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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MicroPort NeuroTech Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MicroPort NeuroTech Limited

微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

**PROPOSED RE-ELECTION OF DIRECTORS;
PROPOSED RE-APPOINTMENT OF AUDITORS;
PROPOSED ADOPTION OF SHARE SCHEME;
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of MicroPort NeuroTech Limited to be held at 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, the People's Republic of China on Wednesday, 28 June 2023 at 10:00 a.m. is set out on pages 45 to 49 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.medneurotech.com).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Monday, 26 June 2023 (Hong Kong Time). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

2 June 2023

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	7
2. Proposed Re-election of Directors	7
3. Proposed Re-appointment of Auditors	7
4. Proposed adoption of the Share Scheme	7
5. Proposed Granting of the Share Buy-back Mandate.	12
6. Proposed Granting of the Issuance Mandate.....	12
7. Responsibility Statement.....	13
8. Annual General Meeting and Proxy Arrangement.....	13
9. Recommendation.....	14
 Appendix I — Details of the Directors Proposed to be Re-elected at the Annual General Meeting	15
 Appendix II — Summary of Principal Terms of the Share Scheme	20
 Appendix III — Explanatory Statement	41
 Notice of Annual General Meeting	45

DEFINITIONS

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

“Actual Selling Price”	the proceeds from the sale of the Award Shares net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs
“Adoption Date”	the date on which the Share Scheme becomes unconditional
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Wednesday, 28 June 2023 at 1601 Zhangdong Road, Zhangjiang Hi-Teck Park, Shanghai 201203, the People’s Republic of China, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 45 to 49 of this circular, or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company currently in force
“Award”	an award granted under the Share Scheme, which may be a Share Option or a Share Award
“Award Shares”	new Shares underlying an Award
“Board”	the board of Directors
“Company”	MicroPort NeuroTech Limited, an exempted company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2172)
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participants”	the Employee Participants, Related Entity Participants and the Service Providers Participants, and for the purposes of the Share Scheme, the Offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable)
“Employee Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards under the Share Scheme as inducement to enter into employment contracts with any member of the Group)
“Exercise Period”	in respect of any Award, the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Offer Date with respect of the relevant Award
“Exercise Price”	with respect to a particular Share Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Share Option
“Exercised Award Shares”	such number of Award Shares that have been exercised by a Grantee upon vesting of an Award
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the Share Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 45 to 49 of this circular
“Issue Price”	in respect to a particular Share Award, the price per Share at which the relevant Grantee is required to pay to subscribe for the Shares comprising the Share Award
“Latest Practicable Date”	30 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Memorandum of Association”	the amended and restated memorandum of association of the Company currently in force
“Minimum Period”	with respect to an Award, the period commences on the Offer Date and ending on the day immediately prior to the first anniversary thereof
“Offer”	an offer to an Eligible Participant for the grant of an Award
“PRC”	the People’s Republic of China
“Related Entity Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries or associated companies of the Company
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Scheme Mandate Limit”	has the meaning defined in the section headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix II
“Service Provider Participant”	has the meaning defined in the section headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” of Appendix II
“Service Provider Participant Sublimit”	has the meaning defined in the section headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix II
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award”	an Award which vests as a right to subscribe for Award Shares at the Issue Price during the Exercise Period pursuant to the Share Scheme
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of Shares of the Company in issue as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 45 to 49 of this circular
“Share Option”	an Award which vests as a right to subscribe for Award Shares at the Exercise Price during the Exercise Period pursuant to the Share Scheme
“Share Scheme”	the share scheme proposed to be adopted by the Company at the upcoming annual general meeting
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“Termination Date”	close of business day on the date which falls on immediately prior to the tenth anniversary of the Adoption Date
“Trust”	has the meaning defined in the section headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix II
“%”	per cent



MicroPort NeuroTech Limited

微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

Executive Directors:

Mr. Xie Zhiyong
Mr. Wang Yiqun Bruce

Non-executive Directors:

Mr. Peng Bo (*Chairman*)
Mr. Wang Lin
Ms. Wu Xia

Independent Non-executive Directors:

Dr. Xu Yi
Dr. Zhang Haixiao
Mr. Siu Chi Hung

Registered Office:

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard, Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

*Head Office and Principal Place
of Business in the PRC:*

No. 1661 Zhangdong Road
Pudong New Area, Shanghai
PRC

*Principal Place of Business
in Hong Kong:*

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

2 June 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS;
PROPOSED RE-APPOINTMENT OF AUDITORS;
PROPOSED ADOPTION OF SHARE SCHEME;
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES;
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting for the approval of, among other matters (i) the proposed re-election of Directors; (ii) the proposed re-appointment of auditors; (iii) the adoption of the Share Scheme; and (iv) the granting of the Share Buy-back Mandate and the Issuance Mandate.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 26.4 of the Memorandum and Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to, but not less than, one-third) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Peng Bo, Mr. Xie Zhiyong and Ms. Wu Xia shall retire at the AGM, and, being eligible, offered themselves for re-election at the AGM.

3. PROPOSED RE-APPOINTMENT OF AUDITORS

In accordance with Rule 13.88 of the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting (1) to re-appoint KPMG; and (2) to re-appoint KPMG Huazhen LLP as the overseas and domestic auditors of the Company for the year 2023 and until the next annual general meeting of the Company, to provide 2023 annual financial report audit services or other related consultancy services, and to authorize the Board to fix their remuneration.

