

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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 in Shanghai INT Medical Instruments Co., Ltd.* (上海瑛泰醫療器械股份有限公司), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Shanghai INT Medical Instruments Co., Ltd.*

上海瑛泰醫療器械股份有限公司

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

(Stock Code: 1501)

- (1) REPORT OF THE DIRECTORS FOR THE YEAR 2024**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024**
- (3) ANNUAL REPORT FOR THE YEAR 2024**
- (4) AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2024**
- (5) ANNUAL FINANCIAL BUDGET FOR THE YEAR 2025**
- (6) PROPOSED RE-ELECTION AND APPOINTMENT OF DIRECTORS AND SUPERVISORS**
- (7) REMUNERATION OF DIRECTORS FOR THE YEAR 2025**
- (8) REMUNERATION OF SUPERVISORS FOR THE YEAR 2025**
- (9) RE-APPOINTMENT OF INTERNATIONAL AND DOMESTIC AUDITORS FOR THE YEAR 2025**
- (10) PROPOSED PROVISION OF GUARANTEE TO THE TARGET COMPANY**
- (11) PROPOSED INCREASING OF DR. LIANG'S INDIVIDUAL LIMIT UNDER THE SHARE INCENTIVE SCHEME**
- (12) PROPOSED RECTIFICATION OF THE GRANT OF RESTRICTED SHARES TO DR. LIANG UNDER THE SHARE INCENTIVE SCHEME DURING 2023**
- (13) PROPOSED AMENDMENTS TO THE SHARE INCENTIVE SCHEME**
- (14) PROPOSED AMENDMENTS TO THE 2023 SHARE INCENTIVE SCHEME AND**
- (15) GENERAL MANDATE TO REPURCHASE SHARES**

A form of proxy for use at the annual general meeting (the "AGM") of Shanghai INT Medical Instruments Co., Ltd.* (上海瑛泰醫療器械股份有限公司) is enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.int-medical.com).

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the Company's registered office at Block 2, No. 925 Jin Yuan Yi Road, Jiading District, Shanghai, the PRC (for Domestic Shareholders) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if they so wish and in such event, the form of proxy shall be deemed to be revoked.

* For identification purposes only

8 May 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the followings meanings:

“2023 Share Incentive Scheme”	the 2023 employee share incentive scheme of Shanghai INT Medical Instruments Co., Ltd.* (上海瑛泰醫療器械股份有限公司員工股權激勵計劃(2023年)) adopted by the Company on 3 November 2023
“AGM”	the annual general meeting of the Company to be held at Block 2, No. 925 Jin Yuan Yi Road, Jiading District, Shanghai, the PRC on Friday, 23 May 2025 at 2:00 p.m., or any adjournment thereof (as the case may be)
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Shanghai INT Medical Instruments Co., Ltd.* (上海瑛泰醫療器械股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1501)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Dr. Liang”	Dr. Liang Dongke, the chairman of the Board and executive Director
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange

DEFINITIONS

“H Shareholder(s)”	holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 May 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China but excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan region
“PRC Company Law”	the Company Law of the People’s Republic of China, as the same may be amended, supplemented or otherwise modified from time to time
“Repurchase Mandate”	subject to the proposed AGM to approve the repurchase mandate by way of proposed special resolutions, the general mandate to authorize the Board to exercise the power to repurchase Shares not exceeding 10% of the total number of issued Shares (excluding treasury shares, if any) on the date on which the above special resolutions of the Company were passed
“RMB”	Renminbi, the lawful currency of the PRC
“RS”	restricted shares under the Share Incentive Scheme or the 2023 Share Incentive Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	H Share(s) and Domestic Share(s)
“Share Incentive Scheme”	the share incentive scheme approved by the Shareholders on 17 December 2020
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Target Company”	Hangzhou Weiqiang Medical Technology Co., Ltd.* (杭州唯強醫療科技有限公司)
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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LETTER FROM THE BOARD



Shanghai INT Medical Instruments Co., Ltd.*

上海瑛泰醫療器械股份有限公司

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

(Stock Code: 1501)

Executive Directors:

Dr. Liang Dongke

(Chairman and General Manager)

Mr. Lin Sen

Non-executive Directors:

Mr. Zhang Weixin

Ms. Chen Hongqin

Dr. Song Yuan

Mr. Wang Ruiqin

Independent Non-executive Directors:

Mr. Jian Xigao

Mr. Hui Hung Kwan

Mr. Xu Congli

Registered office, headquarters and principal place of business in the PRC:

Block 2, No. 925 Jin Yuan Yi Road
Jiading District, Shanghai
the PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

8 May 2025

To the Shareholders

Dear Sir or Madam,

- (1) REPORT OF THE DIRECTORS FOR THE YEAR 2024**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024**
- (3) ANNUAL REPORT FOR THE YEAR 2024**
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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make informed decision on whether to vote on those resolutions to be proposed at the AGM as described below.

At the AGM, the ordinary resolutions concerning the following matters of the Company will be proposed to consider and approve (1) the report of the Directors for the year 2024; (2) the report of the Supervisory Committee for the year 2024; (3) the annual report of the Company for the year 2024; (4) the audited financial statements of the Group for the year 2024; (5) the annual financial budget of the Group for the year 2025; (6) the proposed re-election and appointment of Directors and Supervisors; (7) the remuneration plan for Directors for the year 2025; (8) the remuneration plan for Supervisors for the year 2025; (9) the re-appointment of international and domestic auditors of the Company for the year 2025; and; (10) the proposed provision of guarantee to the Target Company; (11) the proposed increasing of Dr. Liang's individual limit (through the Share Incentive Platforms) under the Share Incentive Scheme; and (12) the rectification of the grant of restricted shares to Dr. Liang under the Share Incentive Scheme during 2023.

At the AGM, the special resolutions concerning the following matters of the Company will also be proposed to consider and approve (1) the proposed amendments to the Share Incentive Scheme; (2) the proposed amendments to the 2023 Share Incentive Scheme; and (3) the grant of general mandate to the Board to repurchase Shares.

MATTERS TO BE RESOLVED AT THE AGM

(1) Report of the Directors for the year 2024

An ordinary resolution will be proposed at the AGM to approve the report of the Directors for the year 2024. The full text of the report of the Directors for the year 2024 is set out in the Company's 2024 annual report.

(2) Report of the Supervisory Committee for the year 2024

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year 2024. The full text of the report of the Supervisory Committee for the year 2024 is set out in the Company's 2024 annual report.

(3) The annual report of the Company for the year 2024

An ordinary resolution will be proposed at the AGM to approve the Company's annual report for the year 2024.

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(4) The audited financial statements of the Group for the year 2024

An ordinary resolution will be proposed at the AGM to approve the Group's audited financial statements for the year 2024. The audited financial statements which were prepared in compliance with the Hong Kong Financial Reporting Standards and the full text of the independent auditor's report for the year 2024 are set out in the Company's 2024 annual report.

(5) The annual financial budget of the Company for the year 2025

In response to the strategic development and business expansion, the Company intends to set a budget of capital expenditure amounting to approximately RMB787.5 million for the year 2025, amongst which (a) approximately RMB702.5 million will be used for external investment, including acquisition targets and investment funds; (b) approximately RMB65.0 million will be used to purchase additional and replace existing production equipment; and (c) approximately RMB20.0 million will be used for the construction of the Shandong INT Innovative Medical Instruments Industrial Park in Rizhao, the PRC. The funding sources for the above-mentioned project are the Group's own funds, raised proceeds, and bank loans.

An ordinary resolution will be proposed at the AGM to approve the Company's annual financial budget for the year 2025.

(6) Proposed re-election and appointment of Directors and Supervisors

Reference is made to the announcement of the Company dated 18 March 2025 in relation to, among others the proposed re-election and appointment of the Directors and the Supervisors, respectively.

The term of office of members of the Third Session of the Board and the Supervisory Committee will be expired at the conclusion of the AGM held on 23 May 2025. According to the requirements of the relevant laws and regulations and the Articles of Association, all members of the Third Session of the Board and the Supervisory Committee will continue to perform their duties as the Directors and Supervisors before the completion of the change of session of the Board and the Supervisory Committee.

The Board resolved at the Board meeting held on 18 March 2025 to propose to re-elect Dr. Liang Dongke and Mr. Lin Sen as executive Directors, to re-elect Dr. Song Yuan, Mr. Wang Ruiqin and Ms. Chen Hongqin and appoint Mr. Zhang Hong as non-executive Directors, and to re-elect Mr. Jian Xigao, Mr. Hui Hung Kwan and Mr. Xu Congli as independent non-executive Directors, of the Fourth Session of the Board.

