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**Shanghai MicroPort MedBot (Group) Co., Ltd.**

**上海微创医疗机器人(集团)股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2252)**

## **CONNECTED TRANSACTION FINANCE LEASE**

### **FINANCE LEASE**

The Board is pleased to announce that on 25 June 2024, OrthoBot Suzhou (a subsidiary of the Company) as the lessee entered into a Transfer Contract and Finance Lease Agreement with Tianniuyan as the lessor. Pursuant to which, OrthoBot Suzhou agreed to sell the Prototypes to Tianniuyan for a total consideration of RMB60,000,000, and Tianniuyan agreed to lease back the Prototypes to OrthoBot Suzhou at a lease consideration of RMB66,000,000, which includes a principal lease amount of RMB60,000,000 and lease interest of RMB6,000,000 for a term of three years.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, MicroPort is one of the controlling shareholders of the Company, and Tianniuyan is a wholly-owned subsidiary indirectly held by MicroPort. Therefore, it is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Transfer Contract and the Finance Lease Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transfer Contract exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from circular (including independent financial advice) and independent Shareholders' approval requirements.

## INTRODUCTION

The Board is pleased to announce that on 25 June 2024, OrthoBot Suzhou (a subsidiary of the Company) as the lessee entered into a Transfer Contract and Finance Lease Agreement with Tianniuyan as the lessor. Pursuant to which, OrthoBot Suzhou agreed to sell the Prototypes to Tianniuyan for a total consideration of RMB60,000,000, and Tianniuyan agreed to lease back the Prototypes to OrthoBot Suzhou at a lease consideration of RMB66,000,000, which includes a principal lease amount of RMB60,000,000 and lease interest of RMB6,000,000 for a term of three years.

Financing leases include (I) Transfer Contract; and (II) Finance Lease Agreement, as detailed below.

### (I) Transfer Contract

The principal terms of the Transfer Contract are set out below:

**Date:** 25 June 2024

**Parties:** (a) Tianniuyan (as the lessor); and  
(b) OrthoBot Suzhou (as the lessee).

#### *Subject Matters*

Pursuant to the Transfer Contract, OrthoBot Suzhou (the owner of the Prototypes) agreed to sell at the purchase price of RMB60,000,000, and Tianniuyan agreed to purchase the Prototypes from OrthoBot Suzhou at the purchase price. The Prototypes are primarily used by OrthoBot Suzhou for the R&D iteration and clinical trials of the orthopaedic surgery navigation positioning system and other selected hard tissue surgery navigation positioning system. The prototypes for research and development purpose among the Prototypes have been expensed, leaving an unaudited book value of the remaining of approximately RMB 2,249,000 as at 31 May 2024.

#### *Purchase price*

The purchase price is RMB60,000,000, which is equivalent to the principal lease amount under the Finance Lease Agreement as detailed below. It was determined by OrthoBot Suzhou and Tianniuyan with reference to (i) the valuation of the Prototypes in the Valuation Report by an independent qualified valuer at RMB67,800,700; (ii) the specialised use, age, current condition, and expected wear and tear of the Prototypes; (iii) the lease term; and (iv) similar existing Finance Lease Arrangement after arm's length negotiations.

### ***Conditions***

Tianniuyan agrees to pay OrthoBot Suzhou or its designated third party the payable lease price (which is the purchase price minus the deposit payable by OrthoBot Suzhou). The payable lease price will be paid to OrthoBot Suzhou upon fulfilment of the conditions set forth below, including but not limited to:

- (i) All documents related to the leasing agreement (including but not limited to the Finance Lease Agreement and the Transfer Contract) duly signed by Tianniuyan and OrthoBot Suzhou as required by Tianniuyan;
- (ii) OrthoBot Suzhou issued a payment notice to Tianniuyan for the payable lease price;
- (iii) The Certificate of Acceptance for the leased property duly signed by OrthoBot Suzhou in the format required by Tianniuyan.
- (iv) OrthoBot Suzhou provides a leasing property assessment report;
- (v) All application materials provided by OrthoBot Suzhou have been stamped with the official seal; and
- (vi) If, according to relevant laws, regulations, and provisions of the People's Republic of China, the Finance Lease Agreement requires approval and registration, all necessary approval and/or registration procedures for the leased property have been completed with the relevant proof documents.

### ***Ownership of the Prototypes***

The ownership of the Prototypes will be transferred from OrthoBot Suzhou to Tianniuyan upon payment of the purchase price by Tianniuyan in full in accordance with the Finance Lease Agreement.

## **(II) Finance Lease Agreement**

Pursuant to the Finance Lease Agreement, Tianniuyan agreed to lease back the Prototypes to OrthoBot Suzhou at a consideration of approximately RMB66,000,000 for a lease term of three years.

### ***Lease Term***

The lease term for the Prototypes shall be three years commencing from the date on which the purchase price is paid by Tianniuyan.

