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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares of **MicroPort Scientific Corporation**, you should at once hand this circular and the accompanying election form to the purchaser or the transferee or to the bank, the registered dealer in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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: 853)

*Executive Director:*

Dr. Zhaohua Chang (*Chairman*)

*Non-executive Directors:*

Mr. Norihiro Ashida

Mr. Hiroshi Shirafuji

Ms. Weiwei Chen

Ms. Janine Junyuan Feng

*Independent Non-executive Directors:*

Mr. Jonathan H. Chou

Dr. Guoen Liu

Mr. Chunyang Shao

*Registered Office:*

P.O. Box 309, Ugland House

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Cayman Islands

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The People's Republic of China

*Principal Place of Business in*

*Hong Kong:*

Level 54, Hopewell Centre

183 Queen's Road East, Hong Kong

13 July 2018

*To the shareholders*

Dear Sir/Madam,

**SCRIP DIVIDEND SCHEME  
IN RELATION TO THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. INTRODUCTION**

On 27 March 2018, it was announced that the directors (the “**Directors**”) of MicroPort Scientific Corporation (the “**Company**”) recommended the payment of a final dividend (the “**Final Dividend**”) of HK\$2.5 cents per share of the Company (the “**Share(s)**”) for the year

ended 31 December 2017 by way of cash, with an option to elect to receive new fully paid Shares (the “**Scrip Shares**”) in lieu of cash (the “**Scrip Dividend Scheme**”). The Final Dividend was approved at the annual general meeting of the Company held on 14 May 2018 (the “**AGM**”). The Final Dividend is payable to shareholders of the Company (the “**Qualifying Shareholders**”) whose names appeared on the register of members of the Company on 23 May 2018 (the “**Record Date**”).

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Qualifying Shareholders in relation thereto.

## 2. PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the Qualifying Shareholders have the following choices in respect of the Final Dividend:

- (i) cash of HK\$2.5 cents for each Share held on the Record Date; or
- (ii) an allotment of Scrip Shares (the number of which is determined as explained below).

For the purpose of calculating the number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of the Scrip Shares has been fixed at HK\$9.994 per Share, which is the average of the closing prices per Share as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days up to and including 23 May 2018 (“**Average Closing Price**”) less a discount of 5% of such Average Closing Price. Accordingly, the number of the Scrip Shares which the Qualifying Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rcl} \text{Number of the Scrip Shares to be received} & = & \begin{array}{l} \text{Number of existing Shares held on the Record Date for which the Final Dividend is to be satisfied in Scrip Shares} \end{array} \times \frac{\text{HK\$0.025 (Final Dividend per Share)}}{\text{HK\$10.52 (Average Closing Price) x (1-5\%)}} \end{array}$$

Based on the above, a maximum number of 3,657,252 Scrip Shares, representing approximately 0.25% of the existing issued share capital of the Company as at 23 May 2018 and approximately 0.25% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares, could be issued. **The last date and time on which the Qualifying Shareholders will be entitled to elect their desired form of the Final Dividend is 4:30 p.m. on Friday, 27 July 2018.** The number of the Scrip Shares to be issued will be rounded down to the nearest whole number and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fraction entitlements to Scrip Shares will be aggregated and sold for the benefit of the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank pari passu in all respects with the existing Shares of the Company except that they will not be entitled to the Final Dividend.

If no election for the Scrip Shares were received, the total cash dividend payable by the Company would be approximately HK\$36,550,584.

### **3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME**

The Directors consider that the Scrip Dividend Scheme is beneficial to both Shareholders and the Company as it will enable Shareholders to further increase their equity investment in the Company and the Company to retain cash for its operation.

### **4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME**

The Scrip Dividend Scheme is conditional upon (i) the Shareholders passing on ordinary resolution at the AGM declaring the Final Dividend and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares to be issued under the Scrip Dividend Scheme.

The condition set out in sub-paragraph (i) of this Section 4 has been satisfied. If the condition set out in sub-paragraph (ii) of this Section 4 is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms (as defined below) will be void. In such a case, the Final Dividend will then be paid wholly in cash.

### **5. DISCLOSURE OF INTERESTS**

The Qualifying Shareholders should note that an acquisition of Scrip Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Qualifying Shareholders who are in any doubt as to how these provisions may affect them as a result of the Scrip Shares are recommended to seek their own professional advice.

### **6. ELECTION FORM**

**A form of election in relation to the Scrip Dividend Scheme (the “Election Form”) is enclosed for use by Qualifying Shareholders who wish to receive the Final Dividend wholly in the form of the Scrip Shares in lieu of cash.** Please read carefully the instructions below and the instructions printed on the Election Form.

#### **(a) To receive only cash dividend**

If you wish to receive only cash for the Final Dividend, you do not need to take any action. Therefore, please DO NOT return the Election Form.

#### **(b) To receive only Scrip Shares for the Final Dividend**

If you wish to receive only Scrip Shares for the Final Dividend, please just SIGN, DATE and RETURN the Election Form.

The Election Form should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 27 July 2018. The latest time for returning the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 27 July 2018. Instead the deadline for the submission of the Election Form will be 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Friday, 27 July 2018. Instead, the deadline for the submission of the Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Qualifying Shareholder's dividend being paid wholly in the form of cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Final Dividend may, after the relevant Election Forms are signed and returned to the Company's share registrar in Hong Kong, be in any way withdrawn, revoked, superseded or altered.

## **7. QUALIFYING SHAREHOLDERS RESIDING OUTSIDE HONG KONG**

This circular will not be registered or filed under the securities Laws or equivalent legislation of any jurisdiction other than Hong Kong.

Based on the Company's register of members as at the Record Date, there were overseas Shareholders with registered addresses in the PRC, Cayman Islands and British Virgin Islands. In view of the legal advices received from the relevant local legal counsels of the aforesaid jurisdictions, there are no legal restrictions under the laws or regulatory requirements of these jurisdictions from issuing the Scrip Shares and sending the relevant circular and Election Form to relevant Shareholders.

On the above basis, no Shareholder will be excluded from the receipt of the Scrip Shares. However, it is the responsibility of any Shareholder receiving the Scrip Shares to satisfy itself as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required.

For the avoidance of doubt, the Scrip Shares are not being offered to the public and the Election Form is not transferable.

All Qualifying Shareholders residing outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Qualifying Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Qualifying Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive Scrip Shares in lieu of the cash dividend must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong.

## **8. LISTING AND DEALINGS**

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

It is expected that the relevant dividend warrants and share certificates will be posted to the Shareholders by ordinary mail at the risk of those entitled thereto on or about Wednesday, 15 August 2018, and dealings of the Scrip Shares on the Stock Exchange are expected to commence on Thursday, 16 August 2018. Unless a written instruction is given by a Shareholder to the Company's share registrar in Hong Kong, one share certificate will be issued for all the Scrip Shares a Shareholder is entitled to.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS"). All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Shares may be settled through CCASS and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

The Shares of the Company are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

## 9. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Scrip Shares depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Qualifying Shareholder. If you are in any doubt as to what to do, you should consult your professional advisers.

Qualifying Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,  
For and on behalf of the Board  
**Dr. Zhaohua Chang**  
*Chairman*