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MicroPort NeuroTech Limited

微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

ADOPTION OF SHARE AWARD SCHEME

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The Board is pleased to announce that on August 26, 2022, the Company has adopted the Scheme to, among other things, recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Scheme is a share award scheme and is funded by existing Shares to be purchased by the Trustee on the market.

SUMMARY OF THE SCHEME

The following is a summary of the principal terms of the Scheme:

Purpose

The purpose of the Scheme is to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Duration and Termination

Unless terminated by the Board in accordance with the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

The Scheme shall terminate on the earlier of (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant. Upon termination, all the Awarded Shares of the Selected Participants granted under the Scheme shall become vested on the Selected Participants so referable on such date of termination save in respect of a total lapse or partial lapse as provided in the Scheme. Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee. The Residual Cash, all cash income derived from the Shares, the net proceeds of sale from early termination pursuant to the Scheme and such other funds remaining in the trust fund managed by the Trustee (after making appropriate deductions) shall be remitted to the Company forthwith.

Administration

The Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Trustee shall hold the Awarded Shares, the Scheme Shares, the income derived therefrom and the Residual Cash in accordance with the terms of the Trust Deed. Without prejudice to the foregoing and to the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the rules of the Scheme and the Trust Deed.

Operation

The Board shall, in respect of the Scheme and after having regard to the requirement under the Scheme, determine the number of Shares to be purchased as Scheme Shares, and cause to be paid the Reference Amount from Company's resources to the Trustee to be held on trust for purchase the Scheme Shares. After receiving the Reference Amount and written instruction from the Company, the Trustee shall apply the same towards the purchase the maximum number of Shares at the prevailing market price.

The Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant and determine the Award Shares for each of them. Participation in the Scheme limited to Selected Participants only. The Board is entitled to impose any conditions as it deems appropriate in its absolute discretion with respect to the entitlement of the Selected Participant to the Awarded Shares. Upon receipt of the instruction from the Board as to the name of Selected Participant and the number of Award Shares to be granted to the Selected participant, the Trustee shall make relevant arrangement to convert the Scheme Shares to the Award Shares for the relevant Selected Participant.

Vesting and Lapse

Unless otherwise provided in the Scheme, subject to the receipt by the Trustee of within the period stipulated in the vesting notice sent to the relevant Selected Participant by the Board or the Committee, and a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Award Shares to the Selected Participant(s) or his/her Nominee(s) as soon as practicable after the Vesting Date. The Vesting Date shall be on any Business Day at the end of March of any year or any other date as stated in the Offer Letter or may be otherwise determined by the Board.

Unless otherwise provided in the Scheme, in the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be an Eligible Participant, or (ii) the subsidiary of the Company by which a Selected Participant is employed ceases to be a subsidiary of the Company (or of a member of the Group), or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by,

an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), the Award shall automatically lapse forthwith and the Awarded Shares or any portion thereof shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

Transferability

Any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Reference Amount or the Awarded Shares referable to him pursuant to such Award.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust, including but not limited to the Awarded Shares, the Returned Shares, the Scheme Shares, any bonus Shares and scrip Shares derived therefrom.

Scheme Limit

The Board shall not make any further award of Award Shares which will result in the number of the Shares which may be awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued Shares of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a Selected Participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company as at the Adoption Date, save and except approved by the shareholders of the Company in a general meeting.

Restrictions

No Award shall be made by the Board, no Reference Amount shall be caused to be paid by the Company to Trustee and no instructions to acquire Shares shall be given to the Trustee under the Scheme where any Director is in possession of unpublished inside information (as defined under Part XIVA of the Securities and Futures Ordinance (as may be amended from time to time)) in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules including Appendix 10 of the Listing Rules and all applicable laws from time to time.

LISTING RULES IMPLICATION

The Scheme is a share award scheme and is solely funded by by existing Shares to be acquired by the Trustee on the market. No approval from the Shareholders is required for the adoption of the Scheme. The Company will comply with Listing Rules including requirements under Chapter 14A in respect of grants of Award to connected person(s) of the Company.