The Supervisory Committee resolved at a meeting held on 18 March 2025 to propose to re-elect Ms. Ma Huifang and Mr. Shen Xiaoru as the shareholder representative Supervisors of the Fourth Session of the Supervisory Committee. At the employee representatives' meeting of the Company held on 18 March 2025, Ms. Chen Jie was re-elected and appointed

LETTER FROM THE BOARD

democratically as an employee representative Supervisor of the Fourth Session of the Supervisory Committee. The appointment of Ms. Chen Jie is not subject to the approval by the Shareholders and shall come into effect from the convening date of the AGM until the date of the annual general meeting to be convened in 2028.

Mr. Zhang Weixin will retire and will not stand for election as the Director of the Fourth Session of the Board. Mr. Zhang Weixin has confirmed that he has no disagreement with the Board and there is no matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

In accordance with the Articles of Association, the above proposed re-election and appointment of Directors and their respective remuneration are subject to the approval by the Shareholders at the general meeting of the Company. In accordance with the Articles of Association, the above proposed appointment of shareholder representative Supervisors and their respective remuneration are subject to the approval by the Shareholders at the general meeting of the Company. Relevant proposals will be put forward at the AGM for Shareholders' consideration and approval by way of ordinary resolutions.

Upon the above proposed re-election and appointment of Directors of the Fourth Session of the Board and their respective remuneration being approved by the Shareholders at the AGM, the Company will enter into a service contract with each of them. The term of office of each of them as a Director of the Fourth Session of the Board is for a period commencing from the date of the AGM to the date of the annual general meeting to be convened in 2028. Upon the above proposed appointment of shareholder representative Supervisors of the Fourth Session of the Supervisory Committee and their respective remuneration being approved by the Shareholders at the AGM, the Company will enter into a service contract with each of them. The term of office of each of them as a Supervisor of the Fourth Session of the Supervisory Committee is for a period commencing from the date of the AGM to the date of the annual general meeting to be convened in 2028.

In light of the re-election of the new session of the Board, the Board also resolved that the composition of each of the audit committee, remuneration committee and nomination committee of the Board are determined as follows with effect from the date of the AGM, until the date of the annual general meeting to be convened in 2028:

- (i) Audit committee: Mr. Hui Hung Kwan (chairman), Mr. Xu Congli and Dr. Song Yuan;
- (ii) Remuneration committee: Mr. Jian Xigao (chairman), Dr. Liang Dongke and Mr. Hui Hung Kwan; and
- (iii) Nomination committee: Mr. Xu Congli (chairman), Mr. Jian Xigao and Dr. Song Yuan.

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When proposing the re-election and appointment of independent non-executive Directors, the Board has taken into account a number of factors pursuant to the diversity policy of the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and industry and regional experience, to achieve the diversity of the Board members. The Board believes that the educational background, professional experience and cultural background of the independent non-executive Directors proposed to be re-elected and appointed contribute to the diversity of the Board.

Each of Mr. Jian Xigao, Mr. Hui Hung Kwan and Mr. Xu Congli has confirmed (i) he met the independence criteria set out in Rule 3.13 of the Listing Rules; (ii) he has no past or present financial or other interest in the business of the Company and its subsidiaries or any connection with any core connected person (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect his independence at the time of his re-election and appointment. The Company considers they are independent in accordance with the independence guidelines as set out in the Listing Rules and they should be re-elected and appointed as the independent non-executive Directors of the Fourth Session of the Board.

The biographical details of the Directors and Supervisors who are proposed to be re-elected and appointed as Directors or Supervisors are set out in Appendix I to this circular.

As at the Latest Practicable Date, save as disclosed in Appendix I, the proposed Directors and Supervisors confirmed that (i) they had no relationship with any other Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; (ii) they do not hold any other positions within the Company or other members of the Company and its subsidiaries; (iii) they did not hold any directorship of any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) they had no interest or deemed interest in any Shares or underlying Shares of the Company or its associated corporations with the meaning of Part XV of the SFO; and (v) they are no other matters relating to their re-election and appointment that need to be brought to the attention of the Shareholders or the Stock Exchange or to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

(7) Remuneration plan for Directors for the year 2025

An ordinary resolution will be proposed at the AGM to consider and approve the remuneration plan for the Directors for the year ending 31 December 2025 formulated in accordance with the Company's internal policies and relevant regulatory requirements.

Each of the independent non-executive Directors will be entitled to an annual remuneration of RMB120,000 (before tax) from the Company for the year 2025.

The executive Directors, Dr. Liang Dongke and Mr. Lin Sen, and the non-executive Directors, Dr. Song Yuan and Mr. Wang Ruiqin, shall not receive any Directors' fees for their roles as Directors, but shall be entitled to remuneration based on their other employment positions in the Company and in accordance with the Company's internal policies.

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Except for the independent non-executive Directors, executive Directors and non-executive Directors holding other employment positions in the Company, other Directors shall not be entitled to any remuneration from the Company.

(8) Remuneration plan for Supervisors for the year 2025

An ordinary resolution will be proposed at the AGM to consider and approve the remuneration plan for the Supervisors for the year ending 31 December 2025 formulated in accordance with the Company's internal policies and relevant regulatory requirements.

The Supervisors, namely Ms. Ma Huifang and Ms. Chen Jie, shall not receive any remuneration for their roles as Supervisors, but shall be entitled to remuneration, based on their other employment positions and in accordance with the Company's internal policies. The remaining Supervisor, namely Mr. Shen Xiaoru, shall not be entitled to any remuneration from the Company.

(9) Re-appointment of international and domestic auditors of the Company for the year 2025

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of KPMG and KPMG Huazhen LLP as international and domestic auditors of the Company for the year 2025, respectively for a term until the conclusion of the next annual general meeting of the Company, and to authorize the Board to determine their remunerations.

(10) Proposed provision of guarantee to the Target Company

Reference is made to the announcement of the Company dated 18 December 2024 in relation to the proposed acquisition of the Target Company and the announcement of the Company dated 18 March 2025 in relation to the proposed provision of guarantee to the Target Company (the "**Proposed Guarantee**") as resolved by the Board. The principal terms and conditions of the Proposed Guarantee are set out below:

Subject matter:	The Company, as guarantor, will provide guarantee to the Target Company for the due performance of the payment obligations of the Target Company under the loan agreements (the " Principal Contract ") in favour of one or more banks in the PRC in the amount of up to RMB200.0 million.
Term of the Proposed Guarantee:	Three (3) years from the date of expiration of the Target Company's payment obligations under the Principal Contract (subject to the guarantee agreement to be entered into by the Company and the banks)

LETTER FROM THE BOARD

The Target Company is principally engaged in the research, development, manufacturing and sales of aortic and peripheral vascular interventional medical devices. Upon completion of the acquisition of the Target Company, the Target Company will become a non-wholly owned subsidiary of the Company. The Proposed Guarantee can support the future funding needs for research and development, production and marketing involved in the Target Company's product layout and will be in line with the Company's development strategy. In view of the above, the Directors (including the independent non-executive Directors) consider that the Proposed Guarantee are in the interest of the Company and its Shareholders as a whole. In accordance with the Articles of Association, guarantees for items with an asset liability ratio of more than 70% shall be considered and approved by the shareholders' meeting.

As the asset-liability ratio of the Target Company as at exceeds 70%, an ordinary resolution will be proposed at the AGM to consider and approve the Proposed Guarantee.

(11) Proposed increasing of Dr. Liang's Individual Limit under the Share Incentive Scheme

Reference is made to the circular of the Company dated 5 November 2020, the supplemental announcement to the 2024 annual report of the Company dated 4 December 2024 (the "**Supplemental Announcement**") and the clarification announcement of the Company dated 13 December 2024. Under the Share Incentive Scheme, the maximum entitlement of Dr. Liang (in his personal capacity) is 2,500,000 award shares, while the maximum entitlement of Dr. Liang (through the Share Incentive Platforms) is 83,400 RS ("**Dr. Liang's Individual Limit**"). Any RS repurchased and further granted to Dr. Liang (through the Share Incentive Platforms) under the Share Incentive Scheme shall be counted towards Dr. Liang's Individual Limit (through the Share Incentive Platforms).

