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

**上海微创医疗机器人(集团)股份有限公司**

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

**(Stock Code: 2252)**

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2022**

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022, together with comparative audited figures for the year ended 31 December 2021. The results have been reviewed by the Audit Committee.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

**FINANCIAL HIGHLIGHTS**

	<b>For the year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>21,603</b>	2,150
Gross profit	<b>6,562</b>	919
Loss before taxation	<b>(1,146,284)</b>	(584,507)
Loss for the year	<b>(1,146,284)</b>	(584,507)
Loss attributable to equity shareholders of the Company	<b>(1,139,806)</b>	(582,921)
Loss per share — Basic and diluted (in RMB)	<b>(1.19)</b>	(0.63)

For the year ended 31 December 2022, the Group recorded revenue of RMB21.6 million, representing an increase of 904.8% as compared to last year. Such increase was mainly due to the first commercial placement of Toumai, our Core Product, which obtained the NMPA approval for launch in January 2022; and the first full year commercialization of DFVision, our flagship product, which obtained the NMPA approval in June 2021.

The Group recorded net loss of RMB1,146.3 million for the year ended 31 December 2022 as compared to RMB584.5 million in last year, which was primarily due to (1) increase in expenditures on research and development, clinical trials and registration of our products in pipeline; (2) increase in selling and marketing activities due to the commercialization of our surgical robot products; and (3) increase in staff costs, including the increase in share-based payment expenses and number of employees due to R&D progress and business deployment.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the year ended 31 December 2022

	<i>Note</i>	<b>2022</b> <b>RMB'000</b>	2021 RMB'000
<b>Revenue</b>	4	<b>21,603</b>	2,150
Cost of sales		<u>(15,041)</u>	<u>(1,231)</u>
<b>Gross profit</b>		<b>6,562</b>	919
Other net income	5	<b>42,078</b>	24,675
Selling and marketing expenses		<b>(184,042)</b>	(79,188)
Administrative expenses		<b>(170,472)</b>	(107,477)
Research and development costs		<b>(755,802)</b>	(392,649)
Net (loss)/gain on financial instruments carried at fair value through profit or loss (“FVPL”)		<b>(26,984)</b>	45,523
Other operating expenses	6(c)	<u><b>(6,603)</b></u>	<u>(43,498)</u>
<b>Loss from operations</b>		<b>(1,095,263)</b>	(551,695)
Finance costs	6(a)	<b>(11,366)</b>	(5,435)
Share of losses of equity-accounted investees		<u><b>(39,655)</b></u>	<u>(27,377)</u>
<b>Loss before taxation</b>	6	<b>(1,146,284)</b>	(584,507)
Income tax	7(a)	<u>—</u>	<u>—</u>
<b>Loss for the year</b>		<u><b>(1,146,284)</b></u>	<u>(584,507)</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(1,139,806)</b>	(582,921)
Non-controlling interests		<u><b>(6,478)</b></u>	<u>(1,586)</u>
<b>Loss for the year</b>		<u><b>(1,146,284)</b></u>	<u>(584,507)</u>
<b>Loss per share</b>	8		
Basic and diluted (RMB)		<u><b>(1.19)</b></u>	<u>(0.63)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*for the year ended 31 December 2022*

	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Loss for the year</b>	<u><b>(1,146,284)</b></u>	<u>(584,507)</u>
<b>Other comprehensive income for the year, net of nil tax</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations, net of nil tax	<u>9,580</u>	<u>(3,953)</u>
<b>Other comprehensive income for the year</b>	<u><b>9,580</b></u>	<u>(3,953)</u>
<b>Total comprehensive income for the year</b>	<u><b>(1,136,704)</b></u>	<u>(588,460)</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(1,130,226)</b>	(586,874)
Non-controlling interests	<u><b>(6,478)</b></u>	<u>(1,586)</u>
<b>Total comprehensive income for the year</b>	<u><b>(1,136,704)</b></u>	<u>(588,460)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2022	31 December 2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		491,576	361,000
Intangible assets		7,053	3,074
Goodwill		1,482	1,482
Equity-accounted investees		175,154	123,537
Financial assets measured at FVPL		109,602	136,586
Other non-current assets		<u>46,436</u>	<u>71,979</u>
		<b>831,303</b>	<b>697,658</b>
<b>Current assets</b>			
Derivative financial assets		—	8,958
Inventories		250,478	109,881
Trade and other receivables	9	93,725	24,955
Pledged deposits		6,657	9,607
Cash and cash equivalents		<u>747,962</u>	<u>1,940,825</u>
		<u><b>1,098,822</b></u>	<u><b>2,094,226</b></u>
<b>Current liabilities</b>			
Trade and other payables	10	257,649	181,510
Contract liabilities		8,489	—
Lease liabilities		58,218	52,863
Provisions		<u>958</u>	<u>96</u>
		<u><b>325,314</b></u>	<u><b>234,469</b></u>
<b>Net current assets</b>		<u><b>773,508</b></u>	<u><b>1,859,757</b></u>
<b>Total assets less current liabilities</b>		<b>1,604,811</b>	<b>2,557,415</b>
<b>Non-current liabilities</b>			
Interest-bearing borrowings		33,100	—
Contract liabilities		1,786	102
Lease liabilities		128,632	151,813
Deferred income		33,018	14,951
Provisions		<u>397</u>	<u>397</u>
		<u><b>196,933</b></u>	<u><b>167,263</b></u>
<b>NET ASSETS</b>		<u><b>1,407,878</b></u>	<u><b>2,390,152</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		<b>31 December 2022</b>	31 December 2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	<b>958,594</b>	958,594
Reserves		<b><u>459,064</u></b>	<u>1,434,548</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,417,658</b>	2,393,142
<b>Non-controlling interests</b>		<b><u>(9,780)</u></b>	<u>(2,990)</u>
<b>TOTAL EQUITY</b>		<b><u><u>1,407,878</u></u></b>	<u><u>2,390,152</u></u>

## Notes

(Expressed in Renminbi unless otherwise indicated)

### 1 Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange Limited (the “**Stock Exchange**”).

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### 2 Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and the Group’s interest in equity-accounted investees.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in equity securities; and
- derivative financial instruments.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3 Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not effective for the current accounting period.

#### 4 Revenue and segment reporting

##### (a) Revenue

The Group derives revenue principally from the sales of medical devices through appointed distributors.

##### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and the timing of revenue recognition is as follows:

	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of medical devices — point in time	<b>21,603</b>	1,780
Others — over time	<u>—</u>	<u>370</u>
	<b><u>21,603</u></b>	<b><u>2,150</u></b>

In 2022, revenue from the sales of medical devices comprised sales of Toumai Laparoscopic Surgical Robot, DFVision 3D Electronic Laparoscopes and related accessories. In 2022, revenue arose from 2 customers with whom transaction exceeding 10% of the Group's revenue (2021: 3 customers).

##### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2022, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts was RMB1,828,000 (2021: RMB102,000). This amount represents revenue expected to be recognised in the future from delivering medical devices or rendering post-sales services. The Group will recognise the expected revenue in future when or as the medical devices are accepted by the customers or, in the case of rendering service, when the service is rendered to the customers, which is expected to occur over the next 36 months.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of medical devices that had an original expected duration of one year or less.

(b) *Segment reporting*

(i) Segment information

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

(ii) Geographical information

All revenue for the years ended 31 December 2022 and 2021 were generated from the customers located in the People's Republic of China (the "PRC").

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, goodwill and investments in equity-accounted investees ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered or services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of investments in equity-accounted investees.