DEFINITIONS

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

“Adoption Date”	August 26, 2022, being the date on which the Scheme is adopted by the Company
“Award”	an award granted by the Board to a Selected Participant in accordance with the terms of the Scheme Rules
“Award Share(s)”	in respect of a Selected Participant, such number of Scheme Shares (or such number of Returned Shares) as determined by the Board and awarded to each of the Selected Participant(s) for the purpose of the Award
“Board”	the board of directors of the Company or where applicable under the Scheme, any other person as designated by the Board to exercise its power under this Trust Deed from time to time
“Business Day”	a day (other than Saturday, Sunday and public holidays) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	Microport NeuroTech Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange under the stock code of 2172
“Committee”	the remuneration committee of the Company, from time to time
“Director(s)”	director(s) of the Company
“Eligible Participant”	eligible participant of the Scheme including any employee (whether full-time or part-time) of the Group; any director (including executive, non-executive and independent non-executive directors) of the Group; any director (including executive, non-executive and independent non-executive directors) or employee (whether full-time or part-time) of the MicroPort Group and associated companies of the Company who, in the sole and absolute direction of the Board, has contributed or will contribute to the development of the Group; and any service provider (including advisors, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners, joint venture business partners) who provides service to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group

“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MicroPort”	MicroPort Scientific Corporation, a company incorporated in the Cayman Islands with limited liability the shares of which is listing on the Stock Exchange under the stock code of 853, a controlling shareholder of the Company
“MicroPort Group”	MicroPort, its subsidiaries and associates
“Nominee”	any party, entity or individual named by the Selected Participant to hold the Award Shares for his/her behalf
“Reference Amount”	the amount paid from the Company’s resources to the Trustee to be held on trust for the purchase of the Scheme Shares, which shall be determined by the Board and is the sum of (i) the amount for the purchase of the Scheme Shares or an equivalent amount as determined by the Board at its absolute discretion, and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, Securities and Futures Commission transaction levy, Stock Exchange trading fee, Financial Reporting Council transaction levy) and such other necessary expenses required for the completion of the purchase of the Scheme Shares
“Reference Date”	in respect to a Selected Participant, the date of final approval by the Board of the Reference Amount for the purchase of Shares pursuant to the Scheme
“Residual Cash”	being cash remaining in the trust fund of the Trust, including but not limited to such portion of the Reference Amount that has not been used to acquire Scheme Shares and interest income derived from deposits maintained with licensed banks in Hong Kong
“Returned Shares”	income in the form of Shares that the Selected Participants have no entitlement pursuant to the Scheme, such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of a total lapse or a partial lapse or otherwise), or forfeited in accordance with the terms of the Scheme, or such other Shares being deemed to be Returned Shares in accordance with the terms of the Scheme

“Shares”	ordinary shares with a par value of US\$0.00002 each in the capital of the Company, or if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company from such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction
“Scheme”	the share award scheme adopted by the Company in accordance with the Scheme Rules on the Adoption Date
“Scheme Rules”	the rules of the Scheme as amended from time to time
“Scheme Shares”	the Shares purchased by the Trustee pursuant to the Scheme Rules that have not been allocated by the Trustee as Awarded Shares, and the Returned Shares
“Selected Participant”	eligible participant selected by the Board to participate in the Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trustee”	the original trustee and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed, which are independent third parties and not connected with the Company or any of its connected persons
“Vesting Date”	the date on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant

By order of the Board
MicroPort NeuroTech Limited
Mr. Peng Bo
Chairman

Hong Kong, August 26, 2022

As at the date of this announcement, the Board comprises Mr. Xie Zhiyong and Mr. Wang Yiqun Bruce as the executive directors; Mr. Peng Bo, Mr. Wang Lin and Ms. Wu Xia as the non-executive directors; and Dr. Xu Yi, Dr. Zhang Haixiao and Mr. Siu Chi Hung as the independent non-executive directors.