMENT

Our Company

Our Company was incorporated in the Caymans Islands as an exempted company with limited liability on September 30, 2020 under the Companies Act. Upon the completion of the Reorganization, our Company became the holding company and the [REDACTED] vehicle of our Group. See “—Reorganization” below for details.

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Our principal operating subsidiary in the PRC

As of the Latest Practicable Date, our business operations had been carried out by our operating subsidiaries established by our Group in the PRC. MP NeuroTech Shanghai is our principal operating subsidiary through which we conducted our business operations primarily and which contributed a substantial amount of revenue and profit of our Group during the Track Record Period. Set out below are the major corporate developments including major changes in the equity interests in our principal operating subsidiary.

MAJOR SHAREHOLDING CHANGES OF OUR GROUP

Establishment and initial shareholding changes of MP NeuroTech Shanghai

MP NeuroTech Shanghai was established by Shanghai MicroPort Medical, a wholly owned subsidiary of MicroPort, in the PRC as a limited liability company on May 16, 2012 with an initial registered capital of RMB0.45 million. The initial capital contribution was fully paid by Shanghai MicroPort Medical on April 26, 2012.

Subsequent to a series of changes in registered capital, on January 29, 2014, MP NeuroTech Shanghai became owned as to approximately 71.4% by MicroPort Sinica, 27.3% by MicroPort NeuroTech CHINA Corp. Limited (“**MicroPort NeuroTech China**”), a then indirect wholly owned subsidiary of MicroPort, and 1.3% by Shanghai MicroPort Medical, with a registered paid-up capital of RMB35.0 million. On August 3, 2015, MicroPort NeuroTech China and Shanghai MicroPort Medical transferred their respective equity interest of 27.3% and 1.3% in MP NeuroTech Shanghai to MicroPort Sinica at a consideration of RMB9.55 million and RMB0.45 million, respectively. The consideration was determined with reference to the registered capital of MP NeuroTech Shanghai at the time of such transfer and was fully settled in cash by MicroPort Sinica by August 7, 2015. Upon completion of such equity transfer, MP NeuroTech Shanghai became wholly owned by MicroPort Sinica.

Pursuant to a capital increase agreement dated November 1, 2015 entered into between MicroPort Sinica and Shanghai Henian, MicroPort Sinica made a capital injection of RMB27.0 million to MP NeuroTech Shanghai, of which RMB9.405 million was credited to its registered capital, and Shanghai Henian made a capital injection of RMB26.54 million to MP NeuroTech Shanghai, of which RMB9.095 million was credited to its registered capital. The portion of the capital injection not credited to the registered capital of MP NeuroTech Shanghai was contributed to its capital reserve. The capital injection was fully paid by MicroPort Sinica and Shanghai Henian by December 21, 2015 and February 6, 2018, respectively. Shanghai Henian was established in the PRC as a limited partnership on October 27, 2015. As of the Latest Practicable Date, Ms. Lu Huina (盧惠娜), our senior director of quality, regulatory and clinical affairs, was a general partner of Shanghai Henian and the limited partners comprised employees, former employees and consultants of MicroPort Group and our Group and Shanghai Changlong. As of the Latest Practicable Date, Shanghai Changlong was a wholly owned subsidiary of Pepper Tree MediNet (Shanghai) Corp. (花椒樹遠程醫學網絡科技(上海)有限公司), which was in turn a subsidiary of Real & Realistic Foundation Limited (“**Real & Realistic**”), an Independent Third Party. Upon completion of such capital injection, MP NeuroTech Shanghai became owned as to 83.0% by MicroPort Sinica and 17.0% by Shanghai Henian.

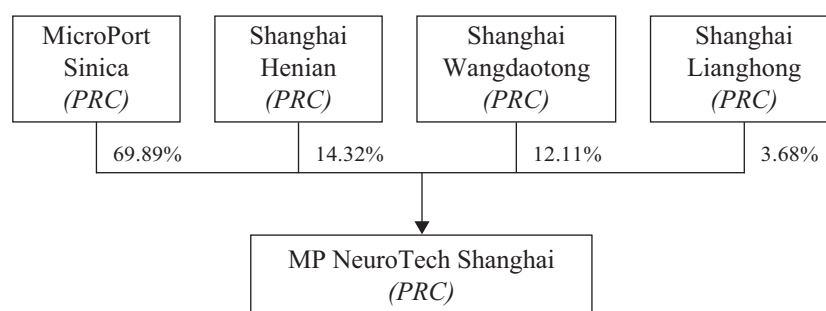
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Pursuant to a capital increase agreement dated July 24, 2020 entered into among MP NeuroTech Shanghai, MicroPort Sinica, Shanghai Henian, Shanghai Wangdaotong and Shanghai Lianghong, Shanghai Wangdaotong made a capital injection of RMB115.0 million to MP NeuroTech Shanghai, of which RMB7,690,625 was credited to its registered capital, and Shanghai Lianghong made a capital injection of RMB35.0 million to MP NeuroTech Shanghai, of which RMB2,340,625 was credited to its registered capital. The portion of the capital injection not credited to the registered capital of MP NeuroTech Shanghai was contributed to its capital reserve. The capital injection was fully paid by Shanghai Wangdaotong and Shanghai Lianghong by August 3, 2020. Shanghai Wangdaotong was established in the PRC on April 22, 2020 and is wholly owned by Hopeway Corp. Limited. Shanghai Lianghong was established in the PRC as a limited partnership on June 17, 2019. As of the Latest Practicable Date, Ms. Wu Zaoli (吳造力), our senior director of human resources and administration, was a general partner of Shanghai Lianghong and the limited partners comprised employees and former employees of MicroPort Group and our Group. Upon completion of such capital injection, MP NeuroTech Shanghai became owned as to approximately 69.89% by MicroPort Sinica, 14.32% by Shanghai Henian, 12.11% by Shanghai Wangdaotong and 3.68% by Shanghai Lianghong.

Upon completion of a series of equity transfers and a capital increase as part of our Reorganization, MP NeuroTech Shanghai became wholly owned by Shanghai Shenjing. See “—Reorganization—Acquisition of and Capital Contribution in MP NeuroTech Shanghai by Shanghai Shenjing” below for further details. There has been no change in the equity interest in MP NeuroTech Shanghai since then.

REORGANIZATION

In preparation for the [REDACTED], the following steps were implemented to establish our Group (the “Reorganization”). The following chart sets forth a simplified shareholding structure of our Group immediately before the Reorganization:



Incorporation of MP Scientific

MP Scientific was incorporated in the BVI with limited liability on September 25, 2020 and is authorized to issue up to 50,000 ordinary shares of a single class with or without par value. Upon incorporation, one share of MP Scientific was allotted and issued to MicroPort as its sole shareholder at a consideration of US\$1.00 on the same day.

