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MicroPort NeuroScientific Corporation

微創腦科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2172)

CONTINUING CONNECTED TRANSACTION ENTERING INTO MASTER DISTRIBUTION AGREEMENT

On 27 June, 2025 (after trading hours), the Company and MicroPort entered into the Master Distribution Agreement for three years commencing from June 27, 2025 to June 26, 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, MicroPort is one of the controlling shareholders of the Company and indirectly held approximately 53.18% of the total issued share capital of the Company, and thus MicroPort and its associates are connected persons of the Company. Therefore, entering into the Master Distribution Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the highest amount of the annual caps under the Master Distribution Agreement is more than 0.1% but less than 5%, the Master Distribution Agreement and the transactions contemplated thereunder are therefore subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 27 June, 2025 (after trading hours), the Company and MicroPort entered into the Master Distribution Agreement for three years commencing from June 27, 2025 to June 26, 2028.

THE MASTER DISTRIBUTION AGREEMENT

The principal terms of the Master Distribution Agreement are set out below:

Date:	27 June, 2025
Parties:	The Company MicroPort
Nature of the transaction:	The Group agreed to grant a non-exclusive right to MicroPort Group to commercialize and distribute the Group's neurointerventional medical devices in target markets as set out in the Master Distribution Agreement (the " International Distribution(s) ")
Term:	From June 27, 2025 to June 26, 2028 (both dates inclusive)
Payment arrangement:	Payments under the Master Distribution Agreement will be made by the MicroPort Group to the respective members of the Group from time to time during the term of the Master Distribution Agreement in accordance with each specific agreement entered into between respective parties in respect of each of the International Distributions

Pricing Policy

The price for the neurointerventional medical devices under the Master Distribution Agreement are determined after arm's length negotiations and mainly calculated by taking into account (i) production costs, including costs of raw materials related to product manufacturing, sales and administrative expenses; (ii) transportation costs; (iii) the gross margins in the market for comparable products sold by other independent distributors in the relevant territory; and (iv) the prevailing market prices (including but not limited to the comparable tender prices approved by local governments or hospitals) of similar products within the respective relevant territories. The aforesaid pricing policies would be comparable to and no less favourable than those that may be offered by other independent third-party distributors.

Historical Amount

For the period commencing from January 1, 2025 to June 26, 2025, the historical transaction amounts under the similar transactions were approximately RMB0.4 million. The connected transactions conducted between the Group and MicroPort Group during the period commencing from January 1, 2025 to June 26, 2025 were fully exempted under Rule 14A.76(1) of the Listing Rules.

Annual Caps and Basis of Determination

It is estimated that the maximum transaction amounts in relation to the International Distribution under the Master Distribution Agreement for each of the period commencing from June 27, 2025 to December 31, 2025, the year ending December 31, 2026, the year ending December 31, 2027, and the period commencing from January 1, 2028 to June 26, 2028 shall be RMB6.00 million, RMB9.00 million, RMB12.00 million and RMB9.00 million.

The proposed annual caps for the transactions contemplated under the Master Distribution Agreement were calculated with reference to the following formula:

Transaction amounts under the Master Distribution Agreement = the quantities of the neurointerventional medical devices distributed by the MicroPort Group × the relevant price of the neurointerventional medical devices.

The Company also considered the factors including that (i) the historical transaction amounts and grow trend in relation to the International Distributions under the Master Distribution Agreement; (ii) the estimated demand for the neurointerventional medical devices to be procured under the Master Distribution Agreement for the three years ending June 26, 2028, taking into consideration the increasing market demand of the relevant products and the business development of the Group; and (iii) the estimated price of the neurointerventional medical devices to be distributed by the MicroPort Group and its joint ventures and associates, which is based on the historical price.

Reasons for the Transaction

MicroPort Group has a proven record of successfully commercializing medical devices globally and has a well-established and experienced global sales and marketing team. To further leverage on MicroPort Group's well-established sales channels and mature operational expertise, the Company entered into a Master Distribution Agreement with MicroPort Group, whereby MicroPort Group's overseas subsidiaries will act as distributors of our products in their respective markets extending the sales and distribution network of the Group.