The appointment of the auditors of the Company has been reviewed by the Audit Committee which made recommendation to the Board that the appointment be submitted and proposed for Shareholders' approval at the Annual General Meeting. As KPMG is relatively familiar with the Group's financials and affairs, the Board considers that the audit and other related work in respect of the Group for the year ending 31 December 2023 could be performed more efficiently by KPMG, which is in the best interests of the Company and the Shareholders as a whole.

4. PROPOSED ADOPTION OF THE SHARE SCHEME

(1) Introduction

The Company currently does not have a share option scheme. The Company proposes to adopt the Share Scheme to provide incentives to the Eligible Participants to align their interests with that of the Group. The Share Scheme will be in compliance with the amendments to Chapter 17 of the Listing Rules that came into effect on 1 January 2023.

LETTER FROM THE BOARD

A summary of the principal terms of the Share Scheme is set out in the Appendix II to this circular.

(2) The purpose

The purpose of the Share Scheme is set out in the section headed “1. PURPOSE” in Appendix II.

(3) The conditions

The adoption of the Share Scheme is conditional upon:

- (1) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Awards that may be granted under the Share Scheme.

(4) The Eligible Participants

The Eligible Participants and the criteria for determination of their eligibility are set out in the section headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix II.

Whilst the scope of the Eligible Participants is not limited to the employees of the Group and the Directors, the Company considers that the Related Entity Participants and the Service Provider Participants have made and may continue to make contributions to the Group.

The details of the criteria for the selection of Service Provider Participants as Grantee are set out in the section headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix II.

The Board (including the independent non-executive Directors) is of the view that the inclusion of Service Provider Participants as Eligible Participants, the criteria of selection of the Eligible Participants, and the terms of the grants are fair and reasonable and align with

LETTER FROM THE BOARD

the purpose of the Share Scheme to recognise contributions made and to be made to the growth and development of the Group and the long term interests of the Company and its Shareholders.

(5) Vesting Period

The vesting period of the Awards is set out in the section headed “5. VESTING PERIOD” in Appendix II. The same section also sets out circumstances in which the Board may grant Awards with a vesting period shorter than the Minimum Period.

The Board and the remuneration committee of the Company are of the view that (i) there are certain instances (for example in circumstances (1) to (3) set out in the section headed “5. VESTING PERIOD” of Appendix II to this circular) where a strict twelve (12)-month vesting requirement would not be fair to the holder(s) of the Awards; (ii) there is a need for the Company to retain the flexibility to reward exceptional performers with accelerated vesting period or in exceptional circumstances where justified; and (iii) the Company should be allowed to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition. It should have the flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

As such, the Board and the remuneration committee of the Company are of the view that the circumstances when the vesting period is shorter than the Minimum Period prescribed in the section headed “5. VESTING PERIOD” of Appendix II to this circular are appropriate and align with the purpose of the Share Scheme.

(6) Maximum number of Shares subject to the Share Scheme

The total number of Shares which may be issued in respect of all Awards which may be granted under the Share Scheme is set out in the section headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” in Appendix II.

As at the Latest Practicable Date, the number of issued Shares was 582,658,100 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Awards to be granted under the Share Scheme together with all options and awards which may be granted under any other schemes for the time being of the Company would be 58,265,810 Shares, representing 10% of the issued share capital of the Company on the date of approval of the Share Scheme.

LETTER FROM THE BOARD

Within the Scheme Mandate Limit, the Service Provider Participant Sublimit would be 582,658 Shares, representing 1% of the total number of Shares in issue on the date of approval of the Share Scheme.

The basis for determining the Service Provider Participant Sublimit is that (i) the potential dilution effect arising from grants to the Service Provider Participants; (ii) the importance of striking a balance between achieving the purpose of the Share Scheme and protecting the Shareholders from the dilution effect from granting a substantial number of Awards to the Service Provider Participants; (iii) the extent of use of the Service Provider Participants in the Group's businesses; (iv) the expected contribution to the development and growth of the Company attributable to the Service Provider Participants; and (v) the Company expects that a majority of the Awards will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. The Company considers that the proportionately low limit of 1% would provide sufficient number of Shares as incentive to the Service Provider Participants should the occasion requires and yet it would not lead to excessive dilution of existing Shareholders' shareholdings while allowing for the Board to grant Awards to the clearly identified categories of Service Provider Participants which would benefit the Company. Having considered the innovation-driven and technological-driven nature of the Group's principal business, the Company considers that the Service Provider Participant Sublimit limit is required to provide the Group with the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group. Notwithstanding the fact that the Company had not grant any share options or share awards to the Service Provider Participants in the past, the Board is of the view that the Service Provider Participant Sublimit is appropriate and reasonable. The Service Provider Participant Sublimit is subject to separate approval by the Shareholders at the AGM.

(7) Performance targets and clawback mechanism

Save as determined by the Board and provided in the offer letter of the grant of an Option, the Share Scheme does not stipulate any performance target a Grantee is required to achieve before the relevant Award can be exercised nor any clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participants.

LETTER FROM THE BOARD

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Awards under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that is valuable to the development of the Group.

(8) Others

The Company understands that whilst the Share Scheme is not restricted to executives and employees of the Group, the adoption of the Share Scheme would not constitute an offer to the public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

None of the Directors is and will be the trustee of the Share Scheme nor has a direct or indirect interest in the trustee.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Share Scheme.