Incorporation of Our Company and Our Offshore Subsidiaries

Our Company was incorporated in the Caymans Islands as an exempted company with limited liability on September 30, 2020 under the Companies Act to act as the holding company and [REDACTED]

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vehicle of our Group. The initial authorized share capital of our Company was US\$50,000 divided into 500,000,000 ordinary Shares with a par value of US\$0.0001 each. Immediately after the incorporation of our Company, one Share was allotted and issued at par to the initial subscriber, an Independent Third Party, which was then transferred to MP Scientific at a consideration of US\$0.0001 on the same date.

MP NeuroTech BVI was incorporated in the BVI with limited liability on October 5, 2020 and is authorized to issue up to 50,000 ordinary shares with or without par value. Upon its incorporation, one share of MP NeuroTech BVI was allotted and issued to our Company at a subscription price of US\$1.0. Upon completion of such allotment and issue, MP NeuroTech BVI became directly wholly-owned by our Company.

MP NeuroTech HK was incorporated in Hong Kong with limited liability on October 7, 2020. On the same date, one share of MP NeuroTech HK was allotted and issued to the initial subscriber, an Independent Third Party, which was then transferred to MP NeuroTech BVI at a consideration of US\$1.00 on October 20, 2020. Upon completion of such allotment and issue, MP NeuroTech HK became directly wholly-owned by MP NeuroTech BVI.

Each of our Company, MP NeuroTech BVI, and MP NeuroTech HK has been an investment holding company without substantive business operations since incorporation.

Establishment of Shanghai Shenjing

Shanghai Shenjing was established by MP NeuroTech HK in the PRC as a wholly-foreign owned enterprise with limited liability on March 19, 2021 with an initial registered capital of US\$45.0 million. On August 18, 2021, the registered capital of Shanghai Shenjing was increased from US\$45.0 million to US\$75.0 million, with MP NeuroTech HK contributing US\$30.0 million. Upon completion of such capital increase, Shanghai Shenjing remained as a direct wholly-owned subsidiary of MP NeuroTech HK. Shanghai Shenjing is expected to serve as our main control hub over our onshore operating entities.

Allotment and Issuance of Shares to Onshore Shareholders

For the purpose of reflecting and mirroring the then shareholding structure of MP NeuroTech Shanghai before the Reorganization, on May 20, 2021, at the offshore level, our Company allotted and issued certain Shares to the offshore holding vehicles designated by each of the then existing shareholders of MP NeuroTech Shanghai. Upon completion of the share allotment and issuance, the shareholding of our Company is set forth below:

<u>Name of Shareholders</u>	<u>Number of Shares allotted and issued</u>	<u>Shareholding upon the completion of the allotment and issuance (Approximately)</u>
MP Scientific ⁽¹⁾	69,894,700	69.89%
Hopeway Corp. Limited ⁽²⁾	12,105,300	12.11%
Stride and Strive Limited ⁽³⁾⁽⁵⁾	2,235,300	2.24%
Miracle Medical Limited ⁽³⁾⁽⁵⁾	677,700	0.68%
HNMP Global Limited ⁽³⁾⁽⁵⁾	2,831,900	2.83%
HNNT Global Limited ⁽³⁾⁽⁶⁾	2,939,600	2.94%
HNA Global Limited ⁽³⁾⁽⁶⁾	5,631,300	5.63%
LHMP Global Limited ⁽⁴⁾⁽⁵⁾	556,800	0.56%

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<u>Name of Shareholders</u>	<u>Number of Shares allotted and issued</u>	<u>Shareholding upon the completion of the allotment and issuance (Approximately)</u>
LHNT Global Limited ⁽⁴⁾⁽⁶⁾	1,645,900	1.65%
LHA Global Limited ⁽⁴⁾⁽⁶⁾	1,481,500	1.48%
Total	100,000,000	100%

Notes:

- (1) Being the offshore holding vehicle designated by MicroPort Sinica, which held approximately 69.89% equity interest in MP NeuroTech Shanghai before the Reorganization.
- (2) Being the offshore holding vehicle designated by Shanghai Wangdaotong, which held approximately 12.11% equity interest in MP NeuroTech Shanghai before the Reorganization.
- (3) Being the offshore holding vehicles designated by Shanghai Henian, which held approximately 14.32% equity interest in MP NeuroTech Shanghai before the Reorganization.
- (4) Being the offshore holding vehicles designated by Shanghai Lianghong, which held approximately 3.68% equity interest in MP NeuroTech Shanghai before the Reorganization.
- (5) For details and background information of the Shareholders, please see “– Pre-[REDACTED] Investments-Background Information of the Pre-[REDACTED] Investors” below for details.
- (6) For details and background information of the Shareholders, please see “– Our Employee Stock Ownership Platforms” below for details.

Acquisition of and Capital Contribution in MP NeuroTech Shanghai by Shanghai Shenjing

Transfer of 12.11 % and 3.68 % equity interest in MP NeuroTech Shanghai by Shanghai Wangdaotong and Shanghai Lianghong to Shanghai Shenjing

Pursuant to an equity interest transfer agreement dated March 30, 2021 entered into among Shanghai Wangdaotong, Shanghai Lianghong and Shanghai Shenjing, Shanghai Wangdaotong and Shanghai Lianghong agreed to transfer their respective equity interest of approximately 12.11% and 3.68% in MP NeuroTech Shanghai to Shanghai Shenjing at a consideration of RMB115.0 million and RMB35.0 million, respectively. The consideration was determined through arm’s length negotiation with reference to the capital injection made by each of Shanghai Wangdaotong and Shanghai Lianghong to MP NeuroTech Shanghai and was fully settled in cash by April 22, 2021. Upon completion of such equity transfer, MP NeuroTech Shanghai became owned as to approximately 69.89% by MicroPort Sinica, 15.79% by Shanghai Shenjing and 14.32% by Shanghai Henian.

Increase of registered capital of MP NeuroTech Shanghai

Pursuant to a capital increase agreement dated May 10, 2021 entered into among MicroPort Sinica, Shanghai Shenjing and Shanghai Henian, the registered capital of MP NeuroTech Shanghai was increased from RMB63,531,250 to RMB163,531,250, with Shanghai Shenjing contributing RMB100.0 million, which was fully paid up by May 21, 2021. Upon completion of such capital increase, MP NeuroTech Shanghai became owned as to approximately 67.29% by Shanghai Shenjing, 27.15% by MicroPort Sinica and 5.56% by Shanghai Henian.

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Transfer of 27.15% and 5.56% of equity interest in MP NeuroTech Shanghai by MicroPort Sinica and Shanghai Henian to Shanghai Shenjing

Pursuant to an equity interest transfer agreement dated August 6, 2021 entered into among Shanghai Shenjing, MicroPort Sinica and Shanghai Henian, MicroPort Sinica and Shanghai Henian agreed to transfer their respective equity interest of approximately 27.15% and 5.56% equity interest in MP NeuroTech Shanghai to Shanghai Shenjing at a consideration of RMB161,022,034 and RMB32,980,288, respectively. The consideration was determined through arm’s length negotiation with reference to a valuation report issued by an Independent Third Party and was fully settled in cash on August 30, 2021. Upon completion of such equity transfers, MP NeuroTech Shanghai became wholly owned by Shanghai Shenjing.

