
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MicroTech Medical (Hangzhou) Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MicroTech Medical (Hangzhou) Co., Ltd. 微泰醫療器械(杭州)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 2235)

- (1) 2023 ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS FOR 2023;
- (2) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023;
- (3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023;
- (4) FINAL ACCOUNT REPORT FOR 2023;
- (5) PROPOSED 2023 PROFIT DISTRIBUTION PLAN;
- (6) WORK REPORT OF THE INDEPENDENT
NON-EXECUTIVE DIRECTORS FOR 2023;
- (7) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR 2024;
- (8) PROPOSED REDUCTION OF THE REGISTERED CAPITAL;
- (9) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (10) GENERAL MANDATE TO ISSUE SHARES;
- (11) GENERAL MANDATE TO REPURCHASE H SHARES; AND
- (12) NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

The AGM of the Company will be convened at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China on Friday, May 17, 2024 at 2:30 p.m., notices of which are set out on pages 31 to 33 of this circular. The proxy form for use at the AGM are enclosed herein, which were also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.microtechmd.com).

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and return it to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the AGM (i.e. not later than May 16, 2024 at 2:30 p.m. (Hong Kong time) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

For joint shareholders of any Shares, only the joint shareholder whose name appears first in the register of members is entitled to accept the certificate for the relevant shares from the Company, and receive notices or other documents of the Company. Any notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares. Any joint shareholder may sign the proxy form, provided that if more than one joint shareholders who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. In this regard, the priority of shareholders shall be determined by the ranking of joint holders in the Company's register of members in relation to the relevant shares.

This circular together with the form of proxy are also published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.microtechmd.com). References to time and dates in this circular are to Hong Kong time and dates.

April 25, 2024

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SPECIAL ARRANGEMENTS FOR THE AGM

Shareholders will be able to view and listen to the AGM through a live webcast on a computer, tablet or any browser enabled device. Shareholders who attend the AGM online will not be counted to the quorum of the AGM. Shareholders will need to complete the following steps to be able to access the live webcast of the AGM of the Company:

ACCESSING PROCEEDINGS OF THE AGM BY TENCENT MEETING/VOOV MEETING

For Shareholders who would like to view and listen to the AGM live webcast, you will need to register by sending an email to both ir@microtechmd.com and zhengdai@microtechmd.com providing personal particulars as follows:

- (a) full name (with relevant identification documents);
- (b) registered address;
- (c) number of Shares held (with relevant supporting documents);
- (d) contact telephone number; and
- (e) email address,

no later than 2:30 p.m. on May 15, 2024 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) to enable the Company to verify the Shareholders' identity. Authenticated Shareholders will receive an email confirmation no later than 2:30 p.m. on May 16, 2024 which contains a link to join the live webcast of the AGM.

Please keep the link in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the link.

VOTE BY APPOINTING A PROXY

All resolutions at the AGM and will be decided on a poll. Shareholders who wish to vote are strongly encouraged to appoint the chairman of the AGM as their proxy to vote on the relevant resolution(s) at the AGM by completing and returning the proxy form in accordance with the instructions therein by a time not less than 24 hours before the time appointed for the AGM (i.e. 2:30 p.m. on Thursday, May 16, 2024), if they have not already done so. Alternatively, Shareholders may attend the AGM and vote in person.

SPECIAL ARRANGEMENTS FOR THE AGM

The proxy form can be downloaded from the section of “Investor Relations” of the Company’s website (www.microtechmd.com) or the website of the Stock Exchange (www.hkexnews.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

QUESTIONS FROM SHAREHOLDERS

Shareholders may submit any questions they may have in advance in relation to any resolution set out in the notice of AGM by 2:30 p.m. on May 15, 2024 (being not less than forty-eight (48) hours before the date appointed for holding the AGM) via email to both ir@microtechmd.com and zhengdai@microtechmd.com providing personal particulars as follows for verification purposes:

- (a) full name (with relevant identification documents);
- (b) registered address;
- (c) number of Shares held (with relevant supporting documents);
- (d) contact telephone number; and
- (e) email address.

VENUE OF THE AGM

The AGM will be held at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China.

