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MicroPort Scientific Corporation

微創醫療科學有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00853)

**CONNECTED TRANSACTION
CONVERTIBLE LOAN INVOLVING THE ISSUE OF CONVERSION SHARES
UNDER SPECIFIC MANDATE**

CONVERTIBLE FACILITY AGREEMENT

To repay the 2026 Convertible Bonds (of which approximately US\$448 million remains outstanding), the Board is pleased to announce that on 5 April 2024, the Company entered into the Convertible Facility Agreement with, among others, the Original Lenders pursuant to which the Original Lenders agreed to make available to the Company a US Dollars convertible term loan facility in an aggregate principal amount of US\$150,000,000 at an interest rate of 5.75% per annum, with the Accordion Option to increase the Total Commitments by an aggregate principal amount of up to US\$50,000,000 (the Total Commitments will be US\$200,000,000 if the Accordion Option is exercised in full). If the Convertible Facility is fully utilised, the net proceeds of the Convertible Facility (after deducting the fees and expenses in relation to the obtaining of the Convertible Facility) are estimated to be approximately US\$145.08 million (assuming no Accordion Option is exercised) or approximately US\$195.08 million (assuming the Accordion Option is exercised in full). The Company intends to use the net proceeds of the Convertible Facility to repay the outstanding amounts under the 2026 Convertible Bonds, pay all fees, costs and expenses under or in connection with the Finance Documents, and (if any proceeds of the Convertible Facility are available after payment of the above) fund the general corporate purposes of the Group.

Meanwhile, the Company has also been actively engaged in negotiations with several financial institutions. The Board further announces that, as at the date of this announcement, the Company is expected to obtain more than US\$300 million credit support provided by financial institutions for the repayment of all outstanding amounts of the 2026 Convertible Bonds.

Conversion Shares

Subject to the terms of the Convertible Facility Agreement, each Lender has the right to convert all or any portion of its Loan Participation into Conversion Shares at the Conversion Price (initially being HK\$7.46 per Share, subject to adjustments as set out in the Convertible Facility Agreement).

Assuming that Convertible Loans in an aggregate principal amount equal to the Initial Total Commitments (translated into Hong Kong dollars at the Fixed Exchange Rate and without taking into account the Accordion Option) are converted into Conversion Shares in full at the initial Conversion Price of HK\$7.46 per Share, such Convertible Loans will be convertible into approximately 157,409,711 Conversion Shares.

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the Annual General Meeting. Application will be made by the Company to the listing committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Pursuant to the Convertible Facility Agreement, the Company shall attain the following performance targets (as determined in accordance with the Convertible Facility Agreement), failing which the Agent (acting on the instructions of the Majority Lenders) may require the Company to apply an amount equal to US\$50,000,000 towards prepayment of the Convertible Loans and payment of all accrued interest on the amount so prepaid and any Redemption Premium Amount, in accordance with the Convertible Facility Agreement:

- (i) a net loss of the Group for the full year ending 31 December 2024 not exceeding US\$275,000,000;
- (ii) a net loss of the Group for the half year ending 30 June 2025 not exceeding US\$110,000,000;
- (iii) a net loss of the Group for the full year ending 31 December 2025 not exceeding US\$55,000,000;
- (iv) a net profit of the Group for the half year ending 30 June 2026 being not less than US\$45,000,000; and
- (v) a net profit of the Group for the full year ending 31 December 2026 being not less than US\$90,000,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) each of Original Lender A, Original Lender B and Original Lender C is solely managed and controlled by Hillhouse Investment. Hillhouse Investment is also the sole management company of Hillhouse Fund IV, L.P., which in turn owns SPR-VI Holdings Limited. SPR-VI Holdings Limited is a substantial shareholder of MicroPort Cardiac Rhythm Management Limited, a non-wholly owned subsidiary of the Company, and thus a connected person of the Company. Accordingly, each of Original Lender A, Original Lender B and Original Lender C is an associate of SPR-VI Holdings Limited and thus a connected person of the Company; and (ii) Jumbo Glorious, being one of the Original Lender, was wholly-owned by the associate of Dr. Zhaohua Chang who is the Chairman, executive Director and Chief Executive Officer of the Company. Accordingly, Jumbo Glorious is an associate of Dr. Zhaohua Chang and thus a connected person of the Company.

Accordingly, the Convertible Facility Agreement and the transactions contemplated thereunder constitute connected transactions of the Company and are subject to reporting, announcement, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee will be established to make recommendation to the Independent Shareholders regarding the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate, and as to whether the Convertible Facility Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Gram Capital will be appointed to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

The Annual General Meeting will be held to consider, among others, the Convertible Facility Agreement and the grant of the Specific Mandate. HHLR Fund L.P., Dr. Zhaohua Chang and their respective associates are required pursuant to the Listing Rules to abstain from voting for the resolutions to approve the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate at the Annual General Meeting. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no other Shareholders are required to abstain from voting for the resolution regarding the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate at the Annual General Meeting.