During the year ended 31 December 2023, as resolved by the remuneration committee of the Board pursuant to the Share Incentive Scheme, 150,000 RS were lapsed and then repurchased by Dr. Liang and further granted to Dr. Liang (through the Share Incentive Platforms) (the "**Grant**"). Such grants were made beyond Dr. Liang's Individual Limit (through the Share Incentive Platforms) as resolved at the extraordinary general meeting on 17 December 2020, and therefore are in breach of Rule 17.11 of the Listing Rules, which provides that listed issuers must comply with the terms of their share schemes in addition to the requirements of Chapter 17 of the Listing Rules and a breach of any such terms or requirements will constitute a breach of the Listing Rules. In addition, taking into account (i) the historical 800,900 lapsed and repurchased RS during 2021 to 2024 under the Share Incentive Scheme (the "**Total Repurchased RS**") (including the 150,000 lapsed RS repurchased and granted to Dr. Liang (through the Share Incentive Platforms) during the year ended 31 December 2023); (ii) the employee turnover, especially that certain number of grantees who were granted 800,900 RS left the Group since the adoption of the Share Incentive Scheme; and (iii) the expected talent acquisition and retention plans for the next two years of the Company, which might generate needs for further grants of RS utilizing lapsed and repurchased RS under the Share Incentive Scheme, the Board proposed to increase Dr.

LETTER FROM THE BOARD

Liang's Individual Limit (through the Share Incentive Platforms) from 83,400 RS to 1,000,000 RS. For avoidance of doubt, despite the proposed increase of Dr. Liang's Individual Limit (through the Share Incentive Platforms), the aforesaid maximum entitlement held by Dr. Liang in his personal capacity (being 2,500,000 Award Shares) as approved by the CSRC would remain unchanged.

As of the date of this circular, all of the Total Repurchased RS had been granted to Dr, Liang (through the Share Incentive Platforms). Despite such proposed increase in Dr. Liang's Individual Limit (through the Share Incentive Platforms), the Company will continue to comply with Rule 17.04(2) of the Listing Rules, pursuant to which where any grant of awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company, such further grant of awards must be approved by the Shareholders in general meeting of the Company in the manner set out in Rule 17.04(4) of the Listing Rules.

An ordinary resolution will be proposed to increase Dr. Liang's Individual Limit (through the Share Incentive Platforms) from 83,400 RS to 1,000,000 RS accordingly.

(12) Rectification of the Grant of Restricted Shares to Dr. Liang under the Share Incentive Scheme during 2023

As the Grant of 150,000 RS out of 800,900 Total Repurchased RS that were made during the year ended 31 December 2023 was made beyond Dr. Liang's Individual Limit (through the Share Incentive Platforms), it is therefore in breach of Rule 17.11 of the Listing Rules, which provides that listed issuers must comply with the terms of their share schemes in addition to the requirements of Chapter 17 of the Listing Rules and a breach of any such terms or requirements will constitute a breach of the Listing Rules.

An ordinary resolution will be rectify the Grant of Restricted Shares to Dr. Liang under the Share Incentive Scheme during 2023 accordingly. For avoidance of doubt, rectification need not be made with respect to the grant of the remaining 650,900 out of 800,900 Total Repurchased RS, as such grants were made prior to the year ended 31 December 2023 when the Share Incentive Scheme was not yet subject to and regulated by the the new Chapter 17 of the Listing Rules (which took effect since 1 January 2023).

(13) Proposed amendments to the Share Incentive Scheme

Reference is made to the Supplemental Announcement. According to the Supplemental Announcement, the scheme terms of the Share Incentive Scheme are silent as to whether the RS lapsed due to voluntary withdrawal by the relevant grantees due to inability to pay purchase price notwithstanding of achieving the performance assessment targets and meeting the vesting conditions should be classified as "cancelled" or "lapsed". The scheme terms of

LETTER FROM THE BOARD

the Share Incentive Scheme are also vague as to the repurchase price payable by the general partner of the Share Incentive Platforms in order to repurchase the RS lapsed due to voluntary withdrawal by the relevant grantees due to inability to pay purchase price. Historically, (i) among the 800,900 Total Repurchased RS, 320,700 RS were repurchased by Dr. Liang as the general partner of the Share Incentive Platforms at nil consideration since the grantees who were unable to pay the purchase price under the Share Incentive Scheme had never paid the purchase price for the relevant RS; and (ii) for the remaining 480,200 RS out of the Total Repurchased RS, the relevant grantees had already paid the purchase price previously and therefore were repurchased by Dr. Liang as the general partner of the Share Incentive Platforms at such purchase price. After the repurchase, the remuneration committee of the Board may further resolve to grant of such repurchased RS to new grantees, who shall pay the purchase price upon such grant.

A special resolution will be proposed to amend the Share Incentive Scheme in order to bridge the aforesaid gaps in the scheme terms accordingly. Details of the proposed amendments to the scheme terms of the Share Incentive Scheme are set forth below:

Before amendment	After amendment
<p>XI. MODIFICATION AND TERMINATION OF THE INCENTIVE SCHEME</p> <p>...</p> <p>3. Dealing with Changes to Personal Circumstances of the Grantees</p> <p><i>(i) Change to Positions of the Grantees</i></p> <p>(1) If the position of the grantee changes, but the grantee still works in the Company or its subsidiaries, the shares/partnership interest that have been granted will still be carried out in accordance with the procedures stipulated in this Incentive Scheme, and the Company shall determine whether to continue to grant the ungranted part of the domestic shares due to issuance in installments.</p>	<p>XI. MODIFICATION AND TERMINATION OF THE INCENTIVE SCHEME</p> <p>...</p> <p>3. Dealing with Changes to Personal Circumstances of the Grantees</p> <p><i>(i) Change to Positions of the Grantees</i></p> <p>(1) If the position of the grantee changes, but the grantee still works in the Company or its subsidiaries, the shares/partnership interest that have been granted will still be carried out in accordance with the procedures stipulated in this Incentive Scheme, and the Company shall determine whether to continue to grant the ungranted part of the domestic shares due to issuance in installments.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(2) The grantees who violate laws, violates professional ethics, discloses the Company's confidential information, neglects or derelict duties etc., thereby causing damage to the interest or reputation of the Company and leading to change of positions, or terminates labor relationship with the Company due to the aforesaid reasons, then the shares/partnership interest (if any) within the lock-up period shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that are not yet granted due to issuance in installments shall be terminated and no longer to granted. In the meantime, the grantees shall return all benefits arising from exercising of interest and shall compensate the Company for any losses caused.</p>	<p>(2) The grantees who violate laws, violates professional ethics, discloses the Company's confidential information, neglects or derelict duties etc., thereby causing damage to the interest or reputation of the Company and leading to change of positions, or terminates labor relationship with the Company due to the aforesaid reasons, then the shares/partnership interest (if any) within the lock-up period shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that are not yet granted due to issuance in installments shall be terminated and no longer to granted. In the meantime, the grantees shall return all benefits arising from exercising of interest and shall compensate the Company for any losses caused.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(ii) Resignation of the Grantees</p> <p>(1) If the contract of the grantee expires and is not renewed or the grantee resigns voluntarily, and if the lock-up period has expired, then the shares/partnership interest held by the grantee shall not be dealt with; if the lock-up period has not expired, whether or not the performance target has been fulfilled, the shares/partnership interested held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that have not yet been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p>(2) If the grantee passively resigns due to Company layoffs and other reasons and there is no performance assessment failure, negligence, violation of laws and disciplines etc., if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p>	<p>(ii) Resignation of the Grantees</p> <p>(1) If the contract of the grantee expires and is not renewed or the grantee resigns voluntarily, and if the lock-up period has expired, then the shares/partnership interest held by the grantee shall not be dealt with; if the lock-up period has not expired, whether or not the performance target has been fulfilled, the shares/partnership interested held by the grantee shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that have not yet been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p>(2) If the grantee passively resigns due to Company layoffs and other reasons and there is no performance assessment failure, negligence, violation of laws and disciplines etc., if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(3) If the grantee resigns because of violating law, violating professional ethics, disclosing the Company's confidential information, negligence or dereliction of duty and other acts that damage the Company's interests or reputation, or the Company terminates the labor relationship with the grantee due to the aforementioned reasons, the shares/partnership interest still within the lock-up period shall be all repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to the issuance in installments shall be terminated and no longer be granted. At the same time, the grantees should also return all the benefits they have gained from exercising their rights and interests to the Company, and if they cause losses to the company, they should also be liable for compensation to the Company.</p>	<p>(3) If the grantee resigns because of violating law, violating professional ethics, disclosing the Company's confidential information, negligence or dereliction of duty and other acts that damage the Company's interests or reputation, or the Company terminates the labor relationship with the grantee due to the aforementioned reasons, the shares/partnership interest still within the lock-up period shall <u>lapse and</u> be all repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to the issuance in installments shall be terminated and no longer be granted. At the same time, the grantees should also return all the benefits they have gained from exercising their rights and interests to the Company, and if they cause losses to the company, they should also be liable for compensation to the Company.</p>
<p><i>(iii) Retirement of the grantee</i></p> <p>(1) If the grantee is re-employed after retirement; the shares/partnership interests that have been granted shall be implemented fully in accordance with the procedures stipulated under this Scheme before retirement.</p>	<p><i>(iii) Retirement of the grantee</i></p> <p>(1) If the grantee is re-employed after retirement; the shares/partnership interests that have been granted shall be implemented fully in accordance with the procedures stipulated under this Scheme before retirement.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(2) If the Company requests for continued employment but the grantee refuses or the grantee retires and resigns, then upon expiry of the lock-up period, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, whether or not the performance target is fulfilled, the shares/partnership interest can be purchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p><i>(iv) Incapacity to Work of the Grantee</i></p> <p>(1) If the grantee resigns due to work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p>	<p>(2) If the Company requests for continued employment but the grantee refuses or the grantee retires and resigns, then upon expiry of the lock-up period, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, whether or not the performance target is fulfilled, the shares/partnership interest <u>shall lapse and can</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p><i>(iv) Incapacity to Work of the Grantee</i></p> <p>(1) If the grantee resigns due to work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(2) If the grantee resigns due to non-work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p> <p>(v) <i>Decease of the Grantee</i></p> <p>(1) If the grantee deceases due to performance of duties, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and the repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installments will be terminated and no longer be granted.</p>	<p>(2) If the grantee resigns due to non-work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p> <p>(v) <i>Decease of the Grantee</i></p> <p>(1) If the grantee deceases due to performance of duties, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and the repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installments will be terminated and no longer be granted.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(2) If the grantee deceases due to other reasons, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price. The repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installment will be terminated and no longer be granted.</p> <p><i>(vi) Change of control of the subsidiary that the grantee works in</i></p> <p>If the grantee works in the Company's holding subsidiary, and if the Company loses control over the subsidiary and the grantee still stays in such company, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have met the performance target shall not be dealt with, and the shares/partnership interest that have not met the performance target shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installment shall be terminated and no longer be granted.</p>	<p>(2) If the grantee deceases due to other reasons, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price. The repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installment will be terminated and no longer be granted.</p> <p><i>(vi) Change of control of the subsidiary that the grantee works in</i></p> <p>If the grantee works in the Company's holding subsidiary, and if the Company loses control over the subsidiary and the grantee still stays in such company, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have met the performance target shall not be dealt with, and the shares/partnership interest that have not met the performance target shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installment shall be terminated and no longer be granted.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p><i>(vii) Change of Eligibility of the Grantee</i></p> <p>If the grantees are no longer eligible for being a grantee due to one of the following circumstances, if the lock-up period has expired, their shares/partnership interest will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target will be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some of the domestic shares that have not yet been granted due to issuance in installment shall be terminated and no longer be granted:</p> <ol style="list-style-type: none"> (1) receiving administrative punishment from the CSRC or public condemnations from the Stock Exchange due to violation of laws and regulations in the past three years; (2) serious violation of the management disciplines of the Company; (3) other circumstances that the Remuneration Committee considers to be inappropriate to be qualified as grantees. 	<p><i>(vii) Change of Eligibility of the Grantee</i></p> <p>If the grantees are no longer eligible for being a grantee due to one of the following circumstances, if the lock-up period has expired, their shares/partnership interest will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target will <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some of the domestic shares that have not yet been granted due to issuance in installment shall be terminated and no longer be granted:</p> <ol style="list-style-type: none"> (1) receiving administrative punishment from the CSRC or public condemnations from the Stock Exchange due to violation of laws and regulations in the past three years; (2) serious violation of the management disciplines of the Company; (3) other circumstances that the Remuneration Committee considers to be inappropriate to be qualified as grantees.

