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Shanghai Kindly Medical Instruments Co., Ltd.*

上海康德萊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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2022 ANNUAL REPORT

Reference is made to the annual report of Shanghai Kindly Medical Instruments Co., Ltd.* published on April 13, 2023 (the “**2022 Annual Report**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Report. This announcement provides supplemental information to the Annual Report and should be read in conjunction with the 2022 Annual Report.

In relation to the Share Incentive Scheme and the particulars of the awards granted under the Share Incentive Scheme (on pages 32 to 34 of the 2022 Annual Report), the Company would like to provide the following supplemental information:

SHARE INCENTIVE SCHEME

Purpose of the Share Incentive Scheme

The purpose of the Share Incentive Scheme is to further establish and improve the incentive mechanism of the Company, fully mobilize the enthusiasm of the Company's management personnel and core backbone personnel at all levels, continuously introduce various excellent technological and senior management talents, and promote the realization of the Company's overall strategic goals at the same time, under the premise of fully protecting the interests of shareholders and pursuant to the current relevant laws and regulations, the Listing Rules and the Articles etc.

Lock-up Period

Restricted shares granted under the Share Incentive Scheme are subject to a lock-up period of 60 months. The lock-up period for the 2,000,000 Domestic Shares granted in the first phase of the Share Incentive Scheme is 60 months commencing from the date of completion of the registration of the granted shares with the China Securities Depository and Clearing Corporation Limited (the “CSDC”). The lock-up period for the 3,000,000 Shares granted subsequently is the same as that of the first grant, and the unlocking date is the same with that of the first grant.

Determination Basis of Grant Price

On the basis of completion of financial auditing and assets evaluation, and under the principle that the issuance price shall not be lower than the net assets per share of the Company as of 31 December 2019, taking into account the actual cost factors such as amount of capital contribution required to be paid by the Grantee in order to acquire the relevant restricted shares and tax obligations etc., the Company decided to determine the grant price of the RS to be RMB12 per Share, and calculate the price of each partnership interest based on the total interest of the employee shareholding platform.

Remaining Life of the Share Incentive Scheme

The Share Incentive Scheme will expire at the 10th anniversary of the date when the Share Incentive Scheme was approved at the extraordinary general meeting of the Company on 17 December 2020.

Details of the Restricted Shares granted and to be granted under the Share Incentive Scheme are set out below (supplements are shown in underline):

Name of grantee	Category of grantee	Date of grant	Lock-up period	<u>Exercise Period</u>	<u>Vesting Period</u>	As at 1 January 2022	Granted during the Reporting Period	Attributed during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	As at 31 December 2022	Grant Price	<u>Fair value of the awards as at the date of grant</u>
Dr. Liang Dongke	Director and general manager	August 19, 2021	60 months from completion of the share registration with the CSDC	<u>12 months after obtaining the CSRC approval</u>	<u>Nil</u>	3,234,300	Nil	Nil	Nil	Nil	3,234,300	RMB12.0	<u>RMB14.81</u>
Mr. Lin Sen	Director	August 19, 2021	60 months from completion of the share registration with the CSDC	<u>12 months after obtaining the CSRC approval</u>	<u>Nil</u>	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	<u>RMB14.81</u>
Dr. Song Yuan	Director	August 19, 2021	60 months from completion of the share registration with the CSDC	<u>12 months after obtaining the CSRC approval</u>	<u>Nil</u>	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	<u>RMB14.81</u>

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Mr. Wang Ruiqin	Director	August 19, 2021	60 months from completion of the share registration with the CSDC	<u>12 months after obtaining the CSRC approval</u>	Nil	100,000	Nil	Nil	Nil	Nil	100,000	RMB12.0	<u>RMB14.81</u>
Others	Employees	August 19, 2021	60 months from completion of the share registration with the CSDC	<u>12 months after obtaining the CSRC approval</u>	Nil	1,382,500	Nil	Nil	Nil	Nil	1,382,500	RMB12.0	<u>RMB14.81</u>

By order of the Board
Shanghai Kindly Medical Instruments Co., Ltd.*
 上海康德萊醫療器械股份有限公司
Dr. Liang Donke
Chairman

Shanghai, PRC
 5 October 2023

As at the date of this announcement, the Board comprises Dr. Liang Dongke and Mr. Lin Sen as executive Directors, Mr. Zhang Weixin, Ms. Chen Hongqin, Dr. Song Yuan and Mr. Wang Ruiqin as non-executive Directors, and Mr. Jian Xigao, Mr. Hui Hung Kwan and Mr. Xu Congli as independent non-executive Directors.

* For identification purposes only