A circular containing, amongst other things, (i) further information of the Convertible Facility Agreement and the transaction thereunder and the grant of the Specific Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Convertible Facility Agreement and the grant of the Specific Mandate; and (iii) the advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Convertible Facility Agreement and the transaction thereunder and the grant of the Specific Mandate, is expected to be despatched to the Shareholders on or before 29 April 2024 in accordance with the Listing Rules.

INTRODUCTION

To repay the 2026 Convertible Bonds (of which approximately US\$448 million remains outstanding), the Board is pleased to announce that on 5 April 2024, the Company entered into the Convertible Facility Agreement with, among others, the Original Lenders pursuant to which the Original Lenders agreed to make available to the Company a US Dollars convertible term loan facility in an aggregate principal amount of US\$150,000,000 at an interest rate of 5.75% per annum, with the Accordion Option to increase the Total Commitments by an aggregate principal amount of up to US\$50,000,000 (the Total Commitments will be US\$200,000,000 if the Accordion Option is exercised in full).

Meanwhile, the Company has also been actively engaged in negotiations with several financial institutions. The Board further announces that, as at the date of this announcement, the Company is expected to obtain more than US\$300 million credit support provided by financial institutions for the repayment of all outstanding amounts of the 2026 Convertible Bonds.

CONVERTIBLE FACILITY AGREEMENT

The principal terms of the Convertible Facility Agreement are summarised below:

Date: 5 April 2024

Parties: (i) the Company, as borrower

(ii) the Original Lenders, as lenders

(iii) the Agent, as agent of the Finance Parties (other than itself); and

(iv) the Conversion Agent, as conversion agent

Certain members of the management of the Company (including director(s) of subsidiaries of the Company and thus a connected person(s) of the Company) may also directly or indirectly participate as one of the Lenders and assume commitments under the Convertible Facility Agreement in an aggregate amount of up to US\$5 million.

The identities of the Lenders under the Convertible Facility Agreement may change from time to time due to syndication, assignment or other transfer of rights and interest relating to the Convertible Facility in accordance with the provisions of the Convertible Facility Agreement.

Total Commitments: US\$150,000,000, subject to any increase pursuant to the Accordion Option.

Accordion Option: Original Lender A may, at any time after the first Utilisation Date but on or prior to the Accordion Increase Arrangement Deadline, arrange for the Total Commitments to be increased by an aggregate amount of up to US\$50,000,000 in accordance with, and subject to the terms of, the Convertible Facility Agreement.

- Interest: The outstanding principal of each Convertible Loan will bear interest at a rate of 5.75% per annum. Interest period of a Convertible Loan shall be a period of six months in each case beginning on the Utilisation Date or (if a Convertible Loan has already been made) on the last day of the preceding interest period of such Convertible Loan. An interest period shall not extend beyond the Final Repayment Date. Accrued interest on each Loan shall be paid on the last day of each interest period or on the date falling five Business Days after the conversion date in respect of accrued interest on any Loan Participation in respect of which conversion rights have been exercised in accordance with the Convertible Facility Agreement.
- Utilisation: The Company may utilise the Convertible Facility by delivering to the Agent, at least 12 Business Days prior to the proposed Utilisation Date, a Utilisation Request. The amount of the proposed Convertible Loan must be a principal amount equal to the Available Facility.
- Conditions Precedent: Subject to the instructions of the Majority Lenders, the Company may not deliver a Utilisation Request unless the Agent has received, among other things:
- (i) a copy of certain board and shareholders resolutions evidencing the approval and authorisation of the terms of, and the transactions contemplated by, the Finance Documents by the parties thereto, and a copy of their respective constitutional documents and (if applicable) statutory register;
 - (ii) a copy of each of the duly executed Finance Documents required by the Agent (acting on the instructions of the Majority Lenders) to be executed on or before the first Utilisation Date;
 - (iii) certain legal opinions in relation to the laws of various jurisdictions addressed to each Finance Party;
 - (iv) evidence that any process agent referred to in any Finance Document has accepted its appointment;
 - (v) the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 and the management accounts of each Guarantor for the financial year ended 31 December 2023;
 - (vi) a copy of each of (i) the NDRC Certificate and (ii) an approval issued by the NDRC to the Company of an amendment to the NDRC Certificate pursuant to the Order 56 showing that the Company has obtained approval from the NDRC in relation to the borrowing of the Total Commitments and the Utilisations contemplated under the Convertible Facility;

- (vii) evidence that loans in an aggregate amount of US\$25,000,000 have been advanced by any Original Lender (other than Jumbo Glorious) and/or any of its affiliates to (A) certain members of the management of the Company (the “**Management**”) or their special purpose vehicles and (B) Jumbo Glorious to enable each Management, each such special purpose vehicle and/or Jumbo Glorious to fund its participation of the Convertible Loans, and certain credit enhancement arrangements in connection with such loans have been implemented;
- (viii) evidence that each Guarantor does not have material liabilities;
- (ix) evidence that Original Lender C has transferred all of its rights and obligations under the Finance Documents which relate to its commitment (or part thereof) under the Convertible Facility Agreement in an aggregate principal amount equal to US\$5,000,000 to the Management and/or their special purpose vehicles; and
- (x) evidence that the Company has freely and immediately available capital and/or has entered into committed and definitive financing arrangements in an aggregate principal amount that, when added to the amount of the Total Commitments, such amount is sufficient to repay all outstanding amounts under the 2026 Convertible Bonds in full and (in the case of any financing arrangement) any condition precedent to the availability of such financing arrangement has been satisfied.