LETTER FROM THE BOARD

Before amendment	After amendment
	<p><i><u>(viii) Voluntary Withdrawal of the Grantee</u></i></p> <p><u>If the lock-up period has expired and the performance target has been fulfilled, but a grantee voluntarily relinquishes all or part of the shares/partnership interest held by the grantee under this Scheme due to personal reasons, then the shares/partnership interests that were held by the grantee shall lapse and be repurchased by the Company/the general partner of the Partnership at the Repurchase Price. The shares/partnership interests repurchased by the Company/general partner of the Partnership may be granted to other eligible grantees.</u></p>

Save for the proposed amendments mentioned above, the other terms of the Share Incentive Scheme remain unchanged.

(14) Proposed amendments to the 2023 Share Incentive Scheme

Adopting terms similar to the Share Incentive Scheme, the scheme terms of the 2023 Share Incentive Scheme is also silent as to whether the RS lapsed due to voluntary withdrawal by the relevant grantees due to inability to pay purchase price notwithstanding of achieving the performance assessment targets and meeting the vesting conditions should be classified as “cancelled” or “lapsed”. Therefore, the Board also proposed to amend the scheme terms of the 2023 Share Incentive Scheme accordingly.

LETTER FROM THE BOARD

A special resolution will be proposed to amend the 2023 Share Incentive Scheme. Details of the proposed amendments to the scheme terms of the 2023 Share Incentive Scheme are set forth below:

Before amendment	After amendment
<p>IX. PERFORMANCE TARGET</p> <p>During the Lock-up Period, the grantees shall, in addition to comply with the Lock-up Period requirement under Section VIII of this Scheme, fulfill the relevant performance target. The performance assessment period are the three accounting years from 2024 to 2026, and the grantees will be assessed in each accounting year (each year called “Assessment Year”).</p> <p>The Company is entitled to repurchase and cancel the partnership interest held by the grantees that do not meet the performance target in the Assessment Year, and some domestic shares that have not yet been granted due to issuance in installments will be terminated and automatically lapsed.</p>	<p>IX. PERFORMANCE TARGET</p> <p>During the Lock-up Period, the grantees shall, in addition to comply with the Lock-up Period requirement under Section VIII of this Scheme, fulfill the relevant performance target. The performance assessment period are the three accounting years from 2024 to 2026, and the grantees will be assessed in each accounting year (each year called “Assessment Year”).</p> <p>The Company is entitled to repurchase and cancel the partnership interest held by the grantees that do not meet the performance target in the Assessment Year <u>shall lapse and be repurchased by the Company</u>, and some domestic shares that have not yet been granted due to issuance in installments will be terminated and automatically lapsed.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>XI. MODIFICATION AND TERMINATION OF THE INCENTIVE SCHEME</p> <p>...</p> <p>3. Dealing with Changes to Personal Circumstances of the Grantees</p> <p><i>(i) Change to Positions of the Grantees</i></p> <p>(1) If the position of the grantee changes, but the grantee still works in the Company or its subsidiaries, the shares/partnership interest that have been granted will still be carried out in accordance with the procedures stipulated in this Incentive Scheme, and the Company shall determine whether to continue to grant the ungranted part of the domestic shares due to issuance in installments.</p> <p>(2) The grantees who violate laws, violates professional ethics, discloses the Company's confidential information, neglects or derelict duties etc., thereby causing damage to the interest or reputation of the Company and leading to change of positions, or terminates labor relationship with the Company due to the aforesaid reasons, then the shares/partnership interest (if any) within the lock-up period shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that are not yet granted due to issuance in installments shall be terminated and no longer to granted. In the meantime, the grantees shall return all benefits arising from exercising of interest and shall compensate the Company for any losses caused.</p>	<p>XI. MODIFICATION AND TERMINATION OF THE INCENTIVE SCHEME</p> <p>...</p> <p>3. Dealing with Changes to Personal Circumstances of the Grantees</p> <p><i>(i) Change to Positions of the Grantees</i></p> <p>(1) If the position of the grantee changes, but the grantee still works in the Company or its subsidiaries, the shares/partnership interest that have been granted will still be carried out in accordance with the procedures stipulated in this Incentive Scheme, and the Company shall determine whether to continue to grant the ungranted part of the domestic shares due to issuance in installments.</p> <p>(2) The grantees who violate laws, violates professional ethics, discloses the Company's confidential information, neglects or derelict duties etc., thereby causing damage to the interest or reputation of the Company and leading to change of positions, or terminates labor relationship with the Company due to the aforesaid reasons, then the shares/partnership interest (if any) within the lock-up period shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that are not yet granted due to issuance in installments shall be terminated and no longer to granted. In the meantime, the grantees shall return all benefits arising from exercising of interest and shall compensate the Company for any losses caused.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p><i>(ii) Resignation of the Grantees</i></p> <p>(1) If the contract of the grantee expires and is not renewed or the grantee resigns voluntarily, and if the lock-up period has expired, then the shares/partnership interest held by the grantee shall not be dealt with; if the lock-up period has not expired, whether or not the performance target has been fulfilled, the shares/partnership interested held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that have not yet been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p>(2) If the grantee passively resigns due to Company layoffs and other reasons and there is no performance assessment failure, negligence, violation of laws and disciplines etc., if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p>	<p><i>(ii) Resignation of the Grantees</i></p> <p>(1) If the contract of the grantee expires and is not renewed or the grantee resigns voluntarily, and if the lock-up period has expired, then the shares/partnership interest held by the grantee shall not be dealt with; if the lock-up period has not expired, whether or not the performance target has been fulfilled, the shares/partnership interested held by the grantee shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and the domestic shares that have not yet been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p>(2) If the grantee passively resigns due to Company layoffs and other reasons and there is no performance assessment failure, negligence, violation of laws and disciplines etc., if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to installment issuance shall be terminated and no longer be granted.</p>