ACQUISITION, DISPOSAL AND DEREGISTRATION OF SUBSIDIARIES DURING THE TRACK RECORD PERIOD

Acquisition of certain interests in Rapid Medical

Rapid Medical is a company incorporated in the State of Israel with limited liability on August 12, 2008 and is primarily engaged in the development, manufacturing and sales of innovative devices for neuro-interventional procedures.

In order to expand our product portfolio and to commercialize leading technologies and products in neuro-interventional medical services, we invested in and have established a strategic cooperative relationship with Rapid Medical, a leading international medical device company. Our investments in Rapid Medical as set out below:

- on April 15, 2019, MicroPort entered into a series C preferred share purchase agreement with Rapid Medical and other ten investors, all being Independent Third Parties, pursuant to which, among others, MicroPort agreed to subscribe 1,495,378 series C preferred shares of Rapid Medical, representing 11.85% of the then total number of issued and outstanding shares of Rapid Medical, at a consideration of US\$5.5 million which was fully paid in cash by MicroPort on April 12, 2019. On April 16, 2019, MP NeuroTech Shanghai entered into a share transfer agreement with MicroPort, pursuant to which MicroPort agreed to transfer 1,495,378 series C preferred shares of Rapid Medical held by it to Sevenoaks, a wholly owned subsidiary of MP NeuroTech Shanghai, at a consideration of US\$5.5 million, being previous share subscription price made by MicroPort. The consideration had been fully settled in cash by Sevenoaks by April 17, 2020; and
- on April 28, 2021, MP NeuroTech HK entered into a series D preferred share purchase agreement with Rapid Medical and other seven investors, all being Independent Third Parties, pursuant to which MP NeuroTech HK agreed to subscribe for 2,987,349 series D preferred shares of Rapid Medical, representing approximately 14.85% of the then total number of issued and outstanding shares of Rapid Medical, at a consideration of US\$20.0 million which was determined after arm’s length negotiations between the parties with reference to potential profitability, business growth, prospects as well as the net asset value of Rapid Medical at the time of such subscription. The consideration had been fully settled in cash by MP NeuroTech HK by May 6, 2021.

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Upon completion of such investments, our Company became the largest shareholder of Rapid Medical holding approximately 22.28% of its issued share capital through MP NeuroTech HK and Sevenoaks. The other shareholders of Rapid Medical are all Independent Third Parties. With the initial investment, we have since become the exclusive distributor of Rapid Medical’s flagship products, *Comaneci*, *Tigertriever*, *Tigertriever 13* and all follow-up products, in Greater China, which further enhances our footprint in hemorrhagic stroke and AIS.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the above acquisition exceeds 25% which would require disclosure under Rule 4.05(A) of the Listing Rules.

Disposal of Shanghai Shenyi

Shanghai Shenyi was established in the PRC with limited liability on June 22, 2017 and is primarily engaged in the R&D of deep brain stimulation. As Shanghai Shenyi’s principal business is not in line with the core business of our Group, on October 25, 2018, as part of intra-group restructuring, MP NeuroTech Shanghai transferred its entire equity interest in Shanghai Shenyi to MicroPort Qianyan (Shanghai) Brain Science and Technology Co., Ltd. (微創前沿 (上海) 腦科學技術有限公司) (currently known as Shanghai MicroPort Dimensional Brain Science and Technology (Group) Co., Ltd. (上海微創次元腦科學技術 (集團) 有限公司)) (“**MicroPort Qianyan**”), a wholly owned subsidiary of MicroPort, at a consideration of RMB5.0 million, which was determined with reference to the then registered share capital of Shanghai Shenyi and was fully settled by MicroPort Qianyan in cash on November 9, 2018. Upon completion of such equity transfer, Shanghai Shenyi became a wholly owned subsidiary of MicroPort Qianyan.

Deregistration of Jiangxi MP NeuroTech

Jiangxi MP NeuroTech was established in the PRC with limited liability on May 15, 2017. Before the deregistration, it was wholly owned by MP NeuroTech Shanghai. Jiangxi MP NeuroTech had no business operations since its establishment. In order to streamline the structure of our Group, on March 18, 2020, Jiangxi MP NeuroTech was deregistered and ceased to be a subsidiary of our Company.

Our Directors confirm that Jiangxi MP NeuroTech was not involved in any pending or unresolved arbitration or legal proceedings, or had any material non-compliances, immediately prior to its deregistration.

OUR EMPLOYEE STOCK OWNERSHIP PLATFORMS

For the purpose of rewarding our employees and consultants at the relevant time for their contribution or potential contribution to our Group, HNA Global Limited, HNNT Global Limited, LHA Global Limited and LHNT Global Limited were established as our employee stock ownership platforms.

HNA Global Limited was incorporated in the BVI with limited liability on February 4, 2021. As of the Latest Practicable Date, HNA Global Limited was owned as to approximately 29.59% by Mr. Xie Zhiyong (謝志永) (our executive Director and president), 22.03% by Mr. Peng Bo (彭博) (the chairman of our Board and our non-executive Director) and 14.37% by Partner’s ChoiceMed Limited,

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a company directly wholly owned by Mr. Wang Yiqun Bruce (our executive Director and executive vice president). The remaining shareholders of HNA Global Limited are employees of our Group. None of the shareholders of HNA Global Limited held 30% or more of the issued share capital of HNA Global Limited.

HNNT Global Limited was incorporated in the BVI with limited liability on March 3, 2021. As of the Latest Practicable Date, the ultimate shareholders of HNNT Global Limited comprised certain employees, former employees and consultants of our Group. None of the shareholders of HNNT Global Limited held 30% or more of the issued share capital of HNNT Global Limited.

LHA Global Limited was incorporated in the BVI with limited liability on February 4, 2021. As of the Latest Practicable Date, LHA Global Limited was owned as to approximately 24.54% by Mr. Peng Bo, 18.74% by Mr. Xie Zhiyong and 15.67% by Partner’s ChoiceMed Limited. The remaining shareholders of LHA Global Limited are employees of our Group. None of the shareholders of LHA Global Limited held 30% or more of the issued share capital of LHA Global Limited.

LHNT Global Limited was incorporated in the BVI with limited liability on March 3, 2021. As of the Latest Practicable Date, the ultimate shareholders of LHNT Global Limited comprised certain employees and former employees of our Group. None of the shareholders of LHNT Global Limited held 30% or more of the issued share capital of LHNT Global Limited.

THE PRE-[REDACTED] INVESTMENTS

2020 Issuance of Convertible Bonds

Pursuant to (i) the subscription agreement dated October 28, 2020 entered into among our Company, MicroPort, MP NeuroTech Shanghai and Biolink Limited; (ii) its amendment agreement dated December 21, 2020 entered into among our Company, MicroPort, MP NeuroTech Shanghai, Biolink Limited and Biolink NT; and (iii) its second amendment agreement dated April 27, 2021 entered into among our Company, MicroPort, MP NeuroTech Shanghai, Shanghai Shenjing, Biolink Limited and Biolink NT (collectively, the “**2020 Subscription Agreement**”), our Company agreed to issue convertible bonds (the “**Convertible Bonds**”) to Biolink Limited and Biolink NT for a total principal amount of US\$50 million and US\$20 million, respectively, for a period of two years. Under the terms and conditions of the 2020 Subscription Agreement, the completion of the 2021 Pre-[REDACTED] Investment will trigger the mandatory conversion of the Convertible Bonds.