As of the date of this announcement, no conditions have been fulfilled or waived under the Convertible Facility Agreement.

The Lenders will only be obliged to make their respective participations in each Convertible Loan available if:

- (i) on the date of the Utilisation Request and on the proposed Utilisation Date:
 - (a) no default is continuing or would result from the proposed Convertible Loan and no Relevant Event has occurred; and
 - (b) certain representations and warranties made by each Obligor under the Convertible Facility Agreement remain true in all material respects; and
- (ii) the Agent has received:
 - (a) on or prior to the date falling two Business Days before the proposed Utilisation Date, a copy of the listing approval from the Hong Kong Stock Exchange for the Conversion Shares issuable upon a conversion pursuant to the terms of the Convertible Facility Agreement; and

- (b) on or prior to the date falling three Business Days before the proposed Utilisation Date, evidence that the approval of the independent shareholders of the Company has been obtained at a general meeting of the Company by way of a poll for the entering into of the Convertible Facility Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

Final Repayment Date: The date falling 60 months from the first Utilisation Date.

Repayment: Subject to the terms of the Convertible Facility Agreement, the Company shall repay each Convertible Loan in full on the Final Repayment Date, together with all interest, any Redemption Premium Amount and any accrued but unpaid amounts payable to the Lenders under the Finance Documents.

Prepayment: Without prejudice to certain clauses in the Convertible Facility Agreement, the Company shall:

- (i) following the occurrence of an Illegality Event, prepay the relevant Lender's participation in all outstanding Convertible Loans (together with all interest, any Redemption Premium Amount (only to the extent that such Illegality Event is caused by the Company) and any accrued but unpaid amounts payable to such Lender under the Finance Documents) in accordance with the Convertible Facility Agreement;
- (ii) with no less than 10 Business Days' notice from the Agent, following the occurrence of a Relevant Event, if a Lender so requires and notifies the Agent in writing within 10 Business Days of the Company notifying the Agent of the Relevant Event, prepay the relevant Lender's participation in all Convertible Loans (together with all interest, any Redemption Premium Amount and any accrued but unpaid amounts payable to such Lender under the Finance Documents) in accordance with the Convertible Facility Agreement;
- (iii) with no less than 10 Business Days' notice in writing from a Lender to the Agent and the Company, on the third anniversary of the first Utilisation Date, prepay the relevant Lender's participation in all Convertible Loans (together with all interest, any Redemption Premium Amount and any accrued but unpaid amounts payable to such Lender under the Finance Documents) in accordance with the Convertible Facility Agreement (being a "**Lender Prepayment Event**");

- (iv) with no less than 30 but not more than 60 days' written notice in writing from the Company to the Agent, at any time after the third anniversary of the first Utilisation Date but prior to the Final Repayment Date, prepay all outstanding Convertible Loans (together with all interest, any Redemption Premium Amount and any accrued but unpaid amounts payable to the Lenders under the Finance Documents) in accordance with the Convertible Facility Agreement, **provided that** the closing price of the Shares for each of any 20 trading days within a period of 30 consecutive trading days, the last of which occurs not more than 5 trading days prior to the publishing date of such notice, is at least 130 per cent of the Conversion Price, subject to further adjustments in accordance with the Convertible Facility Agreement (being a "**Borrower Prepayment Event**");
- (v) following the occurrence of a Performance Breach, if so required by the Agent (acting on the instructions of the Majority Lenders) by not less than 10 Business Days' notice to the Company, apply an amount equal to US\$50,000,000 towards prepayment of the Convertible Loans and payment of all accrued interest on the amount so prepaid and any Redemption Premium Amount, in accordance with the Convertible Facility Agreement; and
- (vi) upon receipt by the Company or any of its Subsidiaries of any cash proceeds in connection with any Relevant Disposal, within 10 Business Days from the date of its receipt of such cash proceeds, apply an amount equal to the net disposal proceeds in respect of that Relevant Disposal towards prepayment of the Convertible Loans, together with all accrued interest on the amount so prepaid and any Redemption Premium Amount, in accordance with the Convertible Facility Agreement.

The Company shall not repay or prepay all or any part of the Convertible Loans or cancel all or any part of the commitment except at the times and in the manner expressly provided for in the Convertible Facility Agreement or the other mandatory prepayment provisions in the Security Trust Deed.

Without prejudice to certain clauses in the Convertible Facility Agreement, the Company may, if any sum payable to any Lender by the Company is required to be increased in accordance with the tax gross-up provisions in the Convertible Facility Agreement, or any Lenders claims indemnification from the Company in accordance with the tax indemnity or increased costs provisions in the Convertible Facility Agreement, whilst the circumstance giving rise to the requirement for such increase or indemnification continues, give the Agent written notice of cancellation of the commitment of that Lender and its intention to procure the prepayment of that Lender's Loan Participations or give the Agent notice of its intention to replace that Lender in accordance with the Convertible Facility Agreement.

