

MICROPORT SCIENTIFIC CORPORATION

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**MICROPORT SCIENTIFIC CORPORATION**  
**(Incorporated in the Cayman Islands with limited liability)**

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**WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS**  
**BY THE RELEVANT EMPLOYEES**

(Adopted by the Company pursuant to the board resolution passed on 25 October 2010)

**1. BASIC PRINCIPLES**

1.1 These Written Guidelines (both the basic principles and the rules) sets a required standard against which the Relevant Employees of the Company must measure their

must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with the Written Guidelines.

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the Listing Rules, with modifications where necessary. Any breach of the Written Guidelines will be regarded as a breach of the Listing Rules.

1.3 The Relevant Employees wishing to deal in any securities of the Company must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct. However, there are occasions where the Relevant

statutory requirements will not be contravened.

1.4 The single most important thrust of the Written Guidelines is that the Relevant Employees who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions or connected transactions under the Listing Rules or any price-sensitive information must refrain

privy to them until proper disclosure of the information in accordance with the Listing Rules. The Relevant Employees who are privy to relevant negotiations or agreements or any price-sensitive information should caution those Relevant Employees who are not so privy that there may be unpublished price-sensitive information and that they

1.5 In addition, a Relevant Employee must not make any unauthorized disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he owes a fiduciary duty) or make any use of such information for the advantage of himself or others.

## 2. DEFINITIONS

2.1 For the purpose of the Written Guidelines:

- (a) “**associate(s)**” has the meanings ascribed to it in the Listing Rules;
- (b) “**beneficiary**” includes any discretionary object of a discretionary trust (where the Relevant Employee is aware of the arrangement) and any beneficiary of a non-discretionary trust;
- (c) “**Board**” means the board of Directors of the Company;
- (d) “**Company**” means MicroPort Scientific Corporation;
- (e) “**dealing**” includes, subject to paragraph (m) below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company or any such entity, in each case whether or not for consideration and any agreements to do any of the foregoing, and “deal” shall be construed accordingly;
- (f) “**Designated Director**” means the Director designated by the Board from time to time for the specific purpose as described in rule 3.2.1 of the Written Guidelines;
- (g) “**Director(s)**” means director(s) of the Company;
- (h) “**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (i) “**Relevant Employee(s)**” means any employee of the Company or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Company or its securities;
- (j) “**securities**” means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants) issued in respect of the listed securities of the Company;



- (k) “**SFO**” means Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and any amendments thereof and re-enactments thereof for the time being in force;
- (l) “**Takeovers Code**” means The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time;
- (m) notwithstanding the definition of “dealing” in paragraph (e) above, the following dealings are not subject to the provisions of the Written Guidelines:
- (i) taking up of entitlements under a rights issue, bonus issue, capitalization issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing”;
  - (ii) allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);
  - (iii) undertakings to accept, or the acceptance of, a general offer for shares in the Company made to shareholders other than those that are concert parties (as defined under the Takeovers Code) of the offeror;
  - (iv) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company before a period during which dealing is prohibited under the Written Guidelines at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
  - (v) an acquisition of qualification shares where, under the Company’s constitutional documents, the final date for acquiring such shares falls within a period when dealing is prohibited under the Written Guidelines and such shares cannot be acquired at another time;
  - (vi) dealing where the beneficial interest or interests in the relevant security of the Company do not change;
  - (vii) dealing where a shareholder places out his existing shares in a “top-up” placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and

(viii) dealing where the beneficial ownership is transferred from another party by operation of law.

2.2 For the purpose of the Written Guidelines, the grant to a Relevant Employee of an option to subscribe or purchase the Company's securities shall be regarded as a dealing by him, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a Relevant Employee on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

### **3. RULES**

#### **3.1 Absolute prohibitions**

3.1.1 A Relevant Employee must not deal in any of the securities of the Company at any time when he is in possession of unpublished price-sensitive information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule 3.2.1 of the Written Guidelines.

*Note: "Price sensitive information" means information described in the Listing Rule 13.09(1) and the notes thereunder. In the context of the Written Guidelines, the Listing Rule 13.09(1)(I) and its notes 9, 10 and 11 are of particular relevance.*

3.1.2 A Relevant Employee must not deal in the securities of the Company when by virtue of his position as an employee of another listed issuer, he is in possession of unpublished price-sensitive information in relation to those securities.

3.1.3 (a) A Relevant Employee must not deal in any securities of the Company on any day on which its financial results are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section 3.3 below. In any event, the Relevant Employee must comply with the procedure in rules 3.2.1 and 3.2.2 of the Written Guidelines.