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<p>(3) If the grantee resigns because of violating law, violating professional ethics, disclosing the Company's confidential information, negligence or dereliction of duty and other acts that damage the Company's interests or reputation, or the Company terminates the labor relationship with the grantee due to the aforementioned reasons, the shares/partnership interest still within the lock-up period shall be all repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to the issuance in installments shall be terminated and no longer be granted. At the same time, the grantees should also return all the benefits they have gained from exercising their rights and interests to the Company, and if they cause losses to the company, they should also be liable for compensation to the Company.</p>	<p>(3) If the grantee resigns because of violating law, violating professional ethics, disclosing the Company's confidential information, negligence or dereliction of duty and other acts that damage the Company's interests or reputation, or the Company terminates the labor relationship with the grantee due to the aforementioned reasons, the shares/partnership interest still within the lock-up period shall <u>lapse and</u> be all repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some domestic shares that have not been granted due to the issuance in installments shall be terminated and no longer be granted. At the same time, the grantees should also return all the benefits they have gained from exercising their rights and interests to the Company, and if they cause losses to the company, they should also be liable for compensation to the Company.</p>
<p><i>(iii) Retirement of the grantee</i></p> <p>(1) If the grantee is re-employed after retirement; the shares/partnership interests that have been granted shall be implemented fully in accordance with the procedures stipulated under this Scheme before retirement.</p>	<p><i>(iii) Retirement of the grantee</i></p> <p>(1) If the grantee is re-employed after retirement; the shares/partnership interests that have been granted shall be implemented fully in accordance with the procedures stipulated under this Scheme before retirement.</p>

LETTER FROM THE BOARD

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<p>(2) If the Company requests for continued employment but the grantee refuses or the grantee retires and resigns, then upon expiry of the lock-up period, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, whether or not the performance target is fulfilled, the shares/partnership interest can be purchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p><i>(iv) Incapacity to Work of the Grantee</i></p> <p>(1) If the grantee resigns due to work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p>	<p>(2) If the Company requests for continued employment but the grantee refuses or the grantee retires and resigns, then upon expiry of the lock-up period, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, whether or not the performance target is fulfilled, the shares/partnership interest <u>shall lapse and</u>can be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p> <p><i>(iv) Incapacity to Work of the Grantee</i></p> <p>(1) If the grantee resigns due to work-related injury and incapacity to work, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with; if the lock-up period has not expired, the shares/partnership interest held by the grantee shall <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and some domestic shares that have not been granted due to issuance in installments shall be terminated and no longer be granted.</p>

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<p>(v) <i>Decease of the Grantee</i></p>	<p>(v) <i>Decease of the Grantee</i></p>
<p>(1) If the grantee deceases due to performance of duties, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall be repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and the repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installments will be terminated and no longer be granted.</p>	<p>(1) If the grantee deceases due to performance of duties, if the lock-up period has expired, the shares/partnership interest held by the grantee will not be dealt with, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target shall <u>lapse and be</u> repurchased by the Company/general partner of the Partnership at the Repurchase Price plus the sum of bank deposit interest for the same period, and the repurchase payment amount shall be received by his designated property heir or legal heir, and some domestic shares that have not been granted due to issuance in installments will be terminated and no longer be granted.</p>

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LETTER FROM THE BOARD

Before amendment	After amendment
<p><i>(vii) Change of Eligibility of the Grantee</i></p> <p>If the grantees are no longer eligible for being a grantee due to one of the following circumstances, if the lock-up period has expired, their shares/partnership interest will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target will be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some of the domestic shares that have not yet been granted due to issuance in installment shall be terminated and no longer be granted:</p> <ol style="list-style-type: none"> (1) receiving administrative punishment from the CSRC or public condemnations from the Stock Exchange due to violation of laws and regulations in the past three years; (2) serious violation of the management disciplines of the Company; (3) other circumstances that the Remuneration Committee considers to be inappropriate to be qualified as grantees. 	<p><i>(vii) Change of Eligibility of the Grantee</i></p> <p>If the grantees are no longer eligible for being a grantee due to one of the following circumstances, if the lock-up period has expired, their shares/partnership interest will not be dealt with; if the lock-up period has not expired, the shares/partnership interest that have fulfilled the performance target will not be dealt with, and the shares/partnership interest that have not fulfilled the performance target will <u>lapse and</u> be repurchased by the Company/general partner of the Partnership at the Repurchase Price, and some of the domestic shares that have not yet been granted due to issuance in installment shall be terminated and no longer be granted:</p> <ol style="list-style-type: none"> (1) receiving administrative punishment from the CSRC or public condemnations from the Stock Exchange due to violation of laws and regulations in the past three years; (2) serious violation of the management disciplines of the Company; (3) other circumstances that the Remuneration Committee considers to be inappropriate to be qualified as grantees.

Save for the proposed amendments mentioned above, the other terms of the 2023 Share Incentive Scheme remain unchanged.

LETTER FROM THE BOARD

(15) Grant of general mandate to the Board to Repurchase Shares

A special resolution will be proposed at the AGM to grant to the Board the mandate to repurchase Shares during the “relevant period”, to repurchase 10% of the total number of issued Shares (excluding treasury shares, if any) as at the date of passing this resolution at the AGM, and to determine the terms and conditions for the repurchase of Shares, and to authorize the Board to make appropriate and necessary amendments to the relevant content the Articles of Association, execute relevant documents and make other essential or necessary arrangements to reflect the actual situation of the capital structure after taking actions pursuant to this mandate and in compliance with the requirements of the relevant regulatory authorities or competent authorities.

As at the Latest Practicable Date, the Company had 176,000,000 Shares in issued, comprising 71,786,608 Domestic Shares and 104,213,392 H Shares. Assuming that such number of Shares remains the same as at the date of passing this special resolution, pursuant to the Repurchase Mandate, the Board would be allowed to repurchase a maximum of 17,600,000 Shares, subject to the passing of the special resolution approving the grant of the Repurchase Mandate to the Board.

After the general mandate is approved at the AGM, the Board may determine the terms and conditions for the repurchase of Shares, including but not limited to the following: (i) purpose of the proposed repurchase of Shares; (ii) the number of Shares to be repurchased; (iii) time, price and duration of repurchase of Shares; and (iv) to perform the approval, filing and information disclosure (if any) in relation to the repurchase of Shares.

In exercising the general mandate to repurchase Shares, the Board shall (i) comply with the relevant requirements of the Company Law of the PRC, the relevant requirements of the CSRC and the Stock Exchange (as amended from time to time), and (ii) obtain the approval from the CSRC and other relevant PRC government authorities (if any).

This mandate remains valid during the relevant period. The “relevant period” mentioned above refers to period from the passing of the general mandate to repurchase Shares after approval by the AGM until the expiry of the earlier of: (i) the conclusion of the next annual general meeting; (ii) the expiration of 12 months after the passing of this special resolution at the AGM; or (iii) the date on which the general mandate set out in this special resolution is revoked or amended by a special resolution in the Shareholders’ general meeting.

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to grant a general mandate to the Board to repurchase Shares. The Board will act prudently and flexibly in accordance with relevant laws, regulations and regulatory rules and in the best interests of the Company and the Shareholders as a whole.

A special resolution will be proposed by the Board at the AGM to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

The Appendix II to this circular is an explanatory statement which contains details pursuant to Rule 10.06(1)(b) of the Listing Rules for the purpose of enabling Shareholders to make an informed decision on whether to vote for or against the proposed resolution of the grant of the general mandate to repurchase Shares.

THE AGM

A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.int-medical.com).