The Company has adopted a share award scheme (the “**Share Award Scheme**”) on 26 August 2022, which is a share award scheme solely funded by existing Shares to be acquired by the trustee on the market. As such, the Share Award Scheme is a scheme for existing shares under Chapter 17 of the Listing Rules. Save for the Share Award Scheme, the Company has no other share schemes to provide incentives to employees or other eligible participants.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the Share Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Scheme.

(9) Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Award that may be granted under the Share Scheme.

LETTER FROM THE BOARD

(10) Document on display

A copy of the Share Scheme will be published on the websites of the Stock Exchange at (www.hkexnews.hk) and the Company at (<http://www.medneurotech.com>) for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

5. PROPOSED GRANTING OF THE SHARE BUY-BACK MANDATE

In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 45 to 49 of this circular (i.e. a total of 58,265,810 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate. An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix III to this circular.

6. PROPOSED GRANTING OF THE ISSUANCE MANDATE

In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 45 to 49 of this circular (i.e. a total of 116,531,620 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 45 to 49 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Article 19.7 of the Articles of Association provides that, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. According to Article 20.1 of the Articles of Association, every shareholder present in person or by proxy shall have one vote for each share registered in his name in the register. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the Annual General Meeting. The Company will publish an announcement of the poll results on the websites of the Stock Exchange and the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.medneurotech.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Monday, 26 June 2023 (Hong Kong time). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, your proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that the resolutions in relation to, among others, (i) the proposed re-election of Directors; (ii) the proposed re-appointment of auditors; (iii) the adoption of the Share Scheme; and (iv) the granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Mr. Peng Bo
Chairman

The following are details of the Directors who will be eligible, offer themselves for re-election at the Annual General Meeting.

(1) MR. PENG BO

Position and experience

Mr. Peng Bo, born in 1968, was appointed as our Director on 30 September 2020 and re-designated as our non-executive Director and chairman of our Board on 16 December 2021. Mr. Peng joined our Group in May 2012 and has been serving as the chairman of the board of directors of MP NeuroTech Shanghai since then. He is primarily responsible for overseeing the management and operations of our Group. He is also a member of the remuneration committee of the Company (the “**Remuneration Committee**”).

Mr. Peng has over 21 years of experience in medical device industry. Mr. Peng joined the MicroPort Group in July 2001 and since then, has successively served various positions in MicroPort Group, including marketing development manager, director of human resources, vice president of domestic marketing and sales and chief marketing officer. Mr. Peng has been serving as the chief marketing officer of Shanghai MicroPort in 2008 and the chairman of the Greater China Executive Committee of MicroPort since 2013, where he is primarily responsible for the overall sales and marketing management. Since May 2012, Mr. Peng has also been serving as the chairman of Shanghai MicroPort Endovascular MedTech (Group) Co., Ltd. (上海微創心脈醫療科技(集團)股份有限公司) (“**MicroPort Endovascular**”), a company principally engaged in endovascular and peripheral vascular devices whose shares are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688016).

Mr. Peng obtained his bachelor’s degree in computer science from Changchun Institute of Optics and Fine Mechanics (長春光學精密機械學院) (now known as Changchun University of Science and Technology (長春理工大學)) in the PRC in July 1990 and his master’s degree in business administration from Shanghai University of Finance and Economics (上海財經大學) in November 2004.

Length of service and director’s emoluments

Mr. Peng was appointed as our Director on 30 September 2020 and was re-designated as our non-executive Director and chairman of our Board on 16 December 2021. The Company has entered into a service contract with Mr. Peng in relation to his appointment as non-executive Director from the Listing Date. Mr. Peng is subject to re-election at annual

general meetings of the Company pursuant to the Articles of Association. For the year ended 31 December 2022, no emoluments were paid by the Group to Mr. Peng as an inducement to join or upon joining the Group or as compensation for loss of office.

Relationships

Save as disclosed above, Mr. Peng does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

Name of Director	Name of Associated Corporation	Nature/Capacity of Interest	Percentage of Shareholding
Mr. Peng	MicroPort	Beneficial Owner ⁽¹⁾	0.42%
	MicroPort CardioFlow Medtech Corporation (微創心通醫療科技有限公司) ("MicroPort CardioFlow")	Beneficial Owner ⁽²⁾	<0.1%

Notes:

- As at the end of the Latest Practicable Date, Mr. Peng was interested in (i) 869,496 shares of MicroPort; and (ii) 6,841,170 underlying shares of MicroPort by virtue of the options granted to him under a share option scheme of MicroPort. As Pokang Limited is a company wholly owned by Mr. Peng, Mr. Peng is deemed to be interested in such shares by virtue of Part XV of the SFO.
- As at the end of the Latest Practicable Date, Mr. Peng was interested in 54,304 shares of MicroPort CardioFlow.

Save as disclosed above, as at the Latest Practicable Date, Mr. Peng was not interested or deemed to be interested in shares, underlying shares of debentures of the Company or its associated corporation pursuant to Part XV of the SFO.

(2) MR. XIE ZHIYONG

Position and experience

Mr. Xie Zhiyong, born in 1976, was appointed as our Director on 2 November 2020 and re-designated as our executive Director on 16 December 2021. He joined our Group in April 2012 and has been serving as our president since then and is mainly responsible for the

overall management of our Group. He is also a member of the nomination committee of the Company (the “**Nomination Committee**”). Mr. Xie also holds various directorships and management positions in our Group companies including a director and general manager of MP NeuroTech Shanghai since May 2012.