- (b) The Company must notify The Stock Exchange of Hong Kong Limited in advance of the commencement of each period during which the Relevant Employees are not allowed to deal under rule 3.1.3(a) of the Written Guidelines.

*Note: The Relevant Employees should note that the period during which they are not allowed to deal under rule 3.1.3 of the Written Guidelines will cover any period of delay in the publication of a results announcement.*

- 3.1.4 Where a Relevant Employee is a sole trustee, the provisions of the Written Guidelines will apply to all dealings of the trust as if he were dealing on his own account (unless such Relevant Employee is a bare trustee and neither he nor any of his associates is a beneficiary of the trust, in which case the provisions of the Written Guidelines will not apply).
- 3.1.5 Where a Relevant Employee deals in the securities of the Company in his capacity as a co-trustee and he has not participated in or influenced the decision to deal in the securities and is not, and none of his associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his dealings.
- 3.1.6 The restrictions on dealings by a Relevant Employee contained in the Written Guidelines will be regarded as equally applicable to any dealings by such Relevant Employee's spouse or by or on behalf of any minor child (natural or adopted) and any other dealings in which for the purposes of Part XV of the SFO he is or is to be treated as interested. It is the duty of the Relevant Employee, therefore, to seek to avoid any such dealing at a time when he himself is not free to deal.
- 3.1.7 When a Relevant Employee places investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Relevant Employee himself in respect of any proposed dealings in the Company's securities.

## **3.2 Notification**

- 3.2.1 A Relevant Employee must not deal in any securities of the Company without first notifying in writing the Chairman or the Designated Director and receiving a dated written acknowledgement. In each case,
  - (a) a response to a request for clearance to deal must be given to the Relevant Employee within five business days of the request being made; and
  - (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

*Note: For the avoidance of doubt, the restriction under 3.1.1 of the Written Guidelines applies in the event that price sensitive information develops following the grant of clearance.*

- 3.2.2 The procedure established within the Company must, as a minimum, provide for there to be a written record maintained by the Company that the appropriate notification was given and acknowledged pursuant to rule 3.2.1 of the Written Guidelines, and for the Relevant Employee concerned to have received written confirmation to that effect.
- 3.2.3 Any Relevant Employee of the Company who acts as trustee of a trust must ensure that his co-trustees are aware of the identity of any company of which he is a Relevant Employee so as to enable them to anticipate possible difficulties. A Relevant Employee having funds under management must likewise advise the investment manager.
- 3.2.4 Any Relevant Employee who is a beneficiary, but not a trustee, of a trust which deals in securities of the Company must endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn may notify the Company. For this purpose, he must ensure that the trustees are aware of the companies of which he is a Relevant Employee.
- 3.2.5 The written records maintained in accordance with rule 3.2.2 of the Written Guidelines should be made available for inspection at every meeting of the Board.
- 3.2.6 The Directors must as a Board and individually endeavour to ensure that any employee of the Company or director or employee of a subsidiary company who, because of his office or employment in the Company or a subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the Company's securities shall not deal in the Company's securities at a time when he would be prohibited from dealing by the Written Guidelines if he is a Relevant Employee.

### **3.3 Exceptional circumstances**

- 3.3.1 If a Relevant Employee proposes to sell or otherwise dispose of securities of the Company under exceptional circumstances where the sale or disposal is otherwise prohibited under the Written Guidelines, the Relevant Employee must, in addition to complying with the other provisions of the Written Guidelines, comply with the provisions of Rule 3.2.1 of the Written Guidelines regarding prior written notice and acknowledgement. The Relevant Employee must satisfy the Chairman or the Designated Director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the Relevant Employee before the Relevant Employee can sell or dispose of the securities. The Company shall give written notice of such sale or disposal to The Stock Exchange of Hong Kong Limited as soon as practicable stating why it considered the circumstances to be exceptional. The Company shall publish an announcement in accordance with the Listing Rules immediately after any such sale or disposal and state that the Chairman

or the Designated Director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the Relevant Employee. An example of the type of circumstances which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the Relevant Employee that cannot otherwise be satisfied.

### **3.4 Disclosure**

- 3.4.1 In relation to securities transactions by the Relevant Employees, the Company shall disclose in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any):
- (a) that the Company has adopted the Written Guidelines on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules;
  - (b) having made specific enquiry of all Relevant Employees, whether they have complied with, or whether there has been any non-compliance with, the required standard set out in Appendix 10 of the Listing Rules of the Listing Rules and the Written Guidelines; and
  - (c) in the event of any non-compliance with the required standard set out in the Written Guidelines, details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.