INTERNAL CONTROL

To ensure that the continuing connected transactions under the Master Distribution Agreement, or as revised from time to time (the same hereinafter), will be conducted on normal commercial terms and on terms which are similar or comparable to contracts of the Group with independent third parties, and are in accordance with the terms of the relevant agreement, the Company has a set of internal control policy to monitor its continuing connected transactions.

The relevant business and operational departments of the Group will review and compare at least two quotations from independent third parties, if available, and ensure that the continuing connected transactions under the Master Distribution Agreement will be conducted on normal commercial terms and on terms which are similar or comparable to contracts of the Group with independent third parties, if applicable. The relevant internal audit personnel and management of the Group responsible for such internal control task will conduct checks every six months to ensure the relevant continuing connected transactions would be conducted under normal commercial terms and on terms which are similar or comparable with independent third parties. This would involve reviewing (i) the transactions are conducted in accordance with the terms of the Master Distribution Agreement; (ii) the pricing terms are in accordance with the pricing policy of the Master Distribution Agreement and the policy of the Group and that the transactions would not be prejudicial to the interests of the Company and the Shareholders as a whole; and (iii) the annual caps have not been exceeded.

The Company will re-comply with the requirements of the Listing Rules if there is material change to the terms of the continuing connected transactions, or the annual caps are exceeded. The transactions contemplated under the Master Distribution Agreement are subject to the review by the independent non-executive Directors on an annual basis, who will confirm in the annual report whether the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the relevant agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole. In addition, the transactions will also be subject to the review on an annual basis by the auditors of the Group, who will confirm to the Directors as to whether there is anything which has come to their attention that causes them to believe that such continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps.

INFORMATION ON THE PARTIES TO INVOLVED IN THE TRANSACTION

The Company is principally engaged in the R&D, manufacture and sale of innovative neurointerventional medical devices and is a 53.18% owned subsidiary of MicroPort as at the date of this announcement.

MicroPort is a company whose shares are listed on the main board of the Stock Exchange under the stock code of 00853. MicroPort is a leading medical technology company that develops, manufactures and sells high-end interventional medical devices.

OPINION OF THE BOARD

The Board (including the independent non-executive Directors) is of the view that the transactions contemplated under the Master Distribution Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Master Distribution Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Dr. Chang Zhaohua, Mr. Sun Qingwei and Ms. Wu Xia, who holds positions in the MicroPort Group, has abstained from voting on the relevant Board resolutions approving entering into and the Master Distribution Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, MicroPort is one of the controlling shareholders of the Company and indirectly held approximately 53.18% of the total issued share capital of the Company, and thus MicroPort and its associates are connected persons of the Company. Therefore, entering into the Master Distribution Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the highest amount of the annual caps under the Master Distribution Agreement is more than 0.1% but less than 5%, the Master Distribution Agreement and the transactions contemplated thereunder are therefore subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITION

“Board”	the board of Directors
“Company”	MicroPort NeuroScientific Corporation (微創腦科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 02172)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Master Distribution Agreement”	a master distribution agreement entered into between the Company and MicroPort on 27 June, 2025
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MicroPort”	MicroPort Scientific Corporation (微創醫療科學有限公司*), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00853)
“MicroPort Group”	MicroPort and its subsidiaries
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“%”	Per cent

By order of the Board
MicroPort NeuroScientific Corporation
Dr. Chang Zhaohua
Chairman

Hong Kong, 27 June, 2025

As at the date of this announcement, the Board comprises Mr. Xie Zhiyong and Mr. Wang Yiqun Bruce as the executive directors; Dr. Chang Zhaohua, Mr. Sun Qingwei and Ms. Wu Xia as the non-executive directors; and Dr. Zhang Haixiao, Mr. Fan Xin and Mr. Li Zhiyong as the independent non-executive directors.