Mr. Xie had over 23 years of experience in the neuro-intervention industry. Prior to joining our Group, from January 1999 to March 2012, Mr. Xie successively served as a R&D engineer, a manager of the stent R&D department and a R&D director at Shanghai MicroPort Medical, where he was primarily responsible for R&D of coronary stents, peripheral vascular products and neuro-interventional products including leading the R&D work for APOLLO™ Intracranial Stent System (“**APOLLO™ Intracranial Stent**”). Mr. Xie was awarded the Second Prize for National Science and Technology Award (國家科學技術進步獎二等獎) by the State Council in February 2007 and December 2014, the First Prize for the Science and Technology Award of Shanghai (上海市科學技術獎一等獎) by the Shanghai Municipal Government in November 2009 and the Second Prize for the Science and Technology Award of Shanghai Pudong New Area (上海市浦東新區科技進步獎二等獎) by the People’s Government of Shanghai Pudong New Area in January 2017, a Leading Talent of Shanghai (上海市領軍人才) by the Organization Department of CPC Shanghai Committee (中共上海市委組織部) and Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in February 2020 and a Senior Engineer (正高級工程師) by the Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in December 2020. He has 100 authorized patents in China and overseas, presided over nine provincial and ministerial projects, and led the research and development of neuro-interventional medical devices, of which two were admitted to the “Green Path” of the NMPA and four were rated as innovative products in Shanghai.

Mr. Xie graduated from Shanghai Jiao Tong University (上海交通大學) in the PRC with a major in communications engineering in July 2004 and obtained his master’s degree in project management from Zhejiang University (浙江大學) in the PRC in June 2011.

Length of service and director’s emoluments

Mr. Xie joined our Company on 2 November 2020 and was re-designated as our executive Director on 16 December 2021. The Company has entered into a service contract with Mr. Xie in relation to his appointment as executive Director from the Listing Date. Mr. Xie is subject to re-election at annual general meetings of the Company pursuant to the Articles of Association. For the year ended 31 December 2022, no emoluments were paid by the Group to Mr. Xie as an inducement to join or upon joining the Group or as compensation for loss of office.

Relationships

Save as disclosed above, Mr. Xie does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

As at the Latest Practicable Date, Mr. Xie was interested in 125,775 shares of the Company, representing approximately 0.02% of the existing issued share capital of the Company pursuant to Part XV of the SFO. Mr. Xie was also interested in (i) 655,387 shares of MicroPort; and (ii) 380,347 underlying shares of MicroPort by virtue of the options granted to him under a share option scheme of MicroPort pursuant to Part XV of the SFO.

(3) MS. WU XIA

Ms. Wu Xia, born in 1981, was appointed as our Director on 19 November 2021 and was redesignated as our non-executive Director on 16 December 2021. She is primarily responsible for overseeing the management and operations of our Group.

Ms. Wu has over 10 years of experience in research and private equity investment focusing on healthcare industry. Ms. Wu joined CICC Jia Cheng Investment Management Company Limited (中金佳成投資管理有限公司) in July 2008 and served as vice president from January 2012 to December 2014 and as executive director from January 2015 to August 2018. Ms. Wu transferred into CICC Capital Management Co., Ltd. (中金資本運營有限公司) (“CICC Capital”) in August 2018 as an executive director and has been serving as a managing director of CICC Capital since January 2019, where she is primarily responsible for the overall investment and management of CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) (中金康瑞壹期(寧波)股權投資基金合夥企業(有限合夥)). Ms. Wu has also been serving as a director of Genetron Holdings Limited, a company whose shares are listed on the NASDAQ under the trading symbol of “GTH”, since September 2017, and a non-executive director of MicroPort CardioFlow Medtech Corporation (微創心通醫療科技有限公司), a medical device company whose shares are listed on the Stock Exchange (stock code: 2160). She was awarded “Outstanding Young PE Investor of the Year 2018” by China Renaissance (華興資本) in 2018.

Ms. Wu obtained her bachelor’s degree in finance from Peking University (北京大學) in the PRC in July 2003 and her master’s degree in economics and finance from the University of Warwick in the United Kingdom in January 2005.

Length of service and director's emoluments

Ms. Wu joined our Company on 19 November 2021 and was re-designated as our non-executive Director on 16 December 2021. The Company has entered into a service contract with Ms. Wu in relation to his appointment as non-executive Director from the Listing Date. Ms. Wu is subject to re-election at annual general meetings of the Company pursuant to the Articles of Association. For the year ended 31 December 2022, no emoluments were paid by the Group to Ms. Wu as an inducement to join or upon joining the Group or as compensation for loss of office.

Relationships

Save as disclosed above, Ms. Wu does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

As at the Latest Practicable Date, Ms. Wu was not interested or deemed to be interested in shares, underlying shares of debentures of the Company or its associated corporation pursuant to Part XV of the SFO.

GENERAL

There is no information in relation to each of Mr. Peng, Mr. Xie, Ms. Wu which is discloseable nor is Mr. Peng, Mr. Xie or Ms. Wu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning the re-election of Mr. Peng, Mr. Xie or Ms. Wu that need to be brought to the attention of the Shareholders.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

The following is a summary of the principal terms of the Share Scheme to be approved and adopted by ordinary resolution at the annual general meeting, but such summary does not form part of, nor was it intended to be, part of the Share Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Scheme.