2021 Pre-[REDACTED] Investment

On November 10, 2021, our Company, MP NeuroTech BVI, MP NeuroTech HK, Shanghai Shenjing, MP NeuroTech Shanghai, MP Scientific and the 2021 Pre-[REDACTED] Investors, namely CICC Healthcare, Nectar Neuro, BVF III, Biolink Healthcare, Star Wave and Always Enterprises, entered into a share subscription and purchase agreement (the “**2021 Share Purchase Agreement**”), pursuant to which: (i) the 2021 Pre-[REDACTED] Investors agreed to subscribe for an aggregate of 2,032,495 newly issued Series A-2 Preferred Shares at an aggregate consideration of approximately US\$31.26 million (the “**2021 Share Allotment and Issuance**”); and (ii) MP Scientific agreed to transfer 7,720,432 ordinary Shares to the 2021 Pre-[REDACTED] Investors at a consideration of approximately US\$118.74 million (the “**2021 Share Transfer**”), whereby the transferred ordinary Shares will be reclassified and redesignated as Series A-2 Preferred Shares immediately after completion of the 2021 Share

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Allotment and Issuance and the 2021 Share Transfer. The subscription and purchase price was approximately US\$15.38 per Series A-2 Preferred Share which was determined through arm’s length negotiation with reference to our funding needs, our products under development and the prospects and development potential of our Group being considered as a whole. The details of the above transactions are set forth below:

Name of Shareholders ⁽¹⁾	The 2021 Share Allotment and Issuance		The 2021 Share Transfer		Total Number of Series A-2 Preferred Shares ⁽³⁾
	Number of Series A-2 Preferred Shares allotted and issued	Subscription Price (US\$)	Number of ordinary Shares Purchased from MP Scientific ⁽²⁾	Purchase Price (US\$)	
CICC Healthcare	1,083,997	16,671,873.86	4,117,563	63,328,118.94	5,201,560
Nectar Neuro	474,249	7,293,949.62	1,801,434	27,706,054.92	2,275,683
BVF III	277,774	4,272,164.12	1,055,126	16,227,837.88	1,332,900
Biolink Healthcare	115,175	1,771,391.50	437,491	6,728,611.58	552,666
Star Wave	67,750	1,041,995.00	257,348	3,958,012.24	325,098
Always Enterprises	13,550	208,399.00	51,470	791,608.60	65,020
Total	2,032,495	31,259,773.00	7,720,432	118,740,244.00	9,752,927

Notes:

- (1) For details and background information of the Shareholders, please see “—Pre-[REDACTED] Investments—Background Information of the Pre-[REDACTED] Investors” below for details.
- (2) Such ordinary Shares were reclassified and redesignated as Series A-2 Preferred Shares immediately after completion of the 2021 Share Allotment and Issuance and the 2021 Share Transfer.
- (3) Represents the total number of Series A-2 Preferred Shares held by each 2021 Pre-[REDACTED] Investor upon issuance of Series A-2 Preferred Shares and the re-designation of ordinary Shares to Series A-2 Preferred Shares upon completion of the 2021 Share Allotment and Issuance and the 2021 Share Transfer.

2021 Conversion of Convertible Bonds

On November 19, 2021, our Company, Biolink Limited and Biolink NT entered into a convertible note conversion agreement pursuant to which, after the completion of the 2021 Pre-[REDACTED] Investment, the Convertible Bonds will be simultaneously converted to an aggregate of 11,759,125 Series A-1 Preferred Shares at a conversion price of approximately US\$5.95 per Series A-1 Preferred Share (the “2021 Conversion of Convertible Bonds”) and our Company will allot and issue 8,399,375 Series A-1 Preferred Shares to Biolink Limited and 3,359,750 Series A-1 Preferred Shares to Biolink NT, respectively, which representing approximately 7.38% and 2.95% of the total number of the issued Shares, respectively.

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Upon the completion of the 2021 Share Allotment and Issuance, the 2021 Share Transfer and the 2021 Conversion of Convertible Bonds, the shareholding structure of our Company was as follows:

<u>Name of Shareholders</u>	<u>Shareholding prior to the completion of the 2021 Share Allotment and Issuance and the 2021 Share Transfer (Approximately)</u>	<u>Shareholding upon the completion of the 2021 Share Allotment and Issuance, the 2021 Share Transfer and the 2021 Conversion of Convertible Bonds (Approximately)</u>
Ordinary Shares		
MP Scientific	69.89%	54.64%
Other existing Shareholders	30.11%	26.46%
Series A-1 Preferred Shares		
Biolink Limited ⁽¹⁾	–	7.38%
Biolink NT ⁽¹⁾	–	2.95%
Series A-2 Preferred Shares		
CICC Healthcare	–	4.57%
Nectar Neuro	–	2.00%
BVF III	–	1.17%
Biolink Healthcare	–	0.49%
Star Wave	–	0.28%
Always Enterprises	–	0.06%
Total	100%	100%

Note:

- (1) For details and background information of Biolink Limited and Biolink NT, please see “—Pre-[REDACTED] Investments—Background Information of the Pre-[REDACTED] Investors” below for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Principal Terms of the Pre-[REDACTED] Investments