	Revenues from external customers		Specified non-current assets	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
The PRC (place of domicile)	21,603	2,150	491,096	412,952
United States	—	—	37,729	4,042
France	—	—	146,440	72,099
	<u>21,603</u>	<u>2,150</u>	<u>675,265</u>	<u>489,093</u>

5 Other net income

	2022 RMB'000	2021 RMB'000
Interest income on financial assets measured at amortised cost	26,653	22,073
Government grants	11,568	11,710
Net foreign exchange gain/(loss)	2,039	(9,114)
Others	1,818	6
	<u>42,078</u>	<u>24,675</u>



## 6 Loss before taxation

Loss before taxation is arrived at after charging:

### (a) Finance costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on interest-bearing borrowings and loans from related parties	260	—
Interest on lease liabilities	<u>10,866</u>	<u>5,293</u>
Total interest expense on financial liabilities not at fair value through profit or loss	11,126	5,293
Others	<u>240</u>	<u>142</u>
	<u><u>11,366</u></u>	<u><u>5,435</u></u>

### (b) Staff costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Contributions to defined contribution retirement plans	39,772	17,439
Equity-settled share-based payment expenses	136,919	91,199
Salaries, wages and other benefits	<u>436,195</u>	<u>177,156</u>
	<u><u>612,886</u></u>	<u><u>285,794</u></u>

Majority of the Group's employees are in the PRC. As stipulated by the labour regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at a specified proportion of the eligible employees' salaries. The Group's contributions made to the plans are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the plans.

### (c) Other operating costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Listing expenses	—	40,526
Others	<u>6,603</u>	<u>2,972</u>
	<u><u>6,603</u></u>	<u><u>43,498</u></u>

(d) *Other items*

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Amortisation of intangible assets <sup>#*</sup>	<u>1,813</u>	<u>474</u>
Depreciation charge <sup>#*</sup>		
— owned property, plant and equipment	42,483	7,148
— right-of-use assets	<u>56,410</u>	<u>27,751</u>
	<u>98,893</u>	<u>34,899</u>
Research and development costs <sup>#</sup>	755,802	392,649
Cost of inventories*	74,651	21,987

<sup>#</sup> Research and development costs includes RMB428,367,000 (2021: RMB200,164,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

\* Cost of inventories includes RMB10,726,000 (2021: RMB7,053,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

7 **Income tax in the consolidated statements of profit or loss**

(a) *Taxation in the consolidated statement of profit or loss represents:*

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax	—	—
Deferred tax	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

Pursuant to the Corporate Income Tax (“CIT”) Law of the PRC, the Company and its PRC subsidiaries are liable to PRC CIT at a rate of 25%.

According to the new tax incentives policies promulgated by the State Tax Bureau of the PRC in March 2021, effective from 1 January 2021, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from the taxable income.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applied in the relevant countries.

(b) *Reconciliation between tax expense and accounting loss at applicable tax rates:*

	2022 RMB'000	2021 RMB'000
Loss before taxation	<u>(1,146,284)</u>	<u>(584,507)</u>
Notional tax on loss before taxation, calculated at the rates applicable to loss in the countries concerned	(277,045)	(146,127)
Effect of non-deductible expenses	35,179	21,569
Effect of additional deduction on research and development costs	(78,647)	(71,404)
Effect of deductible temporary differences and tax losses not recognised	<u>320,513</u>	<u>195,962</u>
Actual tax expenses	<u>—</u>	<u>—</u>

**8 Loss per share**

(a) *Basic loss per share*

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB1,139,806,000 (2021: RMB582,921,000) and the weighted average number of ordinary shares of 958,594,000 shares (2021: 919,849,000 shares) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

	2022 '000	2021 '000
Issued shares at the beginning of the year for the purposes of basic loss per share	958,594	900,000
Effect of capital contributions by investors	—	13,199
Effect of shares issued upon the completion of the IPO and exercise of the over-allotment option	<u>—</u>	<u>6,650</u>
Weighted average number of shares at the end of the year for the purpose of basic loss per share	<u>958,594</u>	<u>919,849</u>

(b) *Diluted loss per share*

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The calculation of diluted loss per share amount for the years ended 31 December 2022 and 2021, has not included the potential effects of the warrants and share options issued by an equity-accounted investee of the Group, as they had anti-dilutive effects on the basic loss per share amount for the respective year. Accordingly, diluted loss per share for the years ended 31 December 2022 and 2021 are the same as basic loss per share of the respective years.

## 9 Trade and other receivables

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade debtors, net of loss allowance	—	87
VAT recoverable	68,244	6,110
Other debtors due from		
— third parties	1,092	73
— related parties	3,997	1,775
Prepayments	<u>20,392</u>	<u>16,910</u>
	<u><b>93,725</b></u>	<u><b>24,955</b></u>

As at 31 December 2021, the ageing of trade debtors are within 1 month, based on the invoice date. Trade debtors are due within 30 days from the date of billing.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

## 10 Trade and other payables

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables due to		
— third-party suppliers	118,991	78,493
— related parties	<u>5,553</u>	<u>5,108</u>
Total trade payables	124,544	83,601
Accrued payroll	64,094	39,412
Amounts due to related parties	13,250	7,950
Other payables and accrued charges	<u>55,761</u>	<u>50,547</u>
Financial liabilities measured at amortised cost	<u><b>257,649</b></u>	<u><b>181,510</b></u>

All trade and other payables (including amounts due to related parties) are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
Within 1 month	<b>113,649</b>	80,320
Over 1 month but within 3 months	<b>2,834</b>	420
Over 3 months but within 6 months	<b>2,751</b>	520
Over 6 months but within 1 year	<b>3,531</b>	2,212
Over 1 year	<b>1,779</b>	129
	<b>124,544</b>	<b>83,601</b>

## 11 Capital, reserves and dividends

### (a) Dividends

The directors of the Company did not propose the payment of any dividend during the year ended 31 December 2022 (2021: nil).

### (b) Share capital and share premium

Details of the movement of the issued and fully paid share capital of the Company are as follows:

	<b>Ordinary share</b>	
	<b>Number of</b>	<b>Amount</b>
	<b>shares</b>	<b>RMB'000</b>
	<b>'000</b>	<b>'000</b>
<b>Ordinary shares, issued and fully paid:</b>		
Balance at 31 December 2021 and 31 December 2022	<b>958,594</b>	<b>958,594</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

As one of the most important innovation breakthroughs in the field of high-end medical devices in recent years, the surgical robot has high clinical value, which can effectively improve the accuracy and stability of surgeries, shorten the postoperative recovery cycle of patients and reduce the occurrence of complications; also effectively shorten the learning curve of surgeons and reduce the radiation exposure of operators. The surgical robot market presents a rapid growth trend with the continuous development of the global surgical robot industry. According to Frost & Sullivan, the market size of the global surgical robot is expected to reach US\$28.51 billion in 2025 and 61.9 billion in 2030 with compound annual growth rates of 27.1% from 2021 to 2025 and 16.8% from 2025 to 2030, respectively. Despite a late onset of the surgical robot industry in China, the market potential and growth space is promising in view of its large population of patients and thus the strong demand for surgical robots, the surgical robot is expected to have broad market potential and rapid growth space in China. According to Frost & Sullivan, the market size of surgical robot in China is expected to reach RMB17.47 billion in 2025 and RMB70.95 billion in 2030 with compound annual growth rates of 42.9% from 2021 to 2025 and 32.3% from 2025 to 2030, respectively.

During the Reporting Period, with the growing maturity of the global pandemic response measures, the macroeconomic situation across countries started to pick up as well and thus driving the growth of the all major industries. In China, with the adjustments in regards of the response mechanism against pandemic, the economic upside was under temporary pressure in 2022, the development of medical industry demonstrated a rapid recovery in the post-pandemic cycle, with a regain of growth momentum in the number of clinical surgery. Under the guidance of China's macro policy guidelines, new medical infrastructure will be the long-term trend of the health-care industry in China. And the strong support to the development of public hospitals is expected to continuously improve the scientific, refined and efficient level of medical quality management, leading to enriched high-quality medical resources, which will drive the demands for a great many high-end medical equipment correspondingly.