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the Company's registered office at Block 2, No. 925 Jin Yuan Yi Road, Jiading District, Shanghai, the PRC (for Domestic Shareholders) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if they so wish and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 23 April 2025 to Friday, 23 May 2025, both days inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's H 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 (for H Shareholders), or the Company's registered office at Block 2, No. 925 Jin Yuan Yi Road, Jiading District, Shanghai, the PRC (for Domestic Shareholders), by no later than 4:30 p.m. on Tuesday, 22 April 2025.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll. Treasury shares, if any, registered in the name of the Company, shall have no voting rights at the general meeting(s) of the Company. For the avoidance of doubt, treasury shares, if any, pending withdrawal from and/or transfer through CCASS shall not bear any voting rights at the Company's general meeting(s).

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it has in the same manner.

RECOMMENDATION

The Board considers that each ordinary resolution and special resolution to be proposed at the AGM is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Shanghai INT Medical Instruments Co., Ltd.*
上海瑛泰醫療器械股份有限公司
Dr. Liang Dongke
Chairman

* *For identification purposes only*

Biographical details of the nominees of the Directors and Supervisors proposed for re-election and appointment are set out as follows:

NOMINEES FOR DIRECTORS

Executive Directors

Dr. Liang Dongke (梁棟科, “**Dr. Liang**”), aged 47, is the founder of the business of the Group. He was appointed as a Director on 7 June 2006 and as the general manager of the Company on 30 June 2010, appointed as the Chairman of the Board on 26 April 2016 and designated as an executive Director on 8 December 2018. Dr. Liang is primarily in charge of the overall management, business, strategic development, and scientific research and development of the Group. In addition, Dr. Liang holds the following positions in the subsidiaries of the Group:

Name of subsidiary	Position	Period
Zhuhai Derui Medical Instruments Co., Ltd.* (珠海德瑞醫療器械有限公司)	Executive Director	26 February 2016 to present
Shanghai Qimu Medical Instruments Co., Ltd.* (上海七木醫療器械有限公司)	Executive Director and General Manager	17 August 2018 to present
Shanghai Puhui Medical Instruments Co., Ltd.* (上海璞慧醫療器械有限公司)	Executive Director	14 November 2018 to present
Shanghai Healing Medical Instruments Co., Ltd.* (上海翰凌醫療器械有限公司)	Chairman and General Manager	15 February 2019 to present
Hongkong INT Medical Instruments Company Limited* (香港瑛泰醫療器械有限公司)	Executive Director	21 February 2019 to present
Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司)	Executive Director	22 March 2019 to present

Name of subsidiary	Position	Period
Shanghai Pumei Medical Instruments Co., Ltd.* (上海璞鎂醫療器械有限公司)	Executive Director	12 March 2020 to present
Shandong INT Medical Instruments Co., Ltd.* (山東瑛泰醫療器械有限公司)	Executive Director	13 January 2021 to present
Shanghai Yikai Medical Instruments Co., Ltd.* (上海益凱醫療器械有限公司)	Executive Director	23 June 2021 to present
Shanghai INT Pureray Medical Instruments Co., Ltd.* (上海瑛泰璞潤醫療器械有限公司)	Executive Director	24 November 2022 to present
Shandong Insant New Material Co., Ltd.* (山東瑛盛新材料有限公司)	Chairman and General Manager	31 March 2023 to present
Shanghai Taijiarui Medical Technology Co., Ltd.* (上海泰嘉瑞醫療科技有限公司)	Chairman and General Manager	25 April 2024 to present

Dr. Liang has nearly 20 years of experience in the medical devices industry. Dr. Liang obtained a Bachelor of Engineering in material science and engineering from Shandong Industrial University (山東工業大學) (now part of Shandong University) in Shandong, the PRC and a Master of Engineering in material science from Shandong University in Shandong, the PRC in July 2000 and December 2002, respectively, and a Ph.D. in biomedical engineering from Dalian University of Technology in Liaoning, the PRC in July 2006. Dr. Liang was qualified as a senior engineer by the Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in October 2014. Dr. Liang also served as the director of Shanghai Kindly Enterprise Development Group Co., Ltd.* (上海康德萊企業發展集團股份有限公司) (“KDL”) from 16 February 2017 to 4 May 2017 and has served as an executive director of Shanghai INT Medical Technology Co., Ltd.* (上海瑛泰醫療科技有限公司) (“Shanghai INT”) since September 2021 and has served as the director of Shanghai Gelbond Medtech Co., Ltd.* (上海吉爾邦醫學科技有限公司) since June 2024.

His awards and recognitions include “Shanghai Pioneer in Outstanding Technologies” (上海市優秀技術帶頭人) awarded by the Shanghai Science and Technology Committee (上海市科學技術委員會) in April 2014, “Entrepreneur Talents in Technological Innovation” (科技創新創業人才) awarded by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) in February 2015, and being selected as one of the scientific and technological innovation leaders in “The Plan for Ten Thousand Talents” (萬人計劃) in June 2016.

As at the Latest Practicable Date, Dr. Liang beneficially owned 12,042,854 Domestic Shares and deemed to be interested in 9,900,000 Domestic Shares, which in aggregate represented approximately 12.47% of the total number of issued Shares, including 3,409,300 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the Share Incentive Scheme and 1,760,000 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the 2023 Share Incentive Scheme.

Dr. Liang is the husband of Dr. Song Yuan. Please refer to the paragraph headed “Non-executive Directors” below for her biographical details.

Mr. Lin Sen (林森, “Mr. Lin”), aged 55, was appointed as an executive Director and vice general manager on 16 May 2022. Mr. Lin has served as the chief technology officer of the Company since July 2010, the general manager of Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司) since July 2010, the executive director of Shanghai Puyue Medical Instruments Co., Ltd.* (上海璞躍醫療器械有限公司) since April 2021 and the director of Shandong Insant New Material Co., Ltd.* (山東瑛盛新材料有限公司) since March 2023. He successively served as the section chief of Taizhou Luqiao Huakangda Plastic Products Factory* (台州市路橋華康達塑膠製品廠) from April 1996 to May 1998, the head of Yuhuan County Qinggang Wumu Plastic Factory* (玉環縣清港五木塑膠廠) from June 1998 to January 2000, and the chief engineer of Shanghai Wonderful Medical Instruments Automation Research Institute Co., Ltd.* (上海萬德福醫療器械自動化研究所有限公司), the predecessor of Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司) from February 2000 to June 2010. Mr. Lin obtained his bachelor’s degree in economics from China University of Geosciences (中國地質大學) in the PRC in 2007.

As at the Latest Practicable Date, Mr. Lin held 7,142,858 Domestic Shares and is interested in 141,600 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the Share Incentive Scheme and 300,000 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the 2023 Share Incentive Scheme, which in aggregate represented approximately 4.31% of the total number of issued Shares.

Non-executive Directors

Dr. Song Yuan (宋媛, “**Dr. Song**”), aged 45, was appointed as the secretary to the Board on 28 September 2018, as the vice general manager of the Company on 9 December 2018 and as one of the joint company secretaries on 22 May 2019. Dr. Song was appointed as a non-executive Director on 16 May 2022. Dr. Song is in charge of information disclosure, investor relations, equity investment and convention of Board meetings and shareholder meetings of the Group. She has served as the vice general manager of Shandong INT Medical Instruments Co., Ltd.* (山東瑛泰醫療器械有限公司) since January 2021, the executive director and general manager of Shanghai INT Biotechnology Co., Ltd.* (上海瑛泰生物科技股份有限公司) since September 2022, the director of Shandong Insant New Material Co., Ltd.* (山東瑛盛新材料有限公司) since March 2023, the executive director of Shandong INT Medical Technology Co., Ltd.* (山東瑛泰醫療科技有限公司) since October 2024 and the director of Shanghai INT Life Co., Ltd.* (上海瑛泰昇活商貿有限公司) since November 2024. Dr. Song has also been the supervisor of Shanghai INT since September 2021.

Dr. Song graduated with a bachelor’s degree in polymer material science and engineering from Shandong University in Shandong, the PRC in July 2002, and obtained a Ph.D. in material science and engineering (polymer) in Dalian University of Technology in Liaoning, the PRC in October 2008. She worked as a clerk in Shanghai Kindly Holding Group Co., Ltd.* (上海康德萊控股集團有限公司) (“**KDL Holding**”), one of the Controlling Shareholders, from February to July 2010. Dr. Song was the secretary to the board of directors of KDL from August 2010 to September 2018, and had held directorship in the Company from May 2017 to December 2018.