Conversion: Subject to the terms of the Convertible Facility Agreement, each Lender has the right to convert all or any portion of its Loan Participation into Conversion Shares at the Conversion Price (initially being HK\$7.46 per Share, subject to adjustments as set out in the Convertible Facility Agreement) at any time on or after the relevant Utilisation Date up to (i) the close of business (being 3:00 p.m.) in Hong Kong on the tenth HK Business Day prior to the Final Repayment Date (both days inclusive) (but, subject only to the proviso below, in no event thereafter); (ii) (in respect of that Lender's conversion right) if the Company exercises its right of prepayment and cancellation in relation to that Lender to prepay any of that Lender's Loan Participation before the Final Repayment Date, then up to the close of business (being 3:00 p.m.) in Hong Kong on a date no later than 15 HK Business Days (both days inclusive) prior to the date fixed for prepayment thereof or (iii) (in respect of that Lender's conversion right) if notice requiring prepayment has been given by the Agent (for and on behalf of a Lender) in respect of that Lender's Loan Participation (or part thereof) in accordance with, and subject to the terms of, the Convertible Facility Agreement, then up to the close of business (being 3:00 p.m.) in Hong Kong on a date prior to the giving of such notice, provided that if (A) the Company defaults in making payment in full in respect of any Loan Participation of a Lender on the date fixed for payment or prepayment thereof in accordance with the terms of the Convertible Facility Agreement or (B) any Loan Participation of a Lender has become due and payable prior to the Final Repayment Date by reason of the occurrence of any of events of default under the Convertible Facility Agreement, that Lender may continue to exercise its right to convert all or any Loan Participation (or part thereof) up to and including the close of business (being 3:00 p.m.) in Hong Kong on the date upon which the full amount of the moneys payable in respect of that Loan Participation has been duly received by the Agent and notice of such receipt has been duly given to the Lenders.

The number of Conversion Shares issuable upon conversion of any Loan Participation (or part thereof) shall be determined by dividing the principal amount of such part of that Loan Participation to be converted (translated into Hong Kong Dollars at the fixed rate of HK\$7.8285 = U.S.\$1.00 (the "**Fixed Exchange Rate**")) by the Conversion Price in effect on the relevant conversion date and if such number is not a whole number, it shall be rounded down to the nearest whole number of Conversion Shares.

Conversion Price: The Conversion Price is initially HK\$7.46 per Share, subject to adjustments for, amongst others, consolidation, subdivision or reclassification of Shares, capitalisation of profits or reserves, distributions, rights issues of Shares or options over Shares at less than the then current market price, rights issues of other securities, issues of Shares or other options over Shares at less than the then current market price, issues of securities or other options over securities at less than the then current market price, modification of rights of conversion at less than the then current market price and other offers to Shareholders as set forth in the Convertible Facility Agreement.

Adjustment upon Change of Control: If a Change of Control shall have occurred, the Company shall give notice of that fact to the Lenders (the “**Change of Control Notice**”) within 7 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant conversion date falls within the period of 30 days following the later of (1) the relevant Change of Control and (2) the date on which the Change of Control Notice is given to the Lenders, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times (c/t))), \text{ where:}$$

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price in effect on the relevant conversion date;

CP (or Conversion Premium) = 25% expressed as a fraction;

c = the number of days from and including the date the Change of Control occurs to but excluding the Final Repayment Date; and

t = the number of days from and including the first Utilisation Date to but excluding the Final Repayment Date.

Ranking of the Conversion Shares: The Conversion Shares issued upon conversion will be fully-paid and in all respects, subject to mandatory provisions of applicable law, rank pari passu with the Shares in issue on the relevant registration date. Save as set out in the Convertible Facility Agreement, a holder of Shares issued on conversion shall not be entitled to any rights the record date for which precedes the relevant registration date.

Guarantee: Each of the Guarantors and the US Propco will grant guarantee in connection with the Convertible Facility Agreement.

Security: The Convertible Loans will be secured by, among others, the following:

- (i) assignment by way of security of certain intercompany loan(s) by the Company;
- (ii) security over a property held by the US Propco; and
- (iii) share mortgage in respect of all issued shares of each Guarantor by the Company.

APPLICATION FOR LISTING

Application will be made by the Company to the listing committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange.

USE OF PROCEEDS

The net proceeds of the Convertible Facility (after deducting the fees and expenses in relation to the obtaining of the Convertible Facility) are estimated to be approximately US\$145.08 million (assuming no Accordion Option is exercised) or approximately US\$195.08 million (assuming the Accordion Option is exercised in full). On such basis, the net price received by the Company for each Conversion Share is approximately HK\$7.2151 (assuming no Accordion Option is exercised) or HK\$7.2763 (assuming the Accordion Option is exercised in full). The Company intends to use the net proceeds of the Convertible Facility to repay the outstanding amounts under the 2026 Convertible Bonds, pay all fees, costs and expenses under or in connection with the Finance Documents, and (if any proceeds of the Convertible Facility are available after payment of the above) fund the general corporate purposes of the Group.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$7.46 per Share represents:

- (i) a premium of approximately 10.19% over the closing price of HK\$6.77 per Share as quoted on the Hong Kong Stock Exchange on 5 April 2024 (being the date of the Convertible Facility Agreement) (the “**Last Trading Day**”);
- (ii) a premium of approximately 18.53% over the average closing price of HK\$6.294 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 14.89% over the average closing price of HK\$6.493 per Share as quoted on the Hong Kong Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The initial Conversion Price of HK\$7.46 per Share was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Convertible Facility Agreement and was negotiated on an arm's length basis between the Company and the Lenders. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

Assuming that Convertible Loans in an aggregate principal amount equal to Initial Total Commitments of US\$150,000,000 (translated into Hong Kong dollars at the Fixed Exchange Rate) would be converted into Conversion Shares in full at the initial Conversion Price of HK\$7.46 per Share, such Convertible Loans are convertible into approximately 157,409,711 Conversion Shares, which represent approximately 8.58% of the issued share capital of the Company as at the date of this announcement and approximately 7.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Assuming that the Accordion Option is exercised in full, Convertible Loans in an aggregate principal amount equal to the Maximum Increased Total Commitments (translated into Hong Kong dollars at the Fixed Exchange Rate) would be converted into Conversion Shares in full at the initial Conversion Price of HK\$7.46 per Share, such Convertible Loans are convertible into approximately 209,879,615 Conversion Shares, which represent approximately 11.44% of the issued share capital of the Company as at the date of this announcement and approximately 10.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, assuming that there is no change in the issued share capital of the Company prior to the conversion of Convertible Loans in an aggregate principal amount equal to the Initial Total Commitments or, as the case may be, the Maximum Increased Total Commitments, the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming conversion of Convertible Loans in an aggregate principal amount equal to the Initial Total Commitments at the initial Conversion Price of HK\$7.46 per Share and (iii) assuming conversion of Convertible Loans in an aggregate principal amount equal to the Maximum Increased Total Commitments at the initial Conversion Price of HK\$7.46 per Share, will be as follows:

Shareholder	Existing (as of the date of this announcement)		Assuming Convertible Loans in an aggregate principal amount equal to the Initial Total Commitments are converted into Shares at the initial conversion price of HK\$7.46 per Share		Assuming Convertible Loans in an aggregate principal amount equal to the Maximum Increased Total Commitments are converted into Shares at the initial conversion price of HK\$7.46 per Share	
	No. of Shares	Approximate% of issued share capital of the Company	No. of Shares	Approximate% of issued share capital of the Company	No. of Shares	Approximate% of issued share capital of the Company
Directors and substantial shareholders <i>(Notes 3, 4 and 5)</i>						
Otsuka Medical Devices Co., Ltd <i>(Note 1)</i>	382,994,120	20.88	382,994,120	19.23	382,994,120	18.73
Maxwell Maxcare Science Foundation Limited (“Maxwell”) and its controlled corporations <i>(Note 2)</i>	285,774,627	15.58	285,774,627	14.35	285,774,627	13.98
Lenders	–	–	157,409,711	7.90	209,879,615	10.27
Other public Shareholders	1,165,708,667	63.54	1,165,708,667	58.52	1,165,708,667	57.02
Total	<u>1,834,477,414</u>	<u>100.00</u>	<u>1,991,887,125</u>	<u>100.00</u>	<u>2,044,357,029</u>	<u>100.00</u>

Notes:

- Otsuka Holdings Co., Ltd. holds the entire issued share capital of Otsuka Medical Devices Co., Ltd., and therefore, is deemed to be interested in the same number of Shares held by Otsuka Medical Devices Co., Ltd..
- Maxwell holds 100% interest of We’Tron Capital Limited, and therefore, is deemed to be interested in the same number of Shares and share interests held by We’Tron Capital Limited. Maxwell is also the beneficial owner of 1,022,119 Shares. In addition to the foregoing, Maxwell is further interested in 58,271,736 underlying Shares of the Company by virtue of the options, which are not included for the purpose of presentation in the above table.
- Dr. Zhaohua Chang (an executive Director), Mr. Bo Peng (a non-executive Director), Dr. Guoen Liu (an independent non-executive Director) and Mr. Chunyang Shao (an independent non-executive Director) are interested in 49,047,671, 6,068,360, 161,290 and 161,290 underlying Shares of the Company respectively by virtue of the options granted to them under the share option scheme(s) of the Company.
- Dr. Qiyi Luo (a non-executive Director) is interested in (i) 3,393,729 underlying Shares of the Company by virtue of the options granted to him under the share option scheme(s) of the Company and (ii) 6,408,703 Shares of the Company; and Mr. Jonathan H. Chou (an independent non-executive Director) is interested in (i) 161,290 underlying Shares of the Company by virtue of the options granted to him under the share option scheme(s) of the Company and (ii) 6,300 Shares of the Company.
- The information set out in this table is for illustrative purpose only.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONVERTIBLE FACILITY AGREEMENT

The net proceeds of the Convertible Loan will be fully utilised to repay the outstanding amounts under the 2026 Convertible Bonds, pay all fees, costs and expenses under or in connection with the Finance Documents, and (if any proceeds of the Convertible Facility are available after payment of the above) fund the general corporate purposes of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Convertible Facility Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months prior to the date of this announcement, except the issuance of the 2028 Convertible Bonds, as disclosed in the announcements of the Company dated 6 December 2023 and 19 December 2023.