During the Reporting Period, phased fiscal interest discounts for loans for equipment renovation and transformation in certain fields would be provided and credit support for the social service industry would be enhanced, to promote consumption as a main driver. National Health Commission also clarified the policy regarding the fiscal interest discounts for loans for equipment renovation and transformation for implementation on the hospital side, which mainly involves the procurement and upgrading demands of medical equipment. By virtue of the policy support from the State Council and the National Health Commission, it is believed that large scale and high-end medical equipment enterprises, especially the leading companies, with stronger brand recognition and product performance, will be the first to benefit from the expansion of regional hospitals, the expansion of quality medical resources, and the rapid release of demand for new purchases and repeat operations of high-end medical equipment.

Meanwhile, as China's medical and health service system has steadily entered a new stage of high-quality development, encouraging cutting-edge technologies and breakthroughs in the medical field will be one of the themes of China's economic development in the "14th Five-Year Plan" and even longer period. During the Reporting Period, the State Council issued the National Health Plan of the "14th Five-Year Plan" (《「十四五」國民健康規劃》), which proposed to enhance and strengthen the health industry, to encourage the manufacturing and production of high-end medical devices and health supplies, as well as to improve the review process for the registration of the innovative medical device. According to the Implementation Plan for "Robot +" Applications (《「機器人+」應用行動實施方案》) jointly issued on 19 January 2023 by seventeen departments with Ministry of Industry and Information Technology as the lead and co-operative sectors as the National Healthcare Commission and the Ministry of Finance, the manufacture and healthcare industries were enlisted in the 10 key application fields. Among others, in terms of health care, it is clearly indicated in such plan that we should promote the accelerated application of new technologies, such as artificial intelligence-assisted diagnostic systems, robotic 5G remote surgery, brain-machine interface-assisted rehabilitation systems and other new products, and promote the application of robots in hospital rehabilitation, remote medical care, health and epidemic prevention scenarios, encourage hospitals with the conditions and needs to use robots to perform precise and minimally invasive surgery, build standardized operating theatres for robotic applications, and study standards and regulations for the clinical application of surgical robots.

On 21 March 2023, the National Healthcare Commission issued the Large Medical Equipment Configuration License Management Catalog (2023), which designated the scope of large-scale medical equipment configured and managed by national healthcare commission and provincial healthcare commission, respectively. As a new round of configuration plan to be implemented, domestic high-end large medical equipment including laparoscopic surgical robot is expected to, leveraging on its advanced technology, stable performance, and standardized application, promote the healthy and orderly development of China's surgical robot industry, accelerate the expansion and balanced regional layout of quality medical resources, and provide more high-end treatments of more kinds and higher quality for doctors and patients in China.

Led and driven by innovative support policies, China's surgical robot has achieved breakthroughs and development in various fields of core technology, especially cross-border integration and innovation. Its integration with new technology such as 5G communication and artificial intelligence will further promote the development of China's surgical robot industry, enhance the level of intelligence, realize flow of quality medical resources to lower-tier cities and improve the frequency of doctor-patient interaction. In the future, China's surgical robot will be more minimally-invasive, accurate and intelligent in deep response to the substantial demands of doctors and patients in China's medical treatment market. With outstanding quality, extensively recognized clinical value and competitive price advantage, the rate of utilization and penetration of surgical robots will be greatly enhanced, which will expedite the realization of import substitution.

## **Business Progress**

In 2022, the repeated outbreak of COVID-19 pandemic in China brought about challenges to the Group's R&D, clinic, supply chain and commercialization. Giving full play to the advantage of whole industry chain coverage, the Group made flexible adjustments and allocations among different segments and departments to ensure the business continuity and minimize the impacts of the COVID-19 pandemic on the Group's operation.

During the Reporting Period, the Group recorded a revenue of RMB21.6 million, representing a 904.8% increase as compared with that of RMB2.2 million of the previous year. The Core Product, i.e. Toumai achieved its first sale during the Reporting Period and became the first domestic laparoscopic surgical robots to be commercially installed, marking the first solid step forward in its commercialization journey; our flagship product, DFVision, has greeted with the first full year of sales and has seen significant growth in both installed units and sales revenue year-on-year during the Reporting Period. The commercialization of internationally cooperative products has obtained milestone progress as well, Mona Lisa successfully exploring the Chinese Taiwan market and reached its first sale. As of the date of this announcement, Toumai and SkyWalker have won several bids in China, and units of SkyWalker have been installed in several hospitals/clinics in the United States, showing a great momentum in commercialization progress.

During the Reporting Period, the Group continuously strengthened the R&D and innovation to improve the product pipeline of total solution of intelligent surgery. Among them, The Core Product, i.e. Toumai was approved for launch by NMPA in January 2022, becoming the first four-arm laparoscopic surgical robot developed by a Chinese enterprise and approved for launch. During the Reporting Period, Toumai completed the multi-discipline and multi-center registrational clinical trials, which indicated that Toumai has also become the second laparoscopic surgical robot in the world and the first in China to fully cover the important and complex clinical applications in the fields of thoracic cavity, abdominal cavity and pelvic cavity. The Group's flagship product SkyWalker successively obtained approval for launch from NMPA, FDA 510(k) clearance and EU CE mark during the Reporting Period, becoming the first and only domestic robot approved for launch in China, the United States and EU used for surgery as at the date of this announcement, and further expanded our global strategic layout. The Group has made satisfactory progress on the R&D of core underlying technologies and pipeline products, and at the meantime, and strengthened our efforts on the breakthrough exploration of cutting-edge technologies. Toumai has successfully completed the longest-distance 5G ultra-remote robotic surgery in the world to date and successfully completed China's first robot-assisted ultra-remote 5G hepatobiliary surgery.

## **Research and Development and Product Pipeline**

After years of innovative R&D and industrial accumulation, we are the only surgical robot company in the world with a product portfolio covering the 5 major and fast-growing surgical specialties of laparoscopic, orthopedic, panvascular, natural orifice and percutaneous surgical procedures, and have more than ten products at the fast promotion stage of industrialization projects.





dimensional imagery synchronous transmission and reproduction technology, it also allows real-time network communication quality monitoring and the issuing of early warnings, in order to ensure a safe and smooth surgery.

Toumai (for urological surgery) has obtained the registration certificate issued by the NMPA in January 2022, becoming the first four-arm laparoscopic surgical robot developed by a Chinese enterprise. During the Reporting Period, we made remarkable achievements in Toumai's marketing and commercialization activities. During the Reporting Period, Toumai achieved the first sales and became the first domestic laparoscopic surgical robots to be commercially installed, which opened up the whole cycle of its external sales and promoted the medical-industrial innovation and cooperation to into a new stage with high frequency and strong bond. This marks an important milestone in the commercialization course of Toumai as well as domestic laparoscopic surgical robots. As of the date of this announcement, Toumai has also won bids for the procurement of surgical robot systems in several hospitals. The gratifying commercialization progress of Tumai is mainly due to its outstanding technological base, solid clinical performance and sound training and service system for doctors. As at the date of this announcement, the Group has deployed more than 30 Toumai clinical application and training centers all over the country, rapidly enhancing its reputation and recognition among hospitals and surgeons by strengthening clinical education and training and active marketing and promotion activities.