Name of the Pre-[REDACTED] Investors	Date of the agreement	Amount of consideration paid	Date of settlement	Date of transfer/issuance	Cost per Share (as adjusted after the Share Subdivision) ⁽¹⁾ (Approximately)	Discount to the [REDACTED] ⁽²⁾ (Approximately)	Shareholding in our Company immediately upon completion of the Pre-[REDACTED] Investments (before the Share Subdivision)	Shareholding in our Company immediately before the [REDACTED] (Approximately)	Post-money valuation of our Company
Stride and Strive Limited ⁽³⁾	November 1, 2015	(i) RMB4,144,013.05 ⁽⁵⁾ (ii) US\$223.53 ⁽⁷⁾	(i) February 6, 2018 (ii) May 24, 2021	May 20, 2021	US\$0.058	[REDACTED]%	2,235,300 ordinary Shares	1.96%	RMB156.12 million
Miracle Medical Limited ⁽³⁾		(i) RMB1,256,385.11 ⁽⁵⁾ (ii) US\$67.77 ⁽⁷⁾			US\$0.058	[REDACTED]%	677,700 ordinary Shares	0.60%	
HNMP Global Limited ⁽³⁾		(i) RMB5,250,047.22 ⁽⁵⁾ (ii) US\$283.19 ⁽⁷⁾			US\$0.058	[REDACTED]%	2,831,900 ordinary Shares	2.49%	
LHMP Global Limited ⁽³⁾	July 24, 2020	(i) RMB5,289,615.11 ⁽⁶⁾ (ii) US\$55.68 ⁽⁷⁾	(i) August 3, 2020 (ii) May 18, 2021	May 20, 2021	US\$0.30	[REDACTED]%	556,800 ordinary Shares	0.49%	RMB950.0 million
WE*TRON Capital ⁽⁴⁾	August 12, 2021	US\$17,800,000	August 12, 2021	August 12, 2021	US\$0.29	[REDACTED]%	12,105,300 ordinary Shares ⁽¹⁾	10.64%	
Biolink Limited	October 28, 2020 ⁽⁸⁾	US\$70,000,000	January 6, 2021	November 19, 2021	US\$1.19	[REDACTED]%	8,399,375 Series A-1 Preferred Shares 3,359,750 Series A-1 Preferred Shares	7.38% 2.95%	US\$665.0 million
CICC Healthcare Nectar	November 10, 2021	(i) US\$16,671,873.86 ⁽⁹⁾ (ii) US\$63,328,118.94 ⁽¹⁰⁾	(i) (ii) November 20, 2021	November 19, 2021	US\$3.08	[REDACTED]%	5,201,560 Series A-2 Preferred Shares 2,275,683 Series A-2 Preferred Shares 1,332,900 Series A-2 Preferred Shares	4.57% 2.00% 1.17%	US\$1.75 billion
Neuro		(i) US\$7,293,949.62 ⁽⁹⁾ (ii) US\$27,706,054.92 ⁽¹⁰⁾	(i) (ii) November 20, 2021						
BVF III		(i) US\$4,272,164.12 ⁽⁹⁾ (ii) US\$16,227,837.88 ⁽¹⁰⁾	(i) November 23, 2021 (ii) November 26, 2021						
Biolink Healthcare Star		(i) US\$1,771,391.50 ⁽⁹⁾ (ii) US\$6,728,611.58 ⁽¹⁰⁾	(i) (ii) November 20, 2021						
Wave		(i) US\$1,041,995.00 ⁽⁹⁾ (ii) US\$3,958,012.24 ⁽¹⁰⁾	(i) (ii) November 15, 2021						
Always Enterprises		(i) US\$208,399.00 ⁽⁹⁾ (ii) US\$791,608.60 ⁽¹⁰⁾	(i) (ii) November 16, 2021						

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) The approximate cost per Share is calculated based on the amount of consideration paid by each Pre-[REDACTED] Investor divided by the number of Shares to be held by it upon [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED].
- (3) To align the interest of the then shareholders of MP NeuroTech Shanghai with that of our Company, we allotted and issued corresponding new Shares to each of the offshore holding vehicles of Shanghai Henian and Shanghai Lianghong in proportion to their respective shareholding interest in MP NeuroTech Shanghai. Stride and Strive Limited, Miracle Medical Limited, HNMP Global Limited, HNNT Global Limited and HNA Global Limited, being the offshore holding vehicles of Shanghai Henian, and LHMP Global Limited, LHNT Global Limited and LHA Global Limited, being the offshore holding vehicles of Shanghai Lianghong, became our Shareholders. For details, see “—Reorganization—Allotment and Issuance of Shares to Onshore Shareholders” above. Each of HNNT Global Limited, HNA Global Limited, LHNT Global Limited and LHA Global Limited has been established as our employee stock ownership platforms. For details, see “—Our Employee Stock Ownership Platforms” above. For more background information of each of Stride and Strive Limited, Miracle Medical Limited, HNMP Global Limited and LHMP Global Limited, see “—Background Information of the Pre-[REDACTED] Investors” below.
- (4) On August 12, 2021, in light of its strategic planning and internal funding arrangements, Hopeway Corp. Limited transferred the entire 12,105,300 Shares held by it, representing of approximately 12.11% shareholding in our Company, to WE’TRON Capital at a consideration of US\$17.8 million and was fully settled in cash on August 12, 2021.
- (5) The consideration is calculated based on the initial capital injection of RMB26.54 million to MP NeuroTech Shanghai made by Shanghai Henian and reflected and mirrored the respective shareholding interest we allotted and issued to the offshore holding vehicles of Shanghai Henian.
- (6) The consideration is calculated based on the initial capital injection of RMB35.0 million to MP NeuroTech Shanghai made by Shanghai Lianghong and reflected and mirrored the respective shareholding interest we allotted and issued to the offshore holding vehicles of Shanghai Lianghong.
- (7) Being the par value for the Shares that each Shareholder subscribed.
- (8) Pursuant to the 2020 Subscription Agreement, our Company agreed to issue the Convertible Bonds to Biolink Limited and Biolink NT and, under the terms and conditions of the 2020 Subscription Agreement, the completion of the 2021 Pre-[REDACTED] Investment will trigger the mandatory conversion of the Convertible Bonds. On November 19, 2021, our Company, Biolink Limited and Biolink NT entered into a convertible note conversion agreement, pursuant to which the Convertible Bonds was simultaneously converted to an aggregate of 11,759,125 Series A-1 Preferred Shares after the completion of the 2021 Pre-[REDACTED] Investment, and our Company has allotted and issued 8,399,375 Series A-1 Preferred Shares to Biolink Limited and 3,359,750 Series A-1 Preferred Shares to Biolink NT, respectively. For details, see “—Reorganization—2021 Conversion of Convertible Bonds” above.
- (9) Being the subscription price for the 2021 Share Allotment and Issuance. For details, see “—The Pre-[REDACTED] Investments—2021 Pre-[REDACTED] Investment” above.
- (10) Being the purchase price for the 2021 Share Transfer. For details, see “—The Pre-[REDACTED] Investments—2021 Pre-[REDACTED] Investment” above.

Further Information about the Pre-[REDACTED] Investments

Strategic benefits of the Pre-[REDACTED] Investors brought to our Company At the time of the Pre-[REDACTED] Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors for our R&D, construction of production facilities, daily operations and market development, thereby helping our Group to better enhance our market competitiveness, broaden our market resources and facilitate our rapid development; and (ii) the Pre-[REDACTED] Investments have

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

expanded our shareholder base and shown the Pre-[REDACTED] Investors’ confidence in the R&D and commercialization capabilities and prospects of our Group, thus increasing our brand influence and market value. Moreover, our Pre-[REDACTED] Investors include experienced investors in the area of medical and/or healthcare industry, who can share their insight on business strategies and provide professional advice on our Group’s corporate governance, financial reporting and internal control.

[REDACTED] and whether they have been fully utilized

The [REDACTED] raised have been used for purposes of our business operations, business development, investment in our principal business and general working capital needs of our Group. As of the Latest Practicable Date, we had utilized approximately 41.0% of the net [REDACTED] from the Pre-[REDACTED] Investments.

Lock-up period

All the Pre-[REDACTED] Investors are subject to a six-month lock-up period commencing from the [REDACTED], during which they will not, inter alia, directly or indirectly dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any Shares of our Company.