INFORMATION ON THE GROUP AND THE PARTIES TO THE CONVERTIBLE FACILITY AGREEMENT

The Group is a leading medical device group focusing on innovating, manufacturing and marketing high-end medical devices globally in a broad range of business segments including cardiovascular, orthopedics, cardiac rhythm management, endovascular, neurovascular, heart valve, surgical robot and other businesses.

Each of Original Lender A, Original Lender B and Original Lender C is a company incorporated under the laws of Singapore with limited liability. Each of them is solely managed and controlled by Hillhouse Investment Management, Ltd. (“**Hillhouse Investment**”). Founded in 2005, Hillhouse Investment is dedicated to investing in high-quality businesses for the long-term. With nearly two decades of experience, Hillhouse Investment collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across healthcare, business services, consumer, and industrial sectors. Hillhouse Investment is a diversified asset manager. The firm manages capital for global institutions, including non-profit foundations, endowments, and pensions.

Jumbo Glorious is principally engaged in investment holding. As at the date of this announcement, Jumbo Glorious was wholly-owned by an associate of Dr. Zhaohua Chang who is the Chairman, executive Director and Chief Executive Officer of the Company.

The Agent and the Conversion Agent are principally engaged in the provision of trust, agency and escrow services in the Asia-Pacific market. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Agent and the Conversion Agent and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

OPINION FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that terms of the Convertible Facility Agreement were determined after arm's length negotiations, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Dr. Zhaohua Chang, Chairman, executive Director and Chief Executive Officer of the Company, has interests in the transactions contemplated under the Convertible Facility Agreement and thus has abstained from voting on the relevant resolutions of the Board approving the Convertible Facility Agreement. Except for Dr. Zhaohua Chang, none of the other Directors has material interests in the transactions contemplated under the Convertible Facility Agreement and thus no Director has abstained from voting on the relevant resolutions of the Board approving the Convertible Facility Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) each of Original Lender A, Original Lender B and Original Lender C is solely managed and controlled by Hillhouse Investment. Hillhouse Investment is also the sole management company of Hillhouse Fund IV, L.P., which in turns owns SPR-VI Holdings Limited. SPR-VI Holdings Limited is a substantial shareholder of MicroPort Cardiac Rhythm Management Limited, a non-wholly owned subsidiary of the Company, and thus a connected person of the Company. Accordingly, each of Original Lender A, Original Lender B and Original Lender C is an associate of SPR-VI Holdings Limited and thus a connected person of the Company; and (ii) Jumbo Glorious, being one of the Original Lender, was wholly-owned by an associate of Dr. Zhaohua Chang who is the Chairman, executive Director and Chief Executive Officer of the Company. Accordingly, Jumbo Glorious is an associate of Dr. Zhaohua Chang and thus a connected person of the Company.

Accordingly, the Convertible Facility Agreement and the transactions contemplated thereunder constitute connected transactions of the Company and are subject to reporting, announcement, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee will be established to make recommendation to the Independent Shareholders regarding the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate, and as to whether the Convertible Facility Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Gram Capital will be appointed to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

The Annual General Meeting will be held to consider, amongst other things, the Convertible Facility Agreement and the grant of the Specific Mandate. HHLR Fund L.P., Dr. Zhaohua Chang and their respective associates are required pursuant to the Listing Rules to abstain from voting for the resolutions to approve the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate at the Annual General Meeting. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no other Shareholders are required to abstain from voting for the resolution regarding the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate at the Annual General Meeting.

A circular containing, amongst other things, (i) further information of the Convertible Facility Agreement and the transaction thereunder and the grant of the Specific Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Convertible Facility Agreement and the grant of the Specific Mandate; and (iii) the advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Convertible Facility Agreement and the transaction thereunder and the grant of the Specific Mandate, is expected to be despatched to the Shareholders on or before 29 April 2024 in accordance with the Listing Rules.

DEFINITIONS

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

“2026 Convertible Bonds”	the zero coupon convertible bonds due 2026 (ISIN: XS2342920050) issued by the Company, of which approximately US\$448 million remains outstanding
“Accordion Increase Arrangement Deadline”	the date falling one month prior to the Final Repayment Date
“Accordion Increase Confirmation”	a confirmation substantially in the form set out in the Convertible Facility Agreement

“Accordion Increase Request”	a request substantially in the form set out in the Convertible Facility Agreement
“Accordion Option”	the option to increase the Total Commitments by up to US\$50,000,000 in accordance with the Convertible Facility Agreement
“Administrative Party”	the Agent, the Conversion Agent, the Calculation Agent or the Security Agent
“Agent”	Serica Agency Limited, a company incorporated under the laws of Hong Kong with limited liability
“Annual General Meeting”	the annual general meeting of the Company to be held by way of on-site meeting on 22 May 2024, or any adjournment thereof
“Available Facility”	the aggregate for the time being of each Lender’s available commitment
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong and New York
“Calculation Agent”	the person appointed or to be appointed as such in accordance with the Security Trust Deed
“Change of Control”	occurs when: <ul style="list-style-type: none"> (i) any Person or Persons, acting together, acquires control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Company or the successor entity