### ***Lease Consideration***

Pursuant to the Finance Lease Agreement, Tianniuyan agreed to lease back the Prototypes to OrthoBot Suzhou at the lease consideration of RMB66,000,000, comprising (i) the principal lease amount of RMB60,000,000; and (ii) the lease interest of RMB6,000,000. The lease consideration of RMB66,000,000 shall be paid by OrthoBot Suzhou on a quarterly basis within three years.

The lease interest rate and the lease handling fee were agreed after arm's length negotiations between the parties to the Finance Lease Agreement with reference to the prevailing market interest rates for finance leases of comparable assets. The lease consideration is expected to be settled by the Group with internal resources and/or other financing.

Pursuant to the Hong Kong Financial Reporting Standards, the transactions contemplated under the finance lease are expected to be accounted for as financing arrangements, and the transactions under such finance lease arrangements will not result in the Group recording any disposal gains or losses.

### ***Deposit and guarantee***

The deposit serves as a monetary pledge guarantee for the obligations of OrthoBot Suzhou under the Finance Lease Agreement, and no interest shall be accrued on any deposits. Provided that no events of default occur on the part of OrthoBot Suzhou during the lease term, the deposit at the end of the term will be used to offset an equivalent amount of the rental at the end of term.

### ***Ownership of leased assets***

At the end of the lease term, provided that there are no events of default and OrthoBot Suzhou has settled the lease consideration and/or any other payable amounts, Tianniuyan will transfer the Prototypes to OrthoBot Suzhou for free.

## **REASONS FOR AND BENEFITS OF FINANCE LEASE**

The entering into of the Transfer Contract and Finance Lease Agreement is to meet the daily operational needs of the Group, revitalise the Group's assets, improve asset utilisation efficiency, and enhance the overall efficiency of the Group.

The terms and conditions of the Transfer Contract and the Finance Lease Agreement are agreed after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) consider that the terms of the finance lease and the transactions contemplated thereunder are entered into on normal commercial terms, without pledging the Company's assets, which are fair and reasonable, and are in the overall interests of the Company and its shareholders.

Mr. Sun Hongbin, the non-executive Director and chairman of the Board, who also holds management positions in MicroPort, has abstained from voting on the relevant board resolutions of the Company. Apart from Mr. Sun Hongbin, none of the Directors has or is deemed to have a material interest in the Transfer Contract and the Finance Lease Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant Board resolutions approving the Transfer Contract and the Finance Lease Agreement.

## **INFORMATION ON THE GROUP AND THE PARTIES TO THE TRANSFER CONTRACT AND FINANCE LEASE AGREEMENT**

### ***The Group***

The Group is principally engaged in designing, developing and commercialising surgical robots to assist surgeons in performing complex surgical procedures.

### ***OrthoBot Suzhou***

OrthoBot Suzhou, a company incorporated in the PRC with limited liability, a non-wholly owned subsidiary of the Company as at the date of this announcement, is principally engaged in the research, development and commercialization of orthopaedic surgical robots of the Group.

### ***Tianniuyan***

Tianniuyan is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of MicroPort. Tianniuyan is principally engaged in financial leasing business.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, MicroPort is one of the controlling shareholders of the Company, and Tianniuyan is a wholly-owned subsidiary indirectly held by MicroPort. Therefore, it is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Transfer Contract and the Finance Lease Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transfer Contract exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from circular (including independent financial advice) and independent Shareholders' approval requirements.

## DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微创医疗机器人(集团)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 02252)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement entered into between OrthoBot Suzhou and Tianniuyan on 25 June 2024
“Group”	the Company and its subsidiaries

“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), and one of the controlling shareholders of the Company
“OrthoBot Suzhou”	Suzhou MicroPort OrthoBot Co., Ltd. (蘇州微創暢行機器人有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement, shall exclude the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Prototypes”	a total of 27 prototypes for the orthopaedic surgery navigation positioning system and other selected hard tissue surgery navigation positioning system
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianniuyan”	Shanghai MicroPort Tianniuyan Financial Leasing Co., Ltd. (上海微創天牛眼融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of MicroPort

“Transfer Contract” the Transfer Contract entered into between OrthoBot Suzhou and Tianniuyan on 25 June 2024

“Valuation Report” an asset valuation report was issued by the independent qualified valuer having adopted the cost approach, on 18 June 2024, for the valuation of the Prototypes as of 31 May 2024

By Order of the Board  
**Shanghai MicroPort MedBot (Group) Co., Ltd.**  
**Mr. Sun Hongbin**  
*Chairman*

Shanghai, the PRC, 25 June 2024

*As at the date of this announcement, the executive Director is Dr. He Chao, the non-executive Directors are Mr. Sun Hongbin, Mr. Chen Xinxing and Mr. Chen Chen, and the independent non-executive Directors are Dr. Li Minghua, Mr. Yao Haisong and Mr. Mui Wing Hong.*