The Group continues to actively promote the clinical validation and academic exchange activities of the Core Products to continuously enhance the value of its brand. As of the date of this announcement, Toumai has accumulatively completed more than 600 robotic assisted human clinical surgeries in departments such as urinary surgery, general surgery, gynecology department and thoracic surgery department in nearly 30 hospitals in more than 10 provinces, which demonstrated the gradual maturity of Toumai in the clinical application and high stability. The aforesaid surgeries include several difficult robotic assisted operations such as the first domestic surgical robot radical prostatectomy, the first domestic surgical robot for single-site surgery, the first domestic four-arm surgical robot registered clinical total hysterectomy and adnexal resection, the first domestic four-arm surgical robot-assisted radical gastrectomy for gastric cancer, the radical resection for rectal cancer, hepatectomy, first domestic laparoscopic surgical robot-assisted endometrial resection and radical resection for lung cancer, which set a record in terms of the first operation conducted by domestic surgical robots. These difficult operations continuously verified the technical strength of Toumai to complete complicated operations in narrow anatomic space, as well as its ability to fully meet the requirements of diverse surgical procedures in clinical applications, and also promoted the normal development of multi-disciplinary and high complexity surgical operations. Upon the completion of multi-discipline registrational clinical trials, Toumai became the second laparoscopic surgical robot in the world and the first in China to fully cover the important and complex clinical applications in the fields of thoracic cavity, abdominal cavity and pelvic cavity.

By integrating the 5G communication technology, Toumai has successfully completed two ultra-remote urologic surgeries during the Reporting Period, which were also the up-to-date longest-distance 5G ultra-remote robotic surgery in the world; in February 2023, Toumai broke through the time and space

limitation again and successfully completed China's first robot-assisted ultra-remote 5G hepatobiliary surgery, successfully carrying out a ultra-remote surgery in a new department. The repeated successful practices by the integration of Toumai and 5G has fully reflected the research and development technology strength of Chinese surgical robot technology and demonstrated China's breakthrough and leading position in 5G ultra-remote surgery field. The combination of surgical robot and 5G communication technology will help to promote the flow and reasonable allocation of quality medical resources to lower-tier cities, and make it more feasible to carry out surgeries of high complexity and difficulty in remote and underdeveloped areas. Meanwhile, it is a valuable practice and model innovation to response the reforms of the national healthcare system and medical resource allocation.

**Warning under Rule 18A.08(3) of the Listing Rules: We cannot assure that our Core Product may ultimately be successfully commercialized. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

### **Toumai Single-arm Laparoscopic Surgical Robot**

Toumai Single-arm Laparoscopic Surgical Robot independently developed by the Group are equipped with unique single-arm structure with completely independent intellectual property rights, which is flexible in movement and convenient in setup. Its snake-shaped instrument enables free movement of seven degrees in tiny space, which is more sophisticated as compared to multi-arm robot. Toumai Single-arm Laparoscopic Surgical Robot performs laparoscopic surgery through single port, which is of clinical value in terms of smaller wounds, less pain, and higher postoperative aesthetics as compared with traditional multi-port surgery.

Toumai Single-arm Laparoscopic Surgical Robot successfully developed several clinical centers and was used to complete its first laparoscopic fenestration surgery for right lateral appended kidney cystonephrosis at Beijing Friendship Hospital (北京友誼醫院) during the Reporting Period. It is another breakthrough of Toumai Single-arm Laparoscopic Surgical Robot in the field of urology, further demonstrating the technical stability and safety of Toumai Single-arm Laparoscopic Surgical Robot and laying a solid clinical foundation for its normalized application in urology surgery. As of the date of this announcement, the Group has initiated enrollment of the registration clinical trial for Toumai Single-arm Laparoscopic Surgical Robot.

### **DFVision 3D Electronic Laparoscope**

DFVision is a 3D electronic laparoscope independently developed by the Group, which can be widely used in examining abdominal, thoracic and pelvic organs, among others. Through the application of high-resolution imaging objective lens and electronic lens structure, it presents full HD twoway images, provides the operator with the 3D sense of surgical field of vision and natural depth of field, and is significantly helpful for the operator to conduct accurate orientation operation under laparoscopy.

As the first domestic 3D electronic laparoscope that entered the Green Path in China, DFVision obtained the registration certificate for launch issued by NMPA in June 2021 and launched sales from the second half of 2021. Despite the impact of COVID-19 pandemic, the commercialization and promotion of DFVision was implemented in an orderly manner during the Reporting Period, and was able to achieve a significant year-on-year growth in both installed units and sales revenue, DFVision commenced a new journey of large-scale sales.

The Group is committed to creating a sustainable product pipeline, continued efforts in the research and development targeting the new generation of DFVision have been made and several key technical barriers has been successfully addressed during the Reporting Period, which is expected to further optimize the operating experience of surgeons and help the China's laparoscopic technology meet international standards.

### **SkyWalker Orthopedic Surgical Robot**

SkyWalker is an orthopedic surgical robot independently developed by the Group. It enjoys technical advantages such as precise operation, efficient synergy, safety protection and strong compatibility. Before surgery, its planning system can assist surgeons to formulate personalized prosthesis implantation plans based on patients' preoperative CT scan data and prosthesis model data. During surgery, the precise positioning from surgical planning and the utilization of registration technology in combination with the self-developed highly dexterous and lightweight robotic arm(s) allow for an osteotomy to be quickly completed, thus helping to improve the accuracy and efficiency of the operation. SkyWalker avoids the need for positioning the medullary cavity in traditional surgery. As there is no intramedullary rod implantation during the surgery, SkyWalker reduces surgical damage and blood loss, improves the postoperative lower limb alignment, reduces surgical complications, and helps patients achieve faster recovery after surgery.

In April 2022, SkyWalker has obtained the registration certificate for launch issued by NMPA (for total knee replacement surgery). Meanwhile, with our effort in actively exploring overseas market, SkyWalker obtained a 510(k) clearance from the FDA in July 2022 and a CE mark from the European Union in December 2022, becoming the first Chinese surgical robot approved for marketing simultaneously in China, the United States and the European Union. This marks the preliminary completion of the Group's global access to key regions and is a key milestone in the Group's globalization strategy.

Our marketing and doctor training efforts for SkyWalker have also made great progress during the Reporting Period. As of the date of this announcement, SkyWalker has successfully won the bid in China and completed more than 400 robot-assisted human clinical surgeries in hospitals across various provinces of China, including several first and difficult robot-assisted knee replacement surgeries, such as the first 5G remote knee replacement surgery by a Chinese surgical robot and the knee replacement surgery after internal fixation of femoral stem fracture with intramedullary nail.

In the overseas market, SkyWalker successfully completed the first total knee replacement surgery in the United States during the Reporting Period, and received recognition and appreciation by local key opinion leaders (KOL). Leveraging MicroPort’s advantageous resource and position in the overseas orthopedic market, the Group expects to quickly establish and enhance SkyWalker’s reputation and awareness in the global market and diversify the international market channels. With the launch of a large number of clinical applications, doctor trainings and marketing activities at home and abroad, SkyWalker has fully demonstrated its features such as precise operation, efficient synergy, safety protection and strong compatibility, laying a solid foundation for its subsequent large-scale sales. As of the date of this announcement, several units of SkyWalker have been installed in overseas with dozens of surgeries were completed.

In addition to total knee replacement surgery, the Group is also exploring breakthrough in the application of SkyWalker for other surgeries. As at the date of this announcement, SkyWalker has completed the first-in-man (FIM) clinical trial of total hip arthroplasty and the first-in-man (FIM) clinical surgeries of unicompartmental knee arthroplasty, which marked SkyWalker’s official entry into the practical clinical trial and evaluation stage for total hip arthroplasty and unicompartmental knee arthroplasty.

### **Trans-bronchial Surgical Robot**

The Robot-assisted Bronchoscopy Navigation System (the “**Trans-bronchial Surgical Robot**”) independently developed by the Group is a non-invasive natural orifice transluminal robotic platform. The system features an ultra-smooth, ultra-thin snake-shaped robotic catheter, which can access hard-to-reach and narrow lesions through human’s natural orifice without making any wound on the body. It has significant meaning in early diagnosis and treatment of small pulmonary nodule and other cancer.