“Company”	MicroPort Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the main board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Agent”	Serica Agency Limited, a company incorporated under the laws of Hong Kong with limited liability
“Conversion Price”	the price at which Conversion Shares will be issued upon conversion of a Convertible Loan which will initially be HK\$7.46 per Share and will be subject to adjustment in the manner provided in the Convertible Facility Agreement
“Conversion Shares”	the Shares to be allotted and issued by the Company to the relevant Lender upon a conversion of all or any portion of that Lender’s Loan Participation in accordance with the terms and conditions of the Convertible Facility Agreement
“Convertible Facility”	the convertible term loan facility made available under the Convertible Facility Agreement
“Convertible Loan”	a loan made or to be made under the Convertible Facility or the principal amount outstanding for the time being of that loan
“Convertible Facility Agreement”	the convertible facility agreement dated 5 April 2024 and entered into between the Company, the Original Lenders, the Agent and the Conversion Agent
“Delegate”	any delegate, agent, attorney or co-trustee appointed by the Security Agent pursuant to the terms of the Security Trust Deed
“Director(s)”	director(s) of the Company
“Fee Letter”	any letter or letters referring to the Convertible Facility Agreement or the Convertible Facility between one or more Finance Parties and the Company setting out any fees
“Final Repayment Date”	the date falling 60 months from the first Utilisation Date

“Finance Documents”	the Convertible Facility Agreement, any Fee Letter, any Utilisation Request, an Accordion Increase Request, an Accordion Increase Confirmation, the Security Trust Deed, the US Guaranty, any Security Document, the Subordination Deed and any other document designated as such by each of the Agent and the Company
“Finance Party”	any Administrative Party or any Lender
“Group”	the Company and its subsidiaries from time to time
“Guarantors”	the Specified Subsidiaries, and “Guarantor” means each one of them
“HK\$” or “Hong Kong Dollars”	the lawful currency of Hong Kong
“HK Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Illegality Event”	at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Convertible Facility Agreement or to fund or maintain its participation in any Convertible Loan or it is or will become unlawful for any affiliate of a Lender for that Lender to do so
“Independent Board Committee”	an independent board committee comprising the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Convertible Facility Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate

“Independent Shareholders”	the Shareholders not required under the Listing Rules to abstain from voting on the resolution(s) approving the Convertible Facility Agreement and the transactions contemplated thereunder including but not limited to the grant of the Specific Mandate for the allotment and issue of the Conversion Shares
“Initial Total Commitments”	US\$150,000,000
"Jumbo Glorious"	Jumbo Glorious Limited, a company incorporated under the laws of the British Virgin Islands and wholly owned by Mr. Brian Yale Chang (a family member of Dr. Zhaohua Chang who is the Chairman, executive Director and Chief Executive Officer of the Company)
“Lender”	(i) any Original Lender; and (ii) any bank, financial institution, trust, fund or other entity which has become a party in accordance with the Convertible Facility Agreement (including by way of a transfer by an Original Lender or the Accordion Option)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Listed Subsidiary"	in relation to any company or corporation, any Subsidiary any class of shares carrying voting rights of which is listed, whether on the date of the Convertible Facility Agreement or in the future, on a Qualifying Exchange and any Subsidiary of a Listed Subsidiary
“Loan Participation”	all or any portion of a Lender’s participation(s) in the Convertible Loan
“Majority Lenders”	a Lender or Lenders whose commitments aggregate more than 50 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 50 per cent. of the Total Commitments immediately prior to the reduction)
“Maximum Increased Total Commitments”	US\$200,000,000 at the date of the Convertible Facility Agreement, consisting of (i) the Initial Total Commitments and (ii) the fully exercised Accordion Option

“NDRC”	the National Development and Reform Commission of the PRC or as the context may require, its relevant local branches
“NDRC Certificate”	the Registration Certificate of Foreign Debt Borrowed by Enterprise (企業借用外債審核登記證明), which was issued on 10 July 2023 pursuant to the Order 56
“Obligors”	the Company, the Guarantors, the US Propco and any other person designated as such by each of the Agent and the Company, and “Obligor” means each one of them
“Order 56”	the Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises 《企業中長期外債審核登記管理辦法》國家發展和改革委員會令第56號) issued by the NDRC on 5 January 2023 and effective on 10 February 2023 and any implementation rules as issued by the NDRC from time to time
“Original Lenders”	Original Lender A, Original Lender B, Original Lender C and Jumbo Glorious
“Original Lender A”	HFTY I Holdings Pte. Ltd.
“Original Lender B”	HFTY II Holdings Pte. Ltd.
“Original Lender C”	HFTY III Holdings Pte. Ltd.
“Performance Breach”	<p>in respect of the Company, any of the following (determined in accordance with the Convertible Facility Agreement):</p> <p>(i) a net loss of the Group for the full year ending 31 December 2024 exceeding US\$275,000,000; (ii) a net loss of the Group for the half year ending 30 June 2025 exceeding US\$110,000,000; (iii) a net loss of the Group for the full year ending 31 December 2025 exceeding US\$55,000,000; (iv) a net profit of the Group for the half year ending 30 June 2026 being less than US\$45,000,000; or (v) a net profit of the Group for the full year ending 31 December 2026 being less than US\$90,000,000</p>