Background Information of the Pre-[REDACTED] Investors

To the best of our Directors’ knowledge, except for Miracle Medical Limited and WE’TRON Capital, all other Pre-[REDACTED] Investors are Independent Third Parties. For details, see “— Public Float” below in this section and the section headed “Substantial Shareholders” in this document. The background information of each of our Pre-[REDACTED] Investors is set out below:

<u>Name of Pre-[REDACTED] Investors</u>	<u>Background</u>
Stride and Strive Limited	Stride and Strive Limited is an investment holding company which was incorporated in the BVI and is directly wholly owned by Real & Realistic. Real & Realistic is a company limited by guarantee with no share capital incorporated in Hong Kong. It is a charity foundation focused on advancing and promoting science and education and has no beneficial owner and ultimate controller.
HNMP Global Limited	HNMP Global Limited is an employee stock ownership platform of the MicroPort Group which was incorporated in the BVI with limited liability. HNMP Global Limited is owned as to approximately 52.18% by HNC Global Limited, whose shareholders comprised employees of the MicroPort Group and is the only shareholder holding 30% or more interest in HNMP Global Limited. HNC Global Limited is owned as to 33.60% by Ms. Jin Qiaorong (金巧蓉), an employee of the MicroPort Group, and none of the other shareholders of HNC Global Limited held 30% or more of the issued share capital of HNC Global Limited.

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<u>Name of Pre-[REDACTED] Investors</u>	<u>Background</u>
LHMP Global Limited	LHMP Global Limited is an employee stock ownership platform of the MicroPort Group which was incorporated in the BVI with limited liability. LHMP Global Limited is owned as to approximately 47.17% by LHC Global Limited, whose shareholders comprised employees of the MicroPort Group and is the only shareholder holding 30% or more interest in LHMP Global Limited. None of the shareholders of LHC Global Limited held 30% or more of the issued share capital of LHC Global Limited.
Miracle Medical Limited and WE'TRON Capital	<p>Miracle Medical Limited is an investment holding company which was incorporated in the BVI and is directly wholly owned by Maxwell Maxcare Science Foundation Limited (“Maxwell Maxcare”). Maxwell Maxcare is a company limited by guarantee with no share capital incorporated in Hong Kong. It is a charity foundation focused on advancing and promoting science and education and has no beneficial owner and ultimate controller.</p> <p>WE'TRON Capital is an investment holding company incorporated in Hong Kong with limited liability and is directly held as to 99.99% by Maxwell Maxcare. As of Latest Practicable Date, WE'TRON Capital held 14.50% of total number of issued shares of MicroPort.</p>
CICC Healthcare	CICC Healthcare is a company incorporated in the Cayman Islands with limited liability and controlled by CICC Healthcare Investment Fund, L.P. The general partner of CICC Healthcare Investment Fund, L.P. is CICC Healthcare Investment Management Limited, an indirect subsidiary of China International Capital Corporation Limited (“ CICC ”). The H-shares of CICC are listed on the Stock Exchange (stock code: 3908) and the A-shares of CICC are listed on the Shanghai Stock Exchange (stock code: 601995). CICC Healthcare Investment Fund, L.P. focuses on equity investment opportunities in core industries such as new medical technologies, new healthcare models and innovative medicines.
Nectar Neuro	Nectar Neuro is a company incorporated in the BVI and is managed and controlled by Helix Capital ZHEYI Limited, which is wholly owned by Gu Zheyi. Helix Harbor Fund I L.P., a Cayman Islands exempted limited partnership managed by HHF Group Limited (“ HHF Capital ”), holds approximately 60.0% participating shares of Nectar Neuro, whose investment strategies include investments in structural opportunities, consolidations and innovations in the medical technology, life science and consumer healthcare sectors, and is the only shareholder holding 30% or more interest in Nectar Neuro. HHF Capital is a leading private equity fund manager with a focus on growth and buyout stage investments in China's healthcare industry.
BVF III	BVF III is a limited partnership established in the BVI and is dedicated to investments in businesses in the medical and healthcare industry. Its general partner is BVF (BVI) Holding Limited and the limited partner is Wenbo Xu. BVF (BVI) Holding Limited is a limited liability company incorporated in the BVI and is directly wholly owned by Wenbo Xu.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

<u>Name of Pre-[REDACTED] Investors</u>	<u>Background</u>
Biolink Healthcare, Biolink Limited and Biolink NT	<p>Biolink Healthcare is a company incorporated in the BVI and is mainly engaged in equity investment in the medical sector. There is no ultimate beneficial owner who holds 30% or more interest in Biolink Healthcare. Hu Yibin holds 100% voting power in Biolink Healthcare.</p> <p>Biolink Limited is an investment holding company with limited liability which was incorporated in the BVI and is directly wholly owned by Biolink Fund Limited Partnership. Biolink NT is an exempted company with limited liability incorporated in the Cayman Islands and a special purpose vehicle directly wholly owned by Biolink NT Fund Limited Partnership. Each of Biolink Fund Limited Partnership and Biolink NT Fund Limited Partnership is managed by Biolink Biomedical Ltd., a company incorporated in the Cayman Islands with limited liability (“Biolink Biomedical”). Biolink Biomedical is indirectly wholly owned by Blossom Vision Limited, which is in turn wholly owned by Suntera Corporate Trustees (Hong Kong) Limited, the trustee of a discretionary trust set up by Hu Yibin as the settlor. Biolink Biomedical is dedicated to investments in businesses in the medical and healthcare industry. None of the limited partner of Biolink Fund Limited Partnership and Biolink NT Fund Limited Partnership holds 30% or more interest in the partnerships.</p>
Star Wave	<p>Star Wave is an investment holding company with limited liability which was incorporated in the BVI and is directly wholly owned by Gao Bin. Star Wave mainly invests in the medical and healthcare industry related business.</p>
Always Enterprises	<p>Always Enterprises is an investment holding company with limited liability which was incorporated in the BVI and is dedicated to investments in businesses in the medical and healthcare industry. Always Enterprises is owned as to 86.32% by Liping Yu, being the only shareholder holding 30% or more interest in Always Enterprises.</p>

Special Rights Granted to the Pre-[REDACTED] Investors

Pursuant to the shareholders agreement dated November 19, 2021 entered into among our Company, MP NeuroTech BVI, MP NeuroTech HK, Shanghai Shenjing, MP NeuroTech Shanghai and the then Shareholders of our Company, as amended by the deed of amendment dated June 9, 2022, (the “**Shareholders Agreement**”), which superseded the previous shareholders agreements, the Pre-[REDACTED] Investors were granted certain special rights, including but not limited to information rights, protective provisions, redemption rights, pre-emptive rights, director nomination rights, rights to be consented prior to certain corporate actions and anti-dilution rights. The redemption rights were terminated on December 28, 2021 and all the other special rights under the Shareholders Agreement shall be automatically terminated upon the [REDACTED] in compliance with the requirements of the Guidance on Pre-[REDACTED] Investments (HKEX-GL43-12).