The clinical trial and evaluation tasks of the Trans-bronchial Surgical Robot are progressing smoothly, it has completed a robot-assisted trans-bronchial lung nodules biopsy during the Reporting Period, which is the first-in-man (FIM) clinical trial completed by a Chinese-developed trans-bronchial surgical robot, and marks a breakthrough of the Group in the minimally invasive surgical domain. The Group will soon kick off the enrollment of the registrational clinical trial for Trans-bronchial Surgical Robot.

### **R-ONE Vascular Interventional Surgical Robot**

The R-ONE introduced by Shanghai Cathbot, a joint venture established in China by the Company and Robocath of France, is an innovative robotics product in the field of pan-vascular. R-ONE is a vascular intervention navigation control system based on master-slave control technology, which is designed to assist cardiovascular interventional physicians in conducting percutaneous coronary intervention (“**PCI**”) surgeries to locate lesions precisely, optimize the delivery of balloons and stent catheters, thereby standardizing the surgical process, improving the surgical accuracy, and reducing surgical complications. Furthermore, surgeons can sit at the anti-radiation console to complete remote control, effectively reducing the exposure time under the radiation while accurately operating the operation.

During the Reporting Period, R-ONE has completed the registrational clinical trials in China, becoming the first cardiovascular interventional surgical robot system in China that has completed multicenter registrational clinical trial. With the stability and reliability of R-ONE demonstrated by clinical trials, it can fill the gap in the fields of domestic PCI surgical robots, and has laid an important foundation for more precise and intelligent and less invasive vascular interventional surgery. As of the date of this announcement, Shanghai Cathbot has submitted the registration application for R-ONE to NMPA, which is expected to be approved in 2023.

### **iSR'obot Mona Lisa Robotic Transperineal Prostate Biopsy System**

Mona Lisa, a product of Shanghai Intbot, a joint venture company jointly established by the Company and Biobot in China, is an innovative robotics product in the field of percutaneous puncture of the Group, aiming at assisting physicians to complete prostate puncture biopsy surgeries more precisely, accurately and quickly. Leveraging on surgical robots and artificial intelligence technology, Mona Lisa can help clinical physicians complete various operations in a better way through intelligent software formulation planning. Mona Lisa not only demonstrates the 3D visualized MRI-ultrasound fusion technology, but its motion compensation and needle offset position compensation technology also enhances the precision of puncture surgeries, so as to reduce the omission diagnostic rate, number of incisions and pain to patients.

During the Reporting Period, Mona Lisa has completed the registrational clinical trial in China, becoming the first domestic prostate puncture robot completing the multi-center clinical trials in the field of urology. Leveraging on the cryoablation platform technology, Mona Lisa successfully completed the first focal treatment of prostate cancer worldwide with the prostate localization robot and cryoablation platform in November 2022, which represented that the precise therapy carried out by Mona Lisa robot in the field of percutaneous puncture had been verified clinically and marked that the precision of prostate treatment surgery would be greatly improved and the micro-trauma treatment would have much more potentials. As at the date of this announcement, Shanghai Intbot has submitted registration application for Mona Lisa to NMPA, which is expected to be approved for launch within 2023.

In terms of commercialization and expansion, Mona Lisa had successfully explored Chinese Taiwan market with its first sale during the Reporting Period, marking that Mona Lisa has gained the trust of customers with its technologically advanced targeted biopsy solution. Relying on the advantages of strong platform resources and technology leadership, the Group further expanded its presence in the field of percutaneous puncture by expanding into and serving a broader market, which is of great significance to the promotion of commercialization of the entire domestic surgical robot.

### **Cutting-edge technology**

With the continuous progress of technologies, such as big data, AI, human-computer interaction technology, 5G communication, etc., surgical robots will lead the intelligent transformation in the medical field continuously, making surgery more accurate, smarter, safer, more affordable and more

minimally-invasive. During the Reporting Period, while deeply engaged in the R&D of five core underlying technologies of surgical robots, the Group persisted on an innovation-driven approach, committed to meeting the demand for robotic surgery.

The technology of 5G remote surgeries is one of our key R&D directions that we continuously tackle and focus on, which reflects our implementation of and response to the guidance on the construction of regional medical communities under the “Healthy China” strategy. Free from the constraint of physical distance, it is a powerful tool for resolving the difficulties in seeking preliminary healthcare services, and represents our pragmatic approach to our belief of “Make surgery easier, safer and less invasive”. During the Reporting Period, by applying 5G communication technology, Toumai has made a connection between Kizilsu Kirghiz Prefecture in Xinjiang and Jiangsu Nanjing with a distance of nearly 5,000 kilometers, and successfully completed two ultra-remote procedures of urological surgery, realizing the longest-distance 5G remote robotic surgery in the world to date. In February 2023, Toumai successfully completed the first robot-assisted 5G ultra-remote hepatobiliary surgery in China by connecting Zhejiang University School of Medicine (浙大邵逸夫醫院) and Xinjiang Aral Hospital (新疆阿拉爾醫院).

Meanwhile, the Group continued to put efforts in promoting the application of remote technology in robot-assisted surgeries. During the Reporting Period, the world’s first 5G remote precise minimally invasive surgery training center was jointly established by the Group and the 301 Hospital, which provided assistance for the standardized training and promotion of domestic robotic surgery technology, facilitated the flow of advanced diagnosis and treatment technology to lower-tier, and promoted the improvement of primary medical and health service capacity in China. In terms of the clinical application of remote surgery, the Group carried out the demonstration of “Light on the Silk Road” (絲路之光) — 5G robotic remote surgery on animal in Gansu Province, which fully testified Toumai’s stability and reliability in remote surgery on complex environments and thus is of great significance in the intersection including clinical medicine, field emergency rescue, surgical robotic medicine and communication engineering.

Leveraging on the rich experience in research and development and excellent innovation capability in the field of remote surgery with surgical robots and in combination with the large-scale application of 5G communication technology, the Group will facilitate the provision of remote medical services and offsite consultation, and promote the flow of quality medical resources to lower-tier. It is believed to have a profound influence on the improvement of medical services in local and remote communities and smart medical services, and has great application prospects.

## **Research and Development**

We have fully mastered the 5 core underlying technologies of surgical robots (i.e. robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging). Through years of solid accumulation in the five technical fields, the Group has been able to establish an innovative surgical robot platform and maintain the ability to develop new products continuously.

At present, the Group has 2 China R&D centers respectively in Shanghai and Shenzhen. Meanwhile, as part of the globalization strategy, the Group also has established overseas R&D centers in Singapore, the United States and other countries to attract top talents from around the world, aiming at breaking through the core technology of minimally-invasive surgical robots, providing the whole chain of scientific and technological innovation services of surgical robots, and preparing for the Group's R&D, upgrade and iteration of the products in the future.

The Group also made full advantages of medical and engineering integration, and has reacted promptly to clinical needs. We have vigorously carried out multi-center clinical trials led by clinicians, promoted industrial upgrading and product iteration, and realized the transformation of underlying research results. Our Shanghai Engineering Research Center of Minimally Invasive Surgical Robots (上海微創手術機器人工程技術研究中心) has successfully built an open service platform covering research and development, verification, clinical and industrialization support through the cooperation between the industry, universities and research institutions.

### **Capability of Commercialization**

The Group has established a well-trained and fully responsible consultant marketing team to provide hospitals with comprehensive services, such as training, surgery support, maintenance, as well as equipment adjustment and testing and so on. During the Reporting Period, as the flagship products of the Group successively obtained approval and officially launch for sales, we expanded our marketing team accordingly, which helped the Group continuously improve its product marketing system, further optimize service capabilities and continuously enhance brand influence.