As at the Latest Practicable Date, Dr. Song is deemed to be interested in 21,942,854 Domestic Shares, which in aggregate represented approximately 12.47% of the total number of issued Shares, including 141,600 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the Share Incentive Scheme and 300,000 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the 2023 Share Incentive Scheme.

Dr. Song is the wife of Dr. Liang Dongke. Please refer to the paragraph headed “Executive Directors” above for his biographical details.

Mr. Wang Ruiqin (王瑞琴, “Mr. Wang”), aged 53, was appointed as a nonexecutive Director on 16 May 2022. He has served as the Supply Chain Director of the Company since April 2018. He successively served as the production manager of Shanghai Fuersai Medical Plastic Co., Ltd.* (上海賽爾富醫械塑膠有限公司) from September 1999 to September 2002, the manager of Shanghai Meihua Medical Instruments Co., Ltd.* (上海美華醫療器具股份有限公司) from September 2002 to April 2003, the general manager of Shanghai Wonderful Medical Instruments Automation Research Institute Co., Ltd.* (上海萬德福醫療器械自動化研究所有限公司) (predecessor of Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司)) from April 2003 to August 2010, the vice general manager of Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司) (formerly known as Shanghai Kindly Medical Instruments Automation Research Institute Co., Ltd.* (上海康德萊醫療器械自動化研究所有限公司)) from August 2010 to April 2018, and the vice general manager of the Company from August 2010 to April 2018. He obtained his bachelor’s degree in business administration from Jinggangshan University* (井岡山大學) in the PRC in January 2009.

As at the Latest Practicable Date, Mr. Wang held 7,142,858 Domestic Shares and is interested in 100,000 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the Share Incentive Scheme and 100,000 underlying shares which to be allotted and issued upon exercise of his rights to take such underlying shares under the 2023 Share Incentive Scheme, which in aggregate represented approximately 4.17% of the total number of issued Shares.

Ms. Chen Hongqin (陳紅琴, “Ms. Chen”), aged 55, was a Director from 21 September 2015 to 25 May 2017, and was reappointed as a non-executive Director on 8 December 2018. Ms. Chen is primarily responsible for supervising the management of the Board.

Ms. Chen has over 23 years of experience in equipment manufacturing and management in the medical devices industry. Ms. Chen obtained her bachelor’s degree in mining equipment from the Guizhou Institute of Technology (貴州工學院) in Guizhou Province, the PRC in July 1991 and obtained a senior engineer qualification certificate granted by the Shanghai Municipal Human Resources and Social Security Bureau in October 2012.

Ms. Chen has served as the director of Shanghai Kindly Moulding Co., Ltd.* (上海康德萊制管有限公司) since April 2020, the director of KDL Holding since May 2020, the assistant to the Chairman and the vice chairman of KDL since June 2021 and February 2023, respectively, the Chairman of Shanghai Gongye Investment Co., Ltd.* (上海共業投資有限公司) since February 2023, executive director and general manager of Shanghai Kindly Enterprise Development Group Medical Investment Co., Ltd.* (上海康德萊企業發展集團醫療投資有限公司) since February 2023 and July 2023, respectively, the chairman of Zhejiang Kindly Medical Devices Co., Ltd.* (浙江康德萊醫療器械股份有限公司) since September 2024.

Ms. Chen worked as an assistant engineer at State-Run No.126 Factory (國營第一二六廠) from October 1992 to March 1997 and as an engineer at China Guihang Group Xin'an Machinery Factory (中國貴航集團新安機械廠) from March 1997 to December 2001. Ms. Chen has held a number of management positions since 2002, including the quality director and management representative of KDL from January 2002 to March 2016, the officer of the general manager office of KDL Holding, one of the Controlling Shareholders, from March to December 2016, the vice general officer and manager of the general manager office of KDL from January 2017 to February 2018, the assistant to the manager of KDL Holding from March 2018 to December 2018, and the assistant to the Chairman of KDL from January 2019 to October 2020, and the assistant to the executive director and the general manager of Shanghai Kindly Enterprise Development Medical Investment Co., Ltd.* (上海康德萊企業發展集團醫療投資有限公司) from September 2020 to June 2022.

Mr. Zhang Hong (張泓, "Mr. Zhang"), aged 36, has served as the Investment Director of Shanghai Kindly Enterprise Development Group Medical Investment Co., Ltd.* (上海康德萊企業發展集團醫療投資有限公司) since November 2020, the director of Shanghai Wuheng Biotechnology Co., Ltd.* (上海嫵珩生物科技股份有限公司) since October 2022, the General Manager of the Investment Department of KDL since January 2024, and the director of Shenzhen Enmind Technology Co., Ltd.* (深圳影邁科技有限公司) since May 2024. He successively served as a senior auditor of BDO China Shu Lun Pan Certified Public Accountants LLP* (立信會計師事務所(特殊普通合夥)) from September 2011 to August 2017, an investment manager of KDL from September 2017 to February 2018, a capital operations manager of KDL Holding from March 2018 to December 2018, an investment director of KDL from January 2019 to October 2020, a supervisor of Guoke Xinheng Supply Chain Management (Tianjin) Co., Ltd.* (國科信恒供應鏈管理(天津)有限公司) from August 2021 to December 2024, and a director of Meixiebao Medical Beauty Platform Technology Chengdu Co., Ltd.* (美械寶醫美平臺科技成都有限公司) from June 2022 to June 2023. Mr. Zhang received his bachelor's degree in financial management from Shanghai Lixin University of Accounting and Finance* (上海立信會計金融學院) in 2011.

Independent non-executive Directors

Mr. Jian Xigao (蹇錫高, “Mr. Jian”), aged 79, was appointed as an independent non-executive Director on 8 December 2018. Mr. Jian is primarily responsible for supervising and providing independent advice to the Board.

Mr. Jian obtained his bachelor’s degree in polymer chemical engineering and master’s degree in polymer materials science from Dalian University of Technology (formerly known as Dalian Institute of Technology) in Liaoning, the PRC in 1969 and 1981, respectively.

Mr. Jian is currently a professor at the Dalian University of Technology, the head of its Polymer Materials Research Institute (高分子材料研究所所長) and director of the Liaoning High Performance Resin Engineering Technology Research Center (遼寧省高性能樹脂工程技術研究中心主任). In September 2016, he was appointed as an independent director of Red Avenue New Materials Group Co., Ltd.* (彤程新材料集團股份有限公司), a chemical manufacturer listed on the Shanghai Stock Exchange (stock code: 603650).

Mr. Jian has received a number of state level awards, including a Second Class State Technological Invention Award granted by the State Council of the PRC in January 2004, a Second Class State Technological Invention Award granted by the State Council of the PRC in December 2011, a Patent Gold (專利金獎) Award for Chinese Outstanding Patented Invention granted by World Intellectual Property Organization and State Intellectual Property Office of the PRC in November 2015 and an extraordinary gold medal (特別金獎) at the Geneva International Exhibition of Inventions in April 2016. Mr. Jian has been admitted as an academician of the Chinese Academy of Engineering (中國工程院院士) in January 2013.

Mr. Hui Hung Kwan (許鴻群, “Mr. Hui”), aged 53, was appointed as an independent non-executive Director on 8 December 2018. Mr. Hui is primarily responsible for supervising and providing independent advice to the Board.

Mr. Hui has more than 29 years of experience in accounting. After graduating with a bachelor’s degree in business administration from the Chinese University of Hong Kong in Hong Kong in December 1994, he has held various positions, including audit manager at Li, Tang, Chen & Co. from June 1994 to June 2004. From June 2004 to October 2010, Mr. Hui served as the chief financial officer of C&G Environmental Protection Holdings Limited, a company listed on the main board of the Singapore Exchange Limited (stock code: D79). He was the chief financial officer of Premiere Eastern Energy Pte. Limited (東潤能源有限公司) from November 2010 to December 2012, the independent non-executive director of Titan Invo Technology Limited (formerly known as Tus International Limited and/or Jinheng Automotive Safety Technology Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 872) from July 2009 to June 2015, the chief financial officer of China Creative Global Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1678) from June 2013 to May 2020, the independent non-executive director of Gansu Qingheyuan Halal Food Co., Ltd. (甘肅清河源清真食品股份有限公司) from

September 2018 to June 2021, the company secretary of Shengli Mining Co. Ltd. (勝利礦業股份有限公司) from May 2020 to January 2021, the chief financial officer of Maiyue Technology Limited (邁越科技股份有限公司) from March 2021 to April 2021, the company secretary of Idea Knack Cultural Communication Holding Limited (金鎧文化傳播 控股有限公司) from May 2021 to January 2022, the company secretary of King International Investment Limited (帝王國際投資有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0928) from August 2023 to March 2024, and the company secretary of Wuxi Life International Holdings Group Limited (悟喜生活國際控股集團有限公司), a company listed on the GEM of the Stock Exchange (stock code: 8148) from May 2021 to August 2024. Mr. Hui also served as the independent non-executive director of Life Concepts Holdings Limited (生活概念控股有限公司), a company listed on the GEM of the Stock Exchange (stock code: 8056) since August 2023 and the company secretary of Baoji Health Holdings Limited* (保集健康控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1246) from December 2024. Mr. Hui has been an associate of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) and a fellow of the Association of Chartered Certified Accountants since September 1997 and October 2002, respectively.