Public Float

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Maxwell Maxcare will control approximately [REDACTED]% interest in our total issued Shares through Miracle Medical Limited and WE’TRON Capital and will be our substantial shareholder. As such,

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

each of Miracle Medical Limited and WE’TRON Capital, being a subsidiary of Maxwell Maxcare, will be a core connected person of our Company as defined under the Listing Rules and the Shares held by each of them will not be counted towards the public float.

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Hu Yibin will control approximately [REDACTED]% interest in our total issued Shares through Biolink Healthcare, Biolink Limited and Biolink NT and will be our substantial shareholder. As such, each of Biolink Healthcare, Biolink Limited and Biolink NT, being a close associate of Hu Yibin, will be a core connected person of our Company as defined under the Listing Rules and the Shares held by each of them will not be counted towards the public float.

Save as disclosed above in this section and the section headed “Substantial Shareholders” in this document, to the best of our Directors’ knowledge, all other Pre-[REDACTED] Investors are not connected persons of our Company and are Independent Third Parties. As a result, Shares held by the existing Shareholders, other than MP Scientific, Miracle Medical Limited, WE’TRON Capital, Biolink Healthcare, Biolink Limited and Biolink NT, will all be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Hence, over 25% of our total issued Shares will be held by the public upon completion of the [REDACTED] as required under 8.08(1)(a) of the Listing Rules.

Compliance with Interim Guidance and Guidance Letters

The Joint Sponsors are of the view that the Pre-[REDACTED] Investments are in compliance with the Interim Guidance on Pre-[REDACTED] Investments (HKEX-GL29-12) and the Guidance on Pre-[REDACTED] Investments (HKEX-GL43-12).

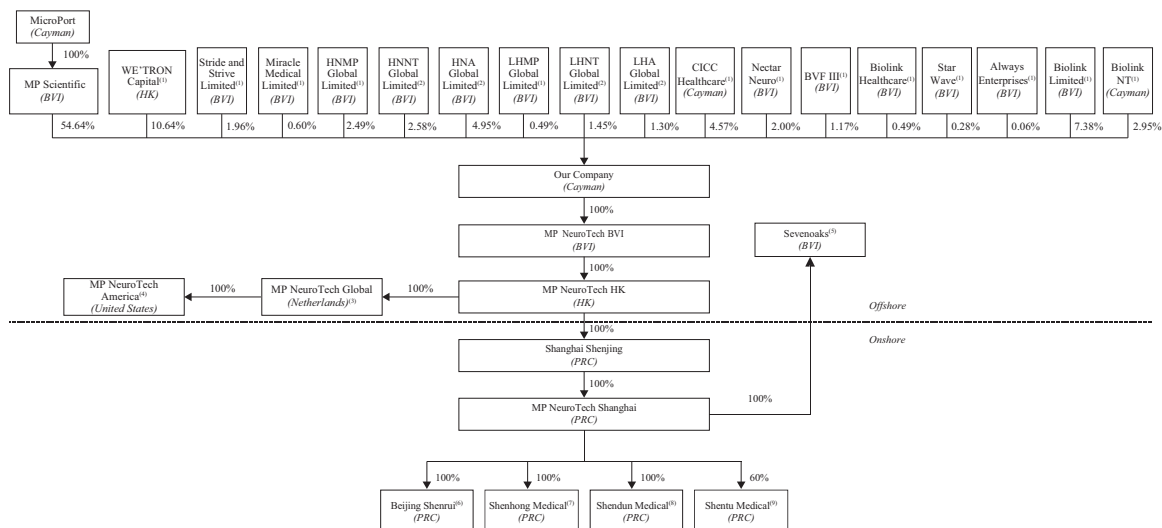
SHARE SUBDIVISION AND SHARE CONVERSION

On [●], we conducted the Share Subdivision pursuant to which each share in our issued and unissued share capital was subdivided into [five] shares of the corresponding class with par value US\$[0.00002] each, following which our issued share capital consisted of (i) [461,397,840] Shares with par value of US\$[0.00002] each; and (ii) [58,795,625] Series A-1 Preferred Shares with par value of US\$[0.00002] each; and (iii) [48,764,635] Series A-2 Preferred Shares with par value of US\$[0.00002] each. Each Series A Preferred Shares will be converted to one Share upon the [REDACTED] becoming unconditional.

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SHAREHOLDING AND CORPORATE STRUCTURE

Corporate structure upon completion of the Reorganization and the Pre-[REDACTED] Investments and immediately prior to the [REDACTED]



Notes:

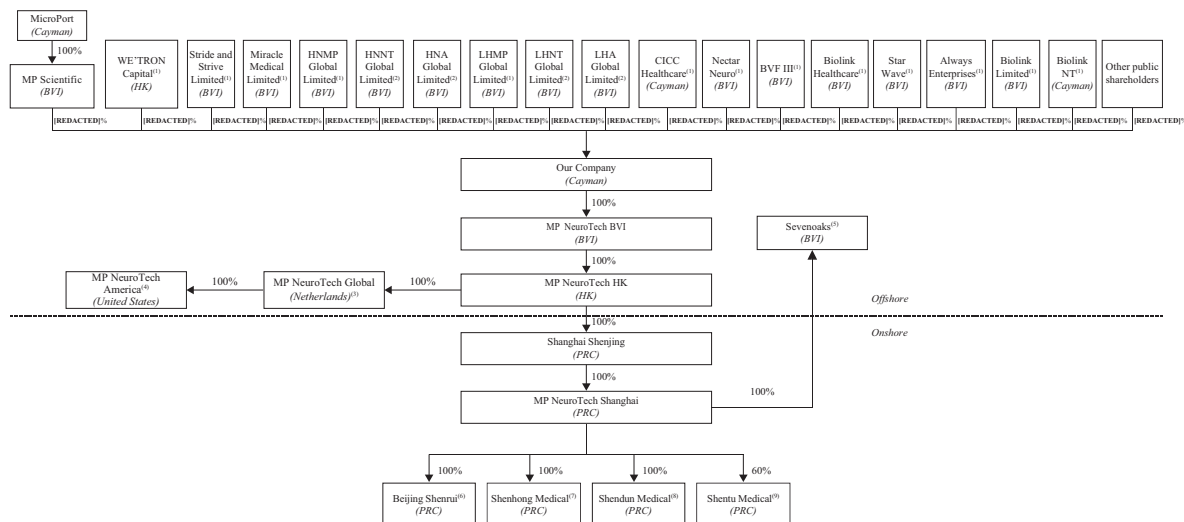
- (1) See “—Pre-[REDACTED] Investments—Background Information of the Pre-[REDACTED] Investors” above for the detailed background information of each of the Pre-[REDACTED] Investors.
- (2) See “—Our Employee Stock Ownership Platforms” above for details and background information of our employee stock ownership platforms.
- (3) MP NeuroTech Global was incorporated in the Netherlands with limited liability on April 8, 2022 and has not had business operations since its incorporation.
- (4) MP NeuroTech America was incorporated in the United States on June 8, 2022 and has not had business operations since its incorporation.
- (5) On September 18, 2019, Sevenoaks was incorporated by MP NeuroTech Shanghai in the BVI with limited liability as an investment holding company which invested 11.85% of the total number of issued shares of Rapid Medical. Upon its incorporation, one share was allotted and issued to MP NeuroTech Shanghai with a subscription price of US\$5.5 million which was fully paid in cash by MP NeuroTech Shanghai on April 16, 2020.