During the Reporting Period, despite the multiple challenges brought by the COVID-19, the Group still achieved leapfrog development in commercialization. Boosted by diverse and comprehensive marketing and physician training activities, the Group made the first sale of the Core Product, Toumai, during the Reporting Period and secured multiple bids/sales orders in relation to Toumai and SkyWalker as of the date of this announcement. During the Reporting Period, the Group has established accumulated over 40 clinical application and training centers across the country. Besides, through a wide range of doctor trainings and clinical trial surgeries, the Group has built its brand reputation, laying a solid foundation for further enhancing the recognition of the Group's innovative products, as well as their subsequent large-scale sales. With the help of those trainings and communication, we have collected ample feedback from doctors, thereby providing critical clinical support for the continuous upgrading of the Group's products and improving product's functions.

MedBot Mobile Demonstration & Training Center (微創機器人移動培訓展示平台) developed by the Group is equipped with Toumai and SkyWalker surgical robot systems. During the Reporting Period, through continuous promotion and application of those systems, we promoted the surgical robot technology of "Intelligent Manufacturing in China" across the country, providing a platform for more healthcare professionals to access and experience surgical robots without having to travel long distances, which would help alleviate current shortage of domestic surgical robot training resources, and accelerate the development of affordable robotic surgeries.



## **Manufacturing and Supply Chain**

The Group's internal manufacturing and supply team is responsible for managing our manufacturing, supply and transportation. We currently have 2 production bases in China, located in Shanghai and Suzhou respectively. During the Reporting Period, we established a multi-level supply chain system covering precision parts, consumables, core components and system integration to quickly achieve production capacity at scale for a number of marketed products. The Group engaged in system integration and hierarchical assembly and testing of core components through its subsidiary Shanghai MicroPort Shuzhi Technology Co., Ltd. (上海微創樞知科技有限公司), and expedited the research and development of core parts prototype and the products iteration through its subsidiary Shanghai Weizhuo Technology Co., Ltd. (上海微琢科技有限公司). Through strategic and refined procurement management as well as the effective measures, the Group continuously optimizes sampling and product iteration efficiency and improves product delivery rate. During the Reporting Period, the Group's production and logistics were temporarily affected by the recurrence of the COVID-19 pandemic in China. During the Reporting Period, supply chain related works have been fully resumed.

## **Human Resources and Personnel Training**

After years of accumulation, we have a surgical robot industrialization team that involves in the full cycle of surgical robot development covering R&D, clinical trial and registration, supply chain management and commercialization and marketing. As at 31 December 2022, the Group had around 1,200 employees, mainly based in China, Singapore, United States etc..

As a unique internal talent growth platform of the Group, "Stellar Academy (恒星學堂)" accurately fits the business and solves the pain points and difficulties of learning. It has formed a diversified curriculum system of basic knowledge, management knowledge, professional knowledge and project experience category and focuses on practical courses, delivering professional courses on an ongoing basis. Besides, the Group has adopted a management pyramid model to guide the behaviors of the management and implement management practice to further identify and develop talents.

## **Intellectual Property**

As at 31 December 2022, we have filed 948 patents application worldwide, of which 263 patents have been granted in China or overseas, including 190 Chinese patents and 73 overseas patents. The remaining 685 patents are still under application, covering cutting-edge areas such as clinical applications, automated surgery and AI technology. During the Reporting Period, the Group was granted 103 new patents, including 32 overseas patents for inventions, completing the overseas deployment of core technologies. According to the branding, marketing and compliance protection strategy, we have completed the layout of domestic and foreign trademarks, and applied for 183 trademarks during the Reporting Period, having established the trademark system of launched products and corporate brands.

## **Outlook**

With the growing recognition of the advantages of surgical robots by the public, the continuous improvement of global medical infrastructure, the active guidance and support of the Chinese government for innovative medical devices, and the increasing investment in the field of surgical robots on the capital market, we expect the market of surgical robots to grow sustainably. Facing the fast-growing demand for surgical robots, we will adhere to the management credo of “Eyes For Greatness, Hands On Details” and firmly implement a positive and efficient business strategy, including but not limited to the following:

### **1. *Continue to expand product portfolio to build a multi-specialty surgical platform***

We will continue fulfilling our commitment to meeting the frontier demand for minimally-invasive surgery. By integrating the cutting-edge research and robot ontology, control algorithms, electrical engineering, image-based navigation and precision imaging, we provide comprehensive intelligent surgical solutions to prolong and reshape the lives of patients. Based on the five major and fast-growing surgical specialties, we will optimize and upgrade existing products continuously through independent development and external cooperation, actively promoting the development of innovative products, expanding the application of surgical robots in more clinical fields, and expanding the product pipeline to new surgical specialties.

### **2. *Accelerate the commercialization, and improve the market penetration***

With the continuous surgical robot products launch, we will leverage our extensive training and education centers for surgical robots, strengthen communication with doctors and patients, improve clinical application experience, standardize robot operation processes and standards, to accelerate the popularization of surgical robots, empower the total solution of high-quality medical robots assisted surgery to lower-tier medical institutions all over China, and realize our belief of “Make surgery easier, safer and less invasive”.

### **3. *Continue to Promote globalization strategy***

We will build a globalized medical robots total solution innovation platform and integrate potential resources to improve the commercialization and supply chain capacity of the Group overseas, paving the way for the launch of our surgical robot products in overseas markets in the future. We plan to recruit talents in R&D, manufacturing, supply chain and marketing all over the world to cooperate with the implementation of the globalization strategy. We also plan to cooperate with the top hospitals and well-known research institutions all over the world to enhance our soft power in the industry.

## **FINANCIAL REVIEW**

### **Overview**

The following discussion is based on, and should be read in conjunction with, the financial data and the notes included elsewhere in this announcement.

### **Revenue**

The Group recorded revenue of RMB21.6 million for the year ended 31 December 2022, representing an increase of 904.8% as compared to RMB2.2 million for the year ended 31 December 2021, which was mainly due to the fast growth in revenue of DFVision, a flagship product of the Group and the sales breakthrough of the Core Product, Toumai, made by the Group in the same year of its approval for launch.

### **Selling and Marketing Expenses**

Selling and marketing expenses increased by 132.4% from RMB79.2 million for the year ended 31 December 2021 to RMB184.0 million for the year ended 31 December 2022. The increase was primarily attributable to the commercialization progress of our products which consisted of: (i) increase in staff costs including salaries, bonus and welfare, as well as share-based payment expenses due to increase in number of employees for the commercial team; and (ii) increase in consumption of materials for doctor trainings and clinical validation.

### **Administrative Expenses**

Administrative expenses increased by 58.6% from RMB107.5 million for the year ended 31 December 2021 to RMB170.5 million for the year ended 31 December 2022. The increase was primarily in line with the business advancement which mainly consists of (i) the increase in staff costs including salaries, bonus and welfare and share-based payment expenses, due to the increasing number of management and administrative employees; and (ii) the increase in office rental and other expenses.

### **Research and Development Costs**

Research and development costs increased by 92.5% from RMB392.6 million for the year ended 31 December 2021 to RMB755.8 million for the year ended 31 December 2022. The increase was primarily due to (i) the increase in staff costs including salaries, bonus and welfare and share-based payment expenses, due to the increasing number of research and development employees; (ii) the increase in costs of materials and consumables for research and development activities, brought by the registration and verification for Toumai and SkyWalker and the progression of the development of our other pipeline products; and (iii) the increase in rental and other expenses related to R&D.

The following table provides information regarding the breakdown of the research and development costs of the Group for the periods indicated:

	<b>For the year ended</b>	
	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Staff costs	<b>384,361</b>	190,015
Cost of materials and consumables	<b>240,325</b>	110,923
Contracting costs	<b>58,491</b>	56,635
Depreciation and amortization	<b>44,006</b>	8,311
Clinical trial expenses	<b>8,689</b>	15,833
Others	<b>19,930</b>	10,932
	<u><b>755,802</b></u>	<u>392,649</u>
<b>Total</b>	<u><b>755,802</b></u>	<u>392,649</u>

### **Other Operating Expenses**

Other operating expenses was RMB6.6 million for the year ended 31 December 2022. For the year ended 31 December 2021, other operating expenses represented expenses of RMB43.5 million in relation to the Listing.