1. PURPOSE

The purpose of the Share Scheme is to provide incentive to the Eligible Participants in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

2. ADMINISTRATION OF THE SHARE SCHEME

The Share Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Scheme or its interpretation or application or effect shall (save as otherwise provided in the Share Scheme and in the absence of manifest error) be final and binding. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the Share Scheme, the Board shall have the right to (i) interpret and construe the provisions of the Share Scheme; (ii) determine the persons who will be offered Awards under the Share Scheme, and the number of Shares and the Exercise Price or Issue Price in relation to such Awards; (iii) make such appropriate and equitable adjustments to the terms of Awards granted under the Share Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the Share Scheme.

Subject to compliance with the Listing Rules, the authority to administer the Share Scheme may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board.

The Company may establish a trust (“**Trust**”) and appoint a trustee to hold Shares for the purposes of (i) holding Award Shares allotted and issued by the Company and reserved for specified Eligible Participants; (ii) settling Awards; and (iii) taking other actions for the purposes of administering and implementing the Share Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee of the Trust holding unvested Award Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY

The Eligible Participants are the Employee Participants, the Related Entity Participants and the Service Provider Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (1) the performance of the Employee Participant; (2) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (3) the time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

The Company is a leading medical device group focusing on innovating, manufacturing and marketing of neurovascular devices. Related entities of the Group are involved in a broad spectrum of medical devices, including cardiovascular devices, orthopedics devices, cardiac rhythm management, endovascular and peripheral vascular devices, heart valve, surgical robot, surgical and other devices and other business. The officers and employees of these related entities possess the necessary skill, knowledge and experience to support and assist the Group with its development. Despite that Related Entity Participants may not be directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), they are nonetheless valuable resources to the Group given their close corporate and collaborative relationships with the Group, as well as close connection with the Group's business. As such, the Company recognises the importance of their past or future contribution and considers the inclusion. The inclusion of the Related Entity Participants as Eligible Participants will provide the Company with the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are Related Entity Participants, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group. In determining the basis of eligibility for Related Entity Participants, the Board would take into account, among others:

- (a) the experience of the Related Entity Participant on the Group's businesses;
- (b) his/her expertise and skill, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group;
- (c) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share;
- (e) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the success of the Group in research, product development or commercialisation, and/or the amount of other potential support, assistance, guidance, advice, efforts and contributions the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future;
- (f) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.

A service provider participant (the “**Service Provider Participant**”) refers to a person who provides services to any member of 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, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall be excluded.

(1) **Consultants and advisors**

- (a) This category refers to independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the research, development, production or commercialisation of the Group's products or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to any member of the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.
- (b) The Board shall, in its absolute discretion, take into account, among others:
 - (i) the skill knowledge and expertise of the relevant consultant and/or adviser including its capability and technical know-how;

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (ii) its experience and network in the relevant industry;
- (iii) its research and development capability;
- (iv) the frequency of collaboration and length of business relationship with the Group;
- (v) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties and the relevant replacement costs);
- (vi) the background, reputation and track record of the relevant consultant and/or adviser;
- (vii) the potential and/or actual contribution to the business affairs of the Group, and in particular, whether such consultant and/or adviser could bring positive impacts to the Group's business, such as product development or commercialization, an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such consultant and/or adviser; and
- (viii) other factors, including but not limited to the synergy between the relevant consultant and/or adviser and the Group.

(2) Suppliers, contractors, distributors and agents

- (a) This category refers to (i) suppliers of specialty materials, parts and components for the Group's production requirements, (ii) contractors that undertake sub-contracting work of the Group in research and production, and (iii) distributors and agents of medical devices and other products of the Group in the PRC and overseas. The Group's principal business is the development, production and sale of medical devices, which call for manufacturing materials of the highest quality and production skill and techniques of the highest precision and quality, while the marketing and distribution of the Group's products require in-depth knowledge of the medical devices market and industry trend. The Service Provider Participants under these categories of suppliers, contractors, distributors and agents are experts in their own fields and possesses the knowledge and skill to benefit the development of the Group through recommendations on selection and sourcing of manufacturing materials, production of parts and semi-finished products, and

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

market knowledge and intelligence to assist the Group in the commercialisation of products, penetrate markets, increase market share and enhance the Group's performance.

- (b) The Board shall, in its absolute discretion, take into account:
 - (i) the scale of business dealings of the respective supplier, contractor, distributor or agent with the Group;
 - (ii) the performance and track record of the respective supplier, contractor, distributor or agent and its ability to deliver quality services or products;
 - (iii) the length of the business relationship with the Group;
 - (iv) the materiality and nature of the business relationship with the Group (such as whether the services of the respective supplier, contractor, distributor or agent is related to the core business of the Group);
 - (v) the benefit and strategic value brought by the respective supplier, contractor, distributor or agent to the development and future prospect of the Group; and
 - (vi) other factors, including but not limited to the synergy between the relevant supplier, contractor, distributor or agent and the Group.

4. OFFER AND ACCEPTANCE

Subject to and in accordance with the provisions of the Share Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the terms of the Award which may include a number of Award Shares, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Exercise Period, any minimum performance

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

targets that must be achieved, the clawback mechanism for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants, and any such other details as the Company may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the offer letter and be bound by the provisions of the Share Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-one (21) days from the date of offer.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) as may be determined by the Board as consideration for the grant thereof, is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. The relevant Award Shares offered but not accepted shall lapse.

5. VESTING PERIOD

Save for the circumstances prescribed below, an Award must be held by the Grantee for a period that is not shorter than the Minimum Period before the Award can be exercised.