Rapid Medical is an Israel-based company primarily engaged in the development, manufacturing and sales of innovative devices for neuro-interventional procedures. We subsequently became its largest shareholder by investing in April 2019 and April 2021, respectively, and has become the exclusive distributor of certain flagship products of Rapid Medical in Greater China since our initial investment. For more details, see “—Acquisition, Disposal and Deregistration of Subsidiaries during the Track Record Period—Acquisition of certain interests in Rapid Medical” above in this section.
- (6) Beijing Shenrui was established in the PRC with limited liability on December 21, 2020 and has not had business operations since its establishment.
- (7) Shenhong Medical was established in the PRC with limited liability on August 5, 2021 and is primarily engaged in the R&D of liquid embolic agents.
- (8) Shendun Medical was established in the PRC with limited liability on January 10, 2019 and is primarily engaged in the R&D of *NUMEN* Biodegradable Coil and Balloon Protection Guide Catheter.
- (9) Shentu Medical was established in the PRC with limited liability on June 12, 2020 and is primarily engaged in the R&D of neurovascular guidewires and carotid artery stent. The remaining 40% equity interest in Shentu Medical is held by

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Shanghai Meijing, our employee stock ownership platform. As of the Latest Practicable Date, the general manager of Shentu Medical, Mr. Zhang Yingtao (張滢濤), was the general partner of Shanghai Meijing and the limited partners were employees and consultants of our Group, as well as Shanghai Xuenao Enterprise Management Consulting Center (Limited Partnership) (上海學腦企業管理諮詢中心 (有限合夥)), our employee stock ownership platform, whose general partner was Mr. Zhang Yingtao and its limited partners were our employees and former employees.

Corporate structure immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)



Notes:

See the respective notes to the corporate structure upon completion of the Reorganization and the Pre-[REDACTED] Investments and immediately prior to the [REDACTED].

[REDACTED] OF OUR GROUP FROM MICROPORT

MicroPort considers that it is commercially beneficial to MicroPort and our Company and in the interests of the shareholders of MicroPort to effect the [REDACTED] as the [REDACTED] is expected to create greater value for MicroPort and its shareholders as a whole and our Company for the following reasons:

- the [REDACTED] will unlock value of our Company which is at a fast-growing stage and provide MicroPort and its shareholders an opportunity to realize the value of their investment in our Group under a separate standalone platform for our Group's business;
- the [REDACTED] will separate our Group's business from the MicroPort Group's business. Such separation will enable shareholders and investors to appraise the strategies, success factors, functional exposure, risks and returns of our Group and the MicroPort Group separately and to make or refine their investment decisions accordingly. Investors will have the choice to invest in either one or all of the businesses of the MicroPort Group;
- the [REDACTED] will enable our Group to build our identity as a separately [REDACTED] group, to have a separate fund-raising platform and to broaden our investor base. Direct access to capital markets allows our Group to make equity and/or debt financing to fund our existing operations and future expansion without reliance on MicroPort, thereby accelerating our expansion, improving our operating and financial management efficiencies, which in turn will provide better return to our Shareholders;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (d) the [REDACTED] will enable our Group to enhance our corporate profile, thereby increasing our ability to attract investors for making investments in our Group, which could provide synergy for our Group, and the MicroPort Group will also benefit from such investments without further capital commitment;
- (e) the [REDACTED] will increase the operational and financial transparency of and improve the corporate governance of our Company and provide Shareholders and investors with greater clarity on the businesses and financial status of our Group on a standalone basis, and such improvements will help to build investor confidence in forming investment decisions based on their assessment of the performance, management, strategy, risks and returns of our Group; and
- (f) the [REDACTED] will enable more focused development, strategic planning and better allocation of resources for the MicroPort Group and our Group with respect to their respective businesses. Both the MicroPort Group and our Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for our Group to focus on our development. In addition, the [REDACTED] will improve the ability of our Group to recruit, motivate and retain key management personnel.

The [REDACTED], if [REDACTED], may constitute a discloseable transaction for MicroPort under the Listing Rules.

The proposal in relation to the [REDACTED] was submitted by MicroPort to the Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules (the “**Practice Note 15**”), and the Stock Exchange has confirmed that MicroPort may proceed with the [REDACTED]. Practice Note 15 requires MicroPort to have due regard to the interests of its existing shareholders by providing them with an [REDACTED] to the Shares, either by way of a distribution in specie of existing Shares or by way of a preferred application in the [REDACTED] of existing or new Shares (the “[REDACTED]”). Practice Note 15 provides that the respective minority shareholders of MicroPort may by resolution in general meeting resolve to waive the [REDACTED]. MicroPort will provide the [REDACTED] to the [REDACTED] by way of the [REDACTED]. See “Structure of the [REDACTED]” in this document for further details of the [REDACTED].

PRC REGULATORY REQUIREMENTS

As confirmed by our PRC Legal Advisers, we have obtained and completed all necessary approvals, registrations and/or procedures in all material aspects required by the relevant PRC regulatory authorities in respect of the steps of the Reorganization in relation to our PRC subsidiary, as described above.

According to the M&A Rules jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the China Securities Regulatory Commission (the “**CSRC**”), the SAMR and the SAFE on August 8, 2006, as amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise, (ii) subscribes for the increased capital of a domestic enterprise so as to convert the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

domestic enterprise into a foreign-invested enterprise, (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets, or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise.

Article 11 of the M&A Rules regulates “affiliated mergers”, which refers to the circumstance where a domestic company or enterprise or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company which is related to or connected with it/him, and an approval from MOFCOM is required.

Our PRC Legal Advisers are of the opinion that no approval from MOFCOM under the M&A Rules is required for the Reorganization for the reasons that, (1) Shanghai Shenjing was established as a foreign-owned enterprise by means of direct investment rather than the merger or acquisition by our Company under the M&A Rules, (2) the share transfer from Shanghai Wangdaotong and Shanghai Lianghong to Shanghai shenjing shall be deemed as the equity transfer of a sino-foreign equity joint venture enterprise, which does not involve the circumstance under the M&A Rules, where foreign investors acquire equity of shareholders of nonforeign investment enterprises in China MOFCOM.

Pursuant to the SAFE Circular 37 promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of the Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division.

Pursuant to the Circular of SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**SAFE Circular No. 13**”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity are located.

According to the Foreign Exchange Registration Form for Overseas Investment of Domestic Individual Residents and the Business Registration Certificate stamped and confirmed by qualified local banks, as of the Latest Practicable Date, each of our directors and senior management who indirectly hold shares in our Company, being PRC resident and who is required to conduct registration pursuant to the requirement of the SAFE Circular 37 have completed the initial registration under the SAFE Circular 37.