“Person”	includes any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof but does not include the Company’s directors or any other governing board and does not include the Company’s direct or indirect subsidiaries
"Qualifying Exchange"	either (i) the New York Stock Exchange, the London Stock Exchange, the Hong Kong Stock Exchange, the Nasdaq Stock Market, Singapore Exchange Securities Trading Limited, The Shanghai Stock Exchange or the Shenzhen Stock Exchange or (ii) a national securities exchange (as such term is defined in Section 6 of the U.S. Securities Exchange Act of 1934) or a designated offshore securities market (as such term is defined in Rule 902(b) under the US Securities Act of 1933, as amended)
“Redemption Premium Amount”	<p>in respect of a Lender’s Loan Participation being repaid or prepaid:</p> <ul style="list-style-type: none"> (i) in the case of repayment on the Final Repayment Date or prepayment as a result of a Borrower Prepayment Event, 40 per cent. flat on that Lender’s participation in that Convertible Loan being repaid or prepaid; and (ii) in the case of repayment or prepayment as a result of an Illegality Event, a Relevant Event, a Lender Prepayment Event, a Performance Breach, the receipt of cash proceeds in connection with any Relevant Disposal, other mandatory prepayment provisions in the Security Trust Deed or an event of default under the Convertible Facility Agreement, 30 per cent. flat on that Lender’s participation in that Convertible Loan being repaid or prepaid
"Relevant Disposal"	a sale, lease, transfer or other disposal (or part thereof) by the Company or any of its subsidiaries (other than any Listed Subsidiary and any Guarantor) of any asset (whether through a single transaction or a series of transactions and whether voluntary or involuntary) which is not permitted under the Convertible Facility Agreement without the prior written consent of the Agent (acting on the instructions of the Majority Lenders)

“Relevant Event”	occurs: <ul style="list-style-type: none"> (i) when the Shares cease to be listed or admitted to trading or suspended (other than for a temporary suspension) for trading for a period equal to or exceeding 30 consecutive trading days on the Hong Kong Stock Exchange or, if applicable, the alternative stock exchange; or (ii) when there is a Change of Control
“Security Agent”	the person appointed or to be appointed as such in accordance with the Security Trust Deed
“Secured Liabilities”	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document
“Secured Party”	a Finance Party, a Receiver or any Delegate
“Security Trust Deed”	a security trust deed entered or to be entered into between, among others, the Company, the Guarantors, the Original Lenders, the Agent, the Conversion Agent, the Calculation Agent and the Security Agent, which includes, among other things, provisions relating to: <ul style="list-style-type: none"> (i) the appointment of the Security Agent and the Calculation Agent; (ii) guarantees to be granted by the Guarantors in favour of each Finance Party; (iii) account control arrangements in relation to the custodian account(s) of one or more transaction obligors; and (iv) certain financial covenants and arrangements in relation to each Guarantor
“Share(s)”	ordinary share(s) of the Company, having a par value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company

“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders at the Annual General Meeting to allot and issue the Conversion Shares
"Specified Subsidiaries"	certain subsidiaries of the Company principally engaged in investment holding
“Subordinated Creditors”	any member of the Group which is party to or has acceded to the Subordination Deed as a junior finance party
“Subordination Deed”	the subordination deed entered or to be entered into between among others, (a) the Company as original junior finance party, (b) the Company and the Guarantors as original debtors, (c) the Agent and (d) the Security Agent
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Receiver”	a receiver or receiver and manager or administrative receiver of the whole or any part of the security assets
“Total Commitments”	at any time the aggregate of the Lenders’ commitments under the Convertible Facility Agreement (being the Initial Total Commitments at the date of the Convertible Facility Agreement), subject to any increase pursuant to the exercise of the Accordion Option
“US” or “United States”	the United States of America
“US\$” or “US Dollars”	United States dollars, the lawful currency of the United States
“US Guaranty”	a nonrecourse secured guaranty agreement executed or to be executed by the US Propco as guarantor
“US Propco”	MicroPort Aston Properties LLC, a company incorporated under the laws of Delaware with limited liability
“Utilisation”	a utilisation of the Convertible Facility
“Utilisation Date”	the date of a Utilisation, being the date on which the relevant Convertible Loan is to be made

“Utilisation Request”

a notice substantially in the form set out in the Convertible Facility Agreement

“%”

per cent

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

Shanghai, the PRC, 5 April 2024

As at the date of this announcement, the executive Director of the Company is Dr. Zhaohua Chang; the non-executive Directors are Mr. Hiroshi Shirafuji, Mr. Norihiro Ashida, Ms. Weiqin Sun, Dr. Qiyi Luo and Mr. Bo Peng; and the independent non-executive Directors are Mr. Jonathan H. Chou, Dr. Guoen Liu and Mr. Chunyang Shao.