The Board may at its discretion grant Awards to Employee Participants only with a vesting period shorter than the Minimum Period in the following circumstances:

- (1) grants of "make-whole" Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers;
- (2) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6. EXERCISE PRICE AND ISSUE PRICE AND EXERCISE OF AWARDS

- (a) The Exercise Price shall be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:
- (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;
 - (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and
 - (3) the nominal value of the Share on the offer date.
- (b) The Issue Price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the Offer Letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.
- (c) Where an Award is to be granted under section 8 or section 9, for the purposes of paragraph (1) and paragraph (2) above, the date of the meeting of the Board (or its authorized committee for the administration of the Share Scheme) or the remuneration committee thereof (as the case may be) at which the grant was proposed shall be taken to be the offer date for the relevant Award, and the provisions as set above shall apply *mutatis mutandis*.
- (d) Subject to the terms of the Share Scheme, an Award shall be exercisable in whole or in part by the Grantee (or, in the case of death of the Grantee, by the Grantee's Personal Representative) giving notice in writing to the Company stating that the Award is thereby exercised and the number of Award Shares in respect of which it is so exercised.
- (i) Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price or the Issue Price (as applicable) for the Award Shares in respect of which the notice is given.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (ii) Within twenty-one (21) days (or such longer period if the Company in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after receipt of the notice and the remittance, the Company shall, at its discretion, arrange for the Exercised Award Shares to be satisfied in the following methods:
 - (aa) allot and issue the relevant number of Shares to the Grantee (or, the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) credited as fully paid and instruct the Share Registrar to issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) a share certificate for the Shares so allotted and issued;
 - (bb) arrange for the Exercised Award Shares to be transferred to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) credited as fully paid and issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) a share certificate in respect of the Shares so transferred;
 - (cc) pay to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) by remittance to the bank account designated and provided by the Grantee (or the Grantee's Personal representative), the Actual Selling Price from on-market sale of the Exercised Award Shares through the facilities of the Stock Exchange at prevailing market prices; and
 - (dd) arrange for Exercised Award Shares to be issued or designated as vested shares held for the economic benefit of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative), following which, the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) shall be entitled to future dividends paid or payable on the Exercised Award Shares and the Grantee (or the Grantee's personal representative) will have a one-time option to request the Company to cause payment to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) by remittance to the bank account designated and provided by the Grantee, the difference in the prevailing market prices of the Exercised Award Shares between the vesting date and the date that the Grantee notifies the Company of exercising the one-time option.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

7. SCHEME LIMITS AND ADDITIONAL APPROVALS

The Scheme Mandate Limit

- (1) The total number of Shares which may be issued in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”), which is 58,265,810 Shares. Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Service Provide Participant Sublimit

- (2) Subject to paragraph (1) above, the total number of Awards which may be issued in respect of all Awards which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the Shares in issue as at the Adoption Date (the “**Service Provider Participant Sublimit**”) within the Scheme Mandate Limit. Awards lapsed in accordance with the terms of the Share Scheme will not be regarded as utilised for the purpose of calculating the Service Provider Participant Sublimit.

Refreshment

- (3) (a) the Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and/or the Service Provider Participant Sublimit under the Share Scheme on or after the third anniversary of the date of the Shareholders’ approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (i) the Awards under the Share Scheme and (ii) the options and awards to be granted under any other schemes of the Company as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph (3), the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and
- (b) any refreshment within any three-year period shall be subject to independent Shareholders’ approval.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

Grant in excess of the Scheme Mandate Limit

- (4) The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Awards exceeding the Scheme Mandate Limit provided that the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph (4), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awards to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price or the Issue Price) of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval. For the grant of Share Options, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

8. GRANT OF AWARDS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

- (1) Any grant of an Award to a Director, a chief executive of the Company or substantial shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Award).
- (2) (a) (i) Where any grant of an Award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue, or
- (ii) where any grant of Share Awards (i.e., excluding grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the relevant

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant,

such grant of Option must be approved by the Shareholders in a general meeting of the Company.

- (b) The Company must send a circular to the Shareholders. The circular must contain such information required by the Listing Rules.
 - (c) The Grantee, his associates and all the core connected persons must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.
 - (d) Any vote taken at the general meeting of the Company to approve the grant of such Award must be taken on a poll and comply with the requirements under the Listing Rules.
- (3) Any change in the terms of Awards granted to an Eligible Participant who is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in the Listing Rules if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of the Share Scheme).

9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant during the twelve(12)-month period), the purpose of granting the Awards to the Eligible Participant, an explanation as to how the terms of the Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price or Issue Price) of the Award to be granted to such Eligible Participant must be fixed before the general meeting of the Company. For the grant of Share Options, the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the Exercise Price.

10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the Share Scheme, an Award may be exercised in whole or in part at any time during the period stipulated in the Offer, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant Award.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Award which must be satisfied before an Award may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Award, there is no performance target which must be achieved before an Award can be exercised under the terms of the Share Scheme nor any clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participant.

11. RESTRICTIONS ON THE TIME OF OFFER

Offer may not be made:

- (1) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the Listing Rules; and
- (2) during the period commencing from one (1) month immediately preceding the earlier of:
 - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (b) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules)

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

- (3) with respect to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 of the Listing Rules during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code.

12. RIGHTS ARE PERSONAL TO GRANTEES

An Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Award or any part thereof granted to such Grantee to the extent not already exercised.

The Stock Exchange may consider granting a waiver to allow a transfer of an Award to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of the Share Scheme and comply with the requirements of the Listing Rules.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

In the event that the Grantee ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:

- (1) that the Grantee has been guilty of serious misconduct;
- (2) that the Grantee has been convicted of any criminal offence involving the person’s integrity or honesty or in relation to any member of the Group (if so determined by the Board);
- (3) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee’s creditors generally; or

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (4) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with any member of the Group,

before exercising the Option in full, the Grantee's Option (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation, or such longer period as the Board may determine.