### **Other Net Income**

For the year ended 31 December 2022, the Group recorded RMB42.1 million of other net income, compared to RMB24.7 million for the year ended 31 December 2021, which primarily consisted of (1) RMB26.7 million of interest income on financial assets measured at amortised cost; and (2) RMB11.6 million of government grants, primarily including government subsidies to support our research and development activities on surgical robots.

### **Net Gain/(loss) on Financial Instruments Carried at FVPL**

For the years ended 31 December 2022, the Group recorded a net loss of RMB27.0 million on financial instruments carried at FVPL as compared to a net gain of RMB45.5 million for the years ended 31 December 2021, which was primarily due to the decrease in fair value of our investment in NDR.

### **Finance Costs**

The finance costs of the Group increased from RMB5.4 million for the year ended 31 December 2021 to RMB11.4 million for the year ended 31 December 2022, primarily due to the increase in the interest on lease liabilities.

## Share of Losses of Equity-Accounted Investees

Share of losses of equity-accounted investees increased by 44.8% from RMB27.4 million for the year ended 31 December 2021 to RMB39.7 million for the year ended 31 December 2022. The Group had four equity-accounted investees. Share of losses of equity-accounted investees was mainly attributable to the above mentioned investees which are still in research and development stage, and recorded net loss during the Reporting Period.

## Non-HKFRS Measures

To supplement our unaudited consolidated statement of profit or loss and other comprehensive income which is presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), we also use adjusted net loss as a non-HKFRS measure, which is not required by HKFRS, or presented in accordance with IFRS. We believe that the presentation of non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful data to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items that do not affect our ongoing operating performance. Such non-HKFRS measure allows investors to consider metrics used by our management in evaluating our performance. However, the use of the non-HKFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

For illustrative purpose only, the following table shows our adjusted net loss and its reconciliation to loss for the periods indicated:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Loss for the year	(1,146,284)	(584,507)
Add:		
Share-based payment expenses <sup>(1)</sup>	136,919	91,199
Listing expenses <sup>(2)</sup>	—	40,526
Adjusted net loss for the year	<u>(1,009,365)</u>	<u>(452,782)</u>

### Notes:

- (1) Share-based payment expenses are regarded as non-cash items, arising from granting shares or share options to certain employees of the Group, the amount of which may not solely correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities.
- (2) Listing expenses are one-off expenses in relation to the Listing.

## **Inventories**

Inventories of the Group consist of raw materials, work-in-process and low value consumables. Our inventories increased from RMB109.9 million as at 31 December 2021 to RMB250.5 million as at 31 December 2022, which is primarily due to the Group commenced commercialization of products and commercial scale production during the year.

In addition, we are of the view that our inventories are mostly moving items that are suitable for sale. We also regularly monitor inventory level for slow-moving and obsolete items.

## **Lease Liabilities**

As at 31 December 2022, the Group's lease liabilities was RMB186.9 million, which were primarily related to the Group's leasing of properties for office premises, manufacturing and R&D.

## **Capital Expenditure**

Our capital expenditure amounted to RMB267.8 million during the Reporting Period, including the payments for property, plant and equipment and external equity investment.

## **Contingent Liabilities**

As at 31 December 2022, the Group did not have any contingent liabilities.

## **Employees and remuneration policies**

As of 31 December 2022, the Group had around 1,200 employees. During the Reporting Period, the staff cost recognised as expenses of the Group amounted to RMB612.9 million (2021: RMB285.8 million). The increase in staff costs was mainly due to the increase in the number of employees from 2021 to 2022.

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include a salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly

contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held in independently administrated funds managed by the relevant governments.

The Board will review and determine the remuneration and compensation packages of the Directors and senior management and will receive recommendations from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL MANAGEMENT**

### **Cash Position**

The cash and cash equivalents of the Group decreased from RMB1,940.8 million as at 31 December 2021 to RMB748.0 million as at 31 December 2022, primarily due to ongoing R&D activities and increasing marketing activities.

### **Capital Management**

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

### **Exposure to Foreign Exchange Fluctuation**

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. It is exposed to currency risk primarily from (i) purchases which give rise to payables that are denominated in a foreign currency and (ii) financing activities that are in Hong Kong dollars. Currently, it does not have a foreign currency hedging policy. However, the management would monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2022, the Group had cash and bank balances denominated in United States dollars and Hong Kong dollars of RMB0.7 million and RMB7.2 million (31 December 2021: RMB6.5 million and RMB191.1 million), respectively, all of which are subject to fluctuations in exchange rates.

## **Borrowings and Gearing Ratio**

As at 31 December 2022, the total interest-bearing borrowings of the Group amounted to RMB33.1 million, increased by RMB33.1 million as compared to nil as at 31 December 2021. As at 31 December 2022, the Group's net gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was 2.4%, as compared to nil as at 31 December 2021.

## **Net Current Assets**

The Group's net current assets as of 31 December 2022 were RMB773.5 million, as compared to RMB1,859.8 million as of 31 December 2021. Such decrease was mainly attributable to a decline in the Group's cash position resulting from its continued expenditures on research and development, clinical registration, and commercialization activities.

## **Charge on Assets**

As of 31 December 2022, there was no material charge on assets of the Group.



## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND USE OF NET PROCEEDS

### Initial Public Offering on the Stock Exchange

Net proceeds from the Listing (including the full exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately HK\$1,682.2 million (equivalent to approximately RMB1,375.4 million).

The Group intends to utilize the net proceeds raised from the Listing according to the plans set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. All the net proceeds from the Listing were remitted to the PRC and completed the foreign exchange settlement procedures in January 2022. As at 31 December 2022, the Company has utilized the net proceeds from the Listing for the following purposes:

The following table sets forth details of the net proceeds as at 31 December 2022:

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the over-allotment option		Unutilized net proceeds as at 1 January 2022	Actual use of net proceeds for the year ended 31 December 2022	Unutilized net proceeds as at 31 December 2022	Expected timeline of the intended use of proceeds
	HK\$'million	Approximate percentage	HK\$'million	HK\$'million	HK\$'million	
<b>For Toumai</b>	588.91	35.0	588.27	485.92	102.35	by the first half of 2023
— ongoing R&D activities of Toumai	336.52	20.0	335.88	302.51	33.37	by the first half of 2023
• for further refinement	33.65	2.0	33.01	32.97	0.04	by the first half of 2023
• for application expansion to gynecologic, thoracic and general surgeries	100.96	6.0	100.96	83.71	17.25	by the first half of 2023
• for product refinement per clinical feedback and product upgrade toward the next generation of Toumai	201.91	12.0	201.91	185.83	16.08	by the first half of 2023
— the commercialization of Toumai	252.39	15.0	252.39	183.41	68.98	by the first half of 2023
<b>For orthopedic surgical robots</b>	353.35	21.0	353.35	135.24	218.11	by the first half of 2023
— ongoing R&D of SkyWalker	168.26	10.0	168.26	66.91	101.35	by the first half of 2023
• for application expansion to other joint replacement procedures	92.54	5.5	92.54	43.32	49.22	by the first half of 2023
• for continuous refinements and upgrades	75.72	4.5	75.72	23.59	52.13	by the first half of 2023
— commercialization of SkyWalker	107.69	6.4	107.69	44.20	63.49	by the first half of 2023
— research and development of other orthopedic surgical robots	77.40	4.6	77.40	24.12	53.28	by the first half of 2023