Mr. Xu Congli (徐從禮, “Mr. Xu”), aged 54, was appointed as an independent non-executive Director on 16 May 2022. Mr. Xu has served as a partner of Zhongshen Zhonghuan Certified Public Accountants LLP* (中審眾環會計師事務所(特殊普通合夥)) since September 2024. He successively served as a clerk in the Audit Department of Yantai Port Authority* (煙臺港務局) from July 1994 to April 2000, a department manager of Shandong Fangzheng Accounting Firm Co., Ltd.* (山東方正會計師事務所有限公司) from May 2000 to May 2005, a senior manager of Shanghai Branch of Yuehua Accounting Firm Co., Ltd.* (嶽華會計師事務所有限公司上海分公司) from June 2005 to January 2006, a senior manager of BDO China Shu Lun Pan Certified Public Accountants LLP* (立信會計師事務所(特殊普通合夥)) from February 2006 to June 2015, a partner of Ruihua Certified Public Accountants LLP* (瑞華會計師事務所(特殊普通合夥)) from July 2015 to April 2020, and a partner of Da Hua Certified Public Accountants LLP* (大華會計師事務所(特殊普通合夥)) from May 2020 to August 2024. He obtained his bachelor’s degree in finance from Changsha University of Science & Technology (長沙理工大學) in the PRC in June 1994. He became Certified Public Accountant of China in December 2002.

NOMINEES FOR SUPERVISORS

Ms. Ma Huifang (馬慧芳, “Ms. Ma”), aged 56, was appointed as a Supervisor on 16 May 2022. Ms. Ma has served as the financial director of Shanghai INT Medical Instruments Automation Co., Ltd.* (上海瑛泰醫療器械自動化有限公司) since 2004, and the financial director of Shandong Insant New Material Co., Ltd.* (山東瑛盛新材料有限公司) since March 2023. She successively served as an accountant of Jiangqiao Roast Duck Restaurant* (江橋烤鴨館) from July 1988 to October 1992, an accountant of Shanghai Qunwei Children’s Car Factory* (上海群偉童車廠) from November 1992 to September 1997, an accountant of Shanghai Haoda Plastics Products Co., Ltd.* (上海浩達塑膠製品有限公司) from October 1997 to June 2000, and an accountant of Shanghai Yanji Chemical Co., Ltd.* (上海焱基化工有限公司) from July 2000 to September 2004. Ms. Ma obtained an associate degree (專科) in accounting from Shanghai Lixin Accounting School (上海市立信會計學校) (currently known as Shanghai Lixin University of Accounting and Finance (上海立信會計金融學院)) in the PRC in June 1988.

Mr. Shen Xiaoru (沈曉如, “Mr. Shen”), aged 41, was appointed as a Supervisor on 16 May 2022. Mr. Shen has served as the supervisor of Guangdong Kindly Medical Device Group Co., Ltd.* (廣東康德萊醫療器械集團有限公司) since August 2011, the chief financial officer of KDL since January 2019, the supervisor of Zhejiang Kindly Medical Devices Co., Ltd.* (浙江康德萊醫療器械股份有限公司) since June 2019, the chief financial officer of Guangxi Ouwen Medical Technology Group Co., Ltd.* (廣西甌文醫療科技集團有限公司) since June 2023, and the finance chief of Shanghai Kindly Enterprise Development Group Medical Investment Co., Ltd.* (上海康德萊企業發展集團醫療投資有限公司) since July 2023. He successively served as the financial director of Shanghai Kaiifu Medical Polymer Equipment Co., Ltd.* (上海開愛富醫用高分子器材有限公司) from March 2005 to August 2006, the vice general manager of finance of KDL from September 2006 to December 2010, the manager of the finance department of Shanghai Kindly International Trading Co., Ltd.* (上海康德萊國際商貿有限公司) from January 2011 to December 2017, a supervisor of Shanghai Kindly Enterprise Development Group Medical Investment Co., Ltd.* (上海康德萊企業發展集團醫療投資有限公司) from June 2021 to July 2023. Mr. Shen obtained his bachelor’s degree in accounting from East China Normal University (華東師範大學) in the PRC in January 2010. Mr. Shen obtained the qualification of senior accountant in November 2021.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders relating to the proposed Repurchase Mandate which is set out as follows:

1. REASONS FOR REPURCHASE OF SHARES

To enable the Board to repurchase Shares within a short period of time in appropriate circumstances to seek the best interests of the Company and its Shareholders and to protect the interests of investors, it is proposed that a general mandate be granted to the Board to repurchase Shares (including both H Shares and/or Domestic Shares). Such repurchases will, depending on market conditions, be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

2. NUMBER OF SHARES PROPOSED TO BE REPURCHASED

As at the Latest Practicable Date, the total number of issued Shares of the Company was 176,000,000 Shares, comprising 104,213,392 H Shares and 71,786,608 Domestic Shares and the Company did not have any treasury shares. Subject to the passing of the resolutions granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, if repurchased in full, the number of Shares that may be repurchased shall not exceed 17,600,000 Shares, representing approximately 10% of the Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date. The specific number of Shares to be repurchased shall be subject to the actual number of Shares to be repurchased at the expiry of the repurchase period.

3. SOURCE OF FUNDING

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the PRC and the Listing Rules, as the case may be. The Directors propose that such share buy-backs, if and when effected, would be appropriately financed by the Company's internal resources.

4. EFFECT ON WORKING CAPITAL

As compared with the financial position of the Company as at 31 December 2024 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital or the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period.

5. H SHARE PRICES

The highest and lowest prices per Share at which the H Shares have been traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
2024		
May	28.15	27.10
June	27.65	25.15
July	28.25	25.25
August	28.60	27.00
September	28.90	26.60
October	32.00	26.95
November	29.45	26.80
December	28.95	26.85
2025		
January	29.75	26.00
February	29.75	26.50
March	28.85	26.50
April	28.50	25.35
May (up to the Latest Practicable Date)	27.00	26.00

6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the power of the Company to repurchase Shares pursuant to the general mandate for the repurchase of Shares, such an increase will be treated as an acquisition of the voting rights pursuant to Rule 32 of the Takeovers Code. If such an increase results in the change in control, it could, under certain circumstances, result in an obligation to make a mandatory offer for Shares in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, save as disclosed above, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence which may arise under the Takeovers Code or any similarly applicable laws as a consequence of any repurchase of Shares under the general mandate for the repurchase of Shares.

7. STATUS OF REPURCHASED SHARES

Pursuant to the Rules for Repurchase of Shares by Listed Companies (《上市公司股份回購規則》) of the China Securities Regulatory Commission, with reference to the details in relation to the general mandate to repurchase Shares by the Company, the Company may repurchase Shares in order to safeguard its value and Shareholders' rights and interests, or for use in employee stock ownership plans or as equity incentive schemes. If the purpose of repurchasing Shares is to maintain the value of the Company and Shareholders' rights and interests, the repurchased Shares shall be conducted by way of open and centralized transaction.

With effect from 11 June 2024, the Listing Rules have been amended to remove the requirement to cancel repurchased Shares and to adopt a framework to allow the repurchased Shares to be held in treasury and to govern the resale of the treasury shares. As at the Latest Practicable Date, the Company had no repurchased Shares and did not have any treasury shares. Under the laws of the PRC, the Shares repurchased by the Company will be transferred or cancelled in accordance with the Articles of Association, and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the Shares so cancelled.

For any treasury shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to the Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

8. SECURITIES REPURCHASE MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, the Company had not purchased any Shares (whether on the Stock Exchange or otherwise).

9. GENERAL INFORMATION

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the proposed share repurchase and the granting of the Repurchase Mandate to repurchase Shares are approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the proposed share repurchase and the granting of the Repurchase Mandate to repurchase Shares are approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the proposed share repurchase and the granting of the Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws and regulations of the PRC.

Neither this explanatory statement nor the proposed share repurchase has any unusual features.