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of retirement as an employee in accordance with the Grantee's contract of employment (all evidenced to the satisfaction of the Board), or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship set out in the paragraph above arises, before exercising the Option in full, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within ninety (90) days following the date of such cessation, or such longer period as the Board may determine and such Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

14. RIGHTS ON DEATH

In the event that the Grantee ceases to be an Eligible Participant by reason of the person's death before exercising the Award in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person's employment or directorship under section 13 arises):

- (a) in the case of Share Options, the Grantee's Personal Representative may exercise the Share Options (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of in the Share Scheme one hundred and eighty (180) days following the date of death, or such longer period as the Board may determine, and any Share Options not exercised shall lapse at the end of the abovementioned period;
- (b) in the case of Share Awards, any outstanding Share Awards not yet vested shall immediately lapse, and the Company shall deliver such number of vested but not yet delivered Award Shares or the Actual Selling Price (hereinafter referred to as "**Benefits**") of such Share Awards at its discretion to the Grantee's estate within two (2) years following the date of death, or such other period as the Board may determine, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall lapse;

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

15. RIGHTS ON INJURY, DISABILITY, ILL-HEALTH OR RETIREMENT

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability, ill-health or retirement before exercising the Award in full, the Grantee may exercise the Award (to the extent not already exercised) in whole or in part in accordance with the terms of the Share Option Scheme within six months following the date of such cessation, or such longer period as the Board may determine and to the extent such Award not so exercised shall lapse and determine at the end of the abovementioned period.

16. SERVICE PROVIDER PARTICIPANT OR RELATED ENTITY PARTICIPANT

In the event that the Grantee who is a Service Provider Participant or Related Entity Participant ceases to be an Eligible Participant by reason of any one or more of the following grounds:

- (1) in the case of the Grantee who is a Related Entity Participant, that he/she ceases to be associated with the Related Entity as a result of resignation, termination, dismissal or retirement;
- (2) that there has been a breach of contract entered into between the Grantee and any member of the Group;
- (3) that the Grantee's engagement or appointment has been terminated in the sole and absolute opinion of the Board;
- (4) that the Board, in its sole and absolute opinion, believes that the Grantee is no longer contributing to the development or success of the Group, or has become a competitor of any member of the Group;
- (5) that the Grantee has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
- (6) that the Grantee has committed any serious misconduct, or
- (7) that the Grantee has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Grantee or any member the Group into disrepute),

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

the Award (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of the Board's determination.

17. RIGHTS ON CESSATION FOR OTHER REASONS

In the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in section 13 to section 16 above, the Grantee's Award (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such Award or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Award will be subject to.

18. RIGHTS ON A CORPORATE TRANSACTION

- (a) If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Company shall at its sole discretion determine whether the vesting dates of any Awards to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award will be subject.
- (b) For the purpose of paragraph 18(a), "control" shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

19. CANCELLATION OF AWARDS

Any Award granted may not be cancelled except with the consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels Awards and makes a new grant to the same Grantee, such new grant may only be made under the Share Scheme with the available limit approved by the Shareholders as set out in section 7 above. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Participant Sublimit.

20. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or whilst the Share Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

Company (other than an issue of Shares as consideration in respect of a transaction), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the auditors or independent financial adviser to certify in writing:

- (1) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
- (2) the number or nominal amount of Shares to which the Share Scheme or any Awards relates (insofar as it is/they are unexercised); and/or
- (3) the Exercise Price or Issue Price of any Award,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (a) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (b) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had the person exercised all the Awards held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (c) the issue of securities of the Company for cash or as a consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) in respect of any such adjustments, the auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out above, the requirements of Rule 17.03(13) of the Listing Rules, FAQ 072-2020, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

Subject to the above principles and certification procedures, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Awards and adjusted exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON MAIN BOARD LISTING RULE 17.03(13)” (the “**Supplemental Guidance**”) to FAQ No. 072-2020 published by the Stock Exchange, set out below:

$$\text{New number of Awards} = \text{Existing Awards} \times F$$

$$\text{New Exercise Price} = \text{Existing exercise Price} \times \frac{1}{F}$$

Where

$$F = \text{CUM/TEEP}$$

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

$$\text{TEEP (Theoretical ex entitlement price)} = \frac{\text{CUM} + M \times R}{1 + M}$$

M = Entitlement per existing Share

R = Subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Awards and exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below:

$$\text{New number of Awards} = \text{Existing Awards} \times F$$

$$\text{New Exercise Price} = \text{Existing exercise Price} \times \frac{1}{F}$$

Where F = Subdivision or consolidation or reduction factor

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

Any dispute arising in connection with the number of Shares of an Award and any of the matters referred to this section shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

21. RANKING OF SHARES

No dividends shall be payable in relation to Shares that are the subject of Options Awards that have not been exercised. Shares allotted and issued upon the exercise of an Award will be subject to all the provisions of the Articles of Association and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares.

22. DURATION OF THE SHARE SCHEME

The Share Scheme shall be valid and effective until the Termination Date, after which period no further Awards will be granted but the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Share Scheme.