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the over-allotment option		Unutilized net proceeds as at 1 January 2022	Actual use of net proceeds for the year ended 31 December 2022	Unutilized net proceeds as at 31 December 2022	Expected timeline of the intended use of proceeds
	HK\$'million	Approximate percentage	HK\$'million	HK\$'million	HK\$'million	
<b>For the Group's other product candidates</b>	319.69	19.0	319.41	223.75	95.66	by the first half of 2023
— (i) the development of our other pipeline products in other surgical specialties, including our trans-bronchial surgical robot and TAVR surgical robot and (ii) the development of new robotic technologies and products to replenish our pipeline	235.56	14.0	235.56	223.75	11.81	by the first half of 2023
— the development and commercialization of the surgical robots under our collaboration with international partners, including R-ONE with Robocath, ANT with NDR and Mona Lisa with Biobot	84.13	5.0	83.85	—	83.85	by the first half of 2023
<b>Enhance our manufacturing capacities and supply chain management capabilities</b>	84.13	5.0	84.13	58.30	25.83	by the first half of 2023
<b>Expand our product portfolio with innovative robotic technologies and products</b>	168.26	10.0	168.26	85.89	82.37	by the first half of 2023
<b>Working capital and general corporate purposes</b>	168.26	10.0	168.26	102.75	65.51	by the first half of 2023

The Directors were not aware of any material change to the planned use of proceeds as of 31 December 2022. The unutilized net proceeds and its following intended timeframe for utilization will be applied in the manner consistent with that mentioned in the Prospectus. Further details of the breakdown and description of the use of proceeds are set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

### **Proposed Issuance of A Shares and Listing on The STAR Market of The Shanghai Stock Exchange**

On 1 June 2022, the Company announced that it proposed to apply to the relevant PRC regulatory authorities for the allotment and issuance of not more than 116,062,930 A shares of the Company (“**A Shares**”), and proposed to apply to the Shanghai Stock Exchange for the listing and trading of A Shares on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market**”). On 21 June 2022, the Shareholders considered and approved the issuance of no more than 116,062,930 A Shares and the application to the Shanghai Stock Exchange for the listing and trading of A Shares on the STAR Market and relevant matters in the 2022 third extraordinary general meeting, the 2022 third domestic shares’ class meeting and the 2022 third H shareholders’ class meeting of the Company. The proposed issuance of A Shares is subject to, amongst other things, approval from the Shanghai Stock Exchange and registration with the China Securities Regulatory Commission.

Save as disclosed in this announcement the Group did not have any other immediate plans for material investments and capital assets as at 31 December 2022.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **CORPORATE GOVERNANCE PRACTICES**

The Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of the Shareholders. To accomplish this, the Company has adopted the CG Code and the associated Listing Rules after the Listing.

The Board reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in Part 2 of the CG Code during the Reporting Period.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

## **AUDIT COMMITTEE**

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Mui Wing Hong (chairman), Mr. Sun Xin and Dr. Li Minghua. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

The Audit Committee has reviewed together with the management of the Company the accounting principles and policies adopted by the Company and the annual results and the audited consolidated financial statements for the year ended 31 December 2022.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as the guidelines for the Directors' and Supervisors' dealings in the securities of the Company. Following specific enquiries to each of the Directors and Supervisors, all the Directors and Supervisors have confirmed their compliance with the required standards set out in the Model Code during the Reporting Period.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

During the Reporting Period and up to the date of this announcement, the Group had complied with the applicable laws, regulations and regulatory requirements of the places where the Group operates in all material respects.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed, there was no other significant investments or material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Company during the Reporting Period.

## **SUBSEQUENT EVENT**

As at the date of this announcement, the Group did not have any significant subsequent events after 31 December 2022.

## **PUBLIC FLOAT**

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public at all times during the Reporting Period and up to the date of this announcement as required under the Listing Rules.

## **ANNUAL GENERAL MEETING**

The Company will further determine the date, time and venue of the 2022 AGM. Details of the 2022 AGM, the book closure period for the 2022 AGM together with a notice convening the 2022 AGM will be published and despatched in the manner as required by the Listing Rules and the Articles of Association as soon as possible.

## **FINAL DIVIDEND**

The Directors do not recommend a final dividend for the Reporting Period.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.medbotsurgical.com>). The 2022 annual report of the Company will be despatched to Shareholders in due course and will also be available at the websites above at the same time.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

## **DEFINITIONS**

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

“2022 AGM”	the annual general meeting of the Company for 2022 to be convened and held in such manner to be determined by the Company
“Articles of Association”	the articles of association of the Company from time to time
“Audit Committee”	the audited committee of the Board
“Biobot”	Biobot Surgical Pte. Ltd., a company established in Singapore with limited liability on 28 August 2007
“Board”	the board of Directors
“CG Code”	the corporate governance code contained in Appendix 14 to Listing Rules
“Company” or “we” or “us” or “our”	Shanghai MicroPort MedBot (Group) Co., Ltd (上海微创医疗机器人(集团)股份有限公司), a company incorporated in the People’s Republic of China, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2252)
“Core Product” or “Toumai”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this announcement, our Core Product refers to, Toumai <sup>®</sup> (圖邁 <sup>®</sup> ) Laparoscopic Surgical Robot (registered name in China)
“DFVision”	DFVision <sup>®</sup> (蜻蜓眼 <sup>®</sup> ) 3D Electronic Laparoscope (registered name in China)

“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB
“EU”	European Union
“FDA”	the U.S. Food and Drug Administration
“Green Path”	the special approval procedure for innovative medical devices of the NMPA
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the main board of the Stock Exchange and such Domestic Shares converted into H Shares upon the Domestic Shares been approved for full circulation under the full circulation scheme
“Listing”	the listing of the H Shares on the main board of the Stock Exchange
“Listing Date”	2 November 2021, the date on which dealings in the H Shares on the Stock Exchange first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MicroPort”	MicroPort Scientific Corporation (微創醫療科學有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 14 July 2006 whose shares are listed on the Main Board of the Stock Exchange (stock code: 853)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules

“Mona Lisa”	iSR’obot <sup>®</sup> Mona Lisa Robotic Transperined Prostate Biopsy System (registered name in China)
“National Health Commission”	National Health Commission of the PRC
“NDR”	NDR Medical Technology Private Limited, a company incorporated in Singapore with limited liability on 20 October 2014.
“NMPA”	National Medical Products Administration of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall not include Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 21 October 2021
“R&D”	research and development
“Reporting Period”	the year ended 31 December 2022
“Robocath”	Robocath S.A.S, a company incorporated in France with limited liability on 9 October 2009
“R-ONE”	R-ONE Vascular Interventional Surgical Robot
“Shanghai Cathbot”	Cathbot (Shanghai) Robot Co., Ltd. (知脈(上海)機器人有限公司), a company established in the PRC with limited liability on 19 March 2021 which is owned as to 51% by our Company and 49% by Robocath
“Shanghai Intbot”	Shanghai Intbot Robotics Co., Ltd. (上海介航機器人有限公司), a company established in the PRC with limited liability on 12 March 2021 which is owned as to 40% by our Company, 30% by Biobot and 30% by Shanghai Lingmin Enterprise Consultation Center LLP (上海矜敏企業管理諮詢中心(有限合夥))
“Shanghai Targbot”	Shanghai Targbot Medtech Co., Ltd. (上海術航機器人有限公司), a company established in the PRC with limited liability on 4 February 2021 which is owned as to 41% by our Company, 39% by NDR and 20% by Shanghai Youlong Enterprise Consultation Center LLP (上海佑隆企業管理諮詢中心(有限合夥))
“Share(s)”	ordinary share(s) of the Company, comprising Domestic Shares and H Shares

“Shareholder(s)”	holder(s) of the Shares
“SkyWalker”	SkyWalker™ Orthopedic Surgical Robot (previously known as Honghu Orthopedic Surgical Robot)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“United States” or “US”	the United States of America
“%”	per cent

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

Shanghai, China, 29 March 2023

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