23. ALTERATIONS TO THE TERMS OF THE SHARE SCHEME

The Share Scheme may be altered in any respect by a resolution of the Board provided that:

- (1) any alterations to the terms and conditions of the Share Scheme which are of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in a general meeting of the Company;
- (2) any change to the terms of Awards granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the terms of the Share Scheme);
- (3) any change to the authority of the Directors or the administrator of the Share Scheme to alter the terms of the Share Scheme must be approved by the Shareholders of the Company in a general meeting of the Company;

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

- (4) the amended terms of the Share Scheme or the Options shall remain in compliance with Chapter 17 of the Listing Rules; and
- (5) no such alteration shall operate to affect adversely the terms of issue of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Memorandum and Articles of Association of the Company and the articles being for a variation of the rights attached to Shares.

24. CONDITIONS OF THE SHARE SCHEME

The Share Scheme is conditional upon:

- (1) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Awards that may be granted under the Share Scheme.

25. LAPSE OF AWARDS

An Award shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of section 12;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in section 13 to section 20; and
- (d) the date of the commencement of the winding-up of the Company.

26. TERMINATION

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of the Share Scheme. In such event, no further Awards will be offered but in all other respects, the provisions of the Share Scheme shall remain in force to the extent

APPENDIX II SUMMARY OF PRINCIPAL TERMS OF THE SHARE SCHEME

necessary to give effect to the exercise of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Scheme and the Awards granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Scheme.

27. MISCELLANEOUS

The terms of the Share Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time on a continuing basis in respect of the Share Scheme and any other schemes of the Company.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 582,658,100 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 582,658,100 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 58,265,810 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

Share buy-backs pursuant to the Share Buy-back Mandate would be financed entirely from the Company's available cash flow or working capital facilities other than the proceeds from the initial public offering. The Company may only apply funds legally available other than the proceeds from the initial public offering for Shares buy-back in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2022) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

Since the Company was listed on the Stock Exchange on 14 July 2022, the highest and lowest prices at which the Shares had been traded on the Stock Exchange from the Listing Date to the Latest Practicable Date were as follows:

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
July (<i>since 14 July 2022, being the Listing Date</i>)	26.70	22.50
August	26.80	20.15
September	24.55	18.84
October	26.05	23.40
November	25.90	20.20
December	24.45	19.34
2023		
January	25.10	15.90
February	16.92	13.86
March	17.42	14.00
April	15.86	13.30
May (<i>up to the Latest Practicable Date</i>)	13.64	10.86

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, MicroPort Scientific Investment LTD ("**MP Scientific**") held approximately 53.35% of the total number of issued Shares. MP Scientific is directly wholly owned by MicroPort Scientific Corporation ("**MicroPort**"). By virtue of SFO, MicroPort is deemed to be interested in the Shares in which MP Scientific is interested. In the event that the Directors exercised in full the power to buy back Shares in accordance with the terms of the Buyback Mandate proposed at the Annual General Meeting, the shareholding of both MicroPort and MP Scientific increase to approximately 59.28% of the total number of issued Shares of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any buyback to be made under the Buyback Mandate. Moreover, the Directors will not make a share buyback on the Stock Exchange if such buyback would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates presently intends to sell Shares to the Company under the Buyback Mandate in the event that the Buyback Mandate is approved by the Shareholders and the conditions (if any) to which the Buyback Mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Buyback Mandate is approved by its Shareholders and the conditions (if any) to which the Buyback Mandate is subject are fulfilled.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).



MicroPort NeuroTech Limited

微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MicroPort NeuroTech Limited (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 28 June 2023 at 1601 Zhangdong Road, Zhangjiang Hi-Tech Park, Shanghai 201203, the People’s Republic of China for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2022.
2. (a). To re-elect Mr. Peng Bo as non-executive director of the Company (the “**Director**”).
2. (b). To re-elect Mr. Xie Zhiyong as executive Director.
2. (c). To re-elect Ms. Wu Xia as non-executive Director.
2. (d). To authorize the board of directors of the Company (the “**Board**”) to fix the respective directors’ remuneration.
3. To re-appoint KPMG as auditor and to authorize the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (1) the Share Scheme of the Company (a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose) be and is hereby approved and adopted subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the award which may be granted under the Share Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (2) the Directors be and are hereby authorised to, subject to the applicable laws, rules and regulations:
- (i) grant awards in accordance with the rules of the Share Scheme;
 - (ii) allot, issue, and deal with from time to time such number of award shares as may be required to be issued pursuant to the exercise of the awards under the Share Scheme;
 - (iii) administer the Share Scheme; and
 - (iv) do all such acts and to enter into all such transactions, arrangements and agreements as the Directors in their sole discretion consider to be necessary or expedient in order to give full effect to the Share Scheme.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
- “**THAT** conditional upon the approval of ordinary resolution numbered 4 above, the Service Provider Participant Sublimit be and is hereby approved.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
- “**THAT:**
- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
 - (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT** conditional upon the passing of the resolutions set out in items 6 and 7 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 7 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 7 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By Order of the Board
Mr. Peng Bo
Chairman

Shanghai, the People’s Republic of China, 2 June 2023

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Article 19.7 of the Articles of Association provides that, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. According to Article 20.1 of the Articles of Association, every shareholder present in person or by proxy shall have one vote for each share registered in his name in the register. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the meeting. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 10:00 a.m. on Monday, 26 June 2023 (Hong Kong time). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Sunday, 25 June 2023 to Wednesday, 28 June 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 June 2023 (Hong Kong time), being the last share registration date.
4. A circular containing the explanatory statement for information on the ordinary resolution set out in item 6 of this Notice will be sent to all shareholders of the Company.

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