CHANGES TO ARRANGEMENTS

Should any changes be made to the arrangements of the AGM, we will notify Shareholders via an announcement posted on the Company’s website (www.microtechmd.com) and the website of the Stock Exchange (www.hkexnews.hk).

If Shareholders have any questions relating to the AGM, please contact the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

DEFINITIONS

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

“2023 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2023
“Amended Articles of Association”	the version incorporating all the Proposed Amendments to the Articles of Association
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China on Friday, May 17, 2024 at 2:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 31 to 33 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board” or “Board of Directors”	the board of Directors of the Company
“Company” or “Issuer”	MicroTech Medical (Hangzhou) Co., Ltd. (微泰醫療器械(杭州)股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, which are subscribed for or credited as paid in Renminbi
“Employee(s)”	any employee(s) (including without limitation any executive director) of any member of the Group
“General Mandate”	the general mandate granted or to be granted by the Shareholders at general meetings or by way of written resolution(s) (as the case may be) from time to time
“H Shareholder(s)”	holder(s) of H Shares
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange

DEFINITIONS

“H Share Registrar”	Tricor Investor Services Limited, the H Share registrar of the Company
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue or otherwise deal with new Shares (including any sale or transfer of treasury Shares out of treasury) not exceeding 20% of the total number of shares of the respective classes of Shares in issue as at the date of passing the relevant resolution approving such mandate
“Latest Practicable Date”	April 18, 2024, being the latest practicable date for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan of the PRC
“Proposed Amendments to the Articles of Association”	the proposed amendments to the articles of association of the Company, details of which are set forth in Appendix IV to this circular
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase H Shares during the relevant period not exceeding 10% of the total number of H Shares in issue (excluding any treasury Shares) as at the date of passing of the relevant resolution approving such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	Shareholder(s) of the Company

DEFINITIONS

“Shareholder(s) of Unlisted Shares”	holder(s) of Unlisted Shares
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	Member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“treasury Shares”	has the meaning ascribed to it under the Listing Rules which will come into effect on June 11, 2024 and as amended from time to time
“Unlisted Share(s)”	unlisted ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each
“%”	percent

LETTER FROM THE BOARD



MicroTech Medical (Hangzhou) Co., Ltd.

微泰醫療器械(杭州)股份有限公司

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

(Stock code: 2235)

Executive Directors:

Dr. Zheng Pan (*Chairman*)

Dr. Yu Fei

Dr. Shi Yonghui

Ms. Liu Xiu

Registered Office:

No. 108 Liuze Street

Cangqian Street

Yuhang District, Hangzhou

Zhejiang, China

Non-executive Directors:

Mr. Mao Shuo

Ms. Gao Yun

*Headquarters and Principal Place
of Business in the PRC:*

No. 108 Liuze Street

Cangqian Street

Yuhang District, Hangzhou

Zhejiang, China

Independent Non-executive Directors:

Dr. Li Lihua

Ms. Wang Chunfeng

Mr. Ho Kin Cheong Kelvin

Dr. Cheng Hua

*Principal Place of Business
in Hong Kong:*

40th Floor

Dah Sing Financial Centre

No.248 Queen's Road East

Wanchai, Hong Kong

April 25, 2024

To the Shareholders

Dear Sir or Madam,

- (1) 2023 ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS FOR 2023;**
- (2) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023;**
- (3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023;**
- (4) FINAL ACCOUNT REPORT FOR 2023;**
- (5) PROPOSED 2023 PROFIT DISTRIBUTION PLAN;**
- (6) WORK REPORT OF THE INDEPENDENT
NON-EXECUTIVE DIRECTORS FOR 2023;**
- (7) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR 2024;**
- (8) PROPOSED REDUCTION OF THE REGISTERED CAPITAL;**
- (9) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (10) GENERAL MANDATE TO ISSUE SHARES;**
- (11) GENERAL MANDATE TO REPURCHASE H SHARES; AND**
- (12) NOTICE OF THE ANNUAL GENERAL MEETING OF 2023**

LETTER FROM THE BOARD

I. INTRODUCTION

The AGM will be held at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China on May 17, 2024 at 2:30 p.m., the notice of which is set out on pages 31 to 33 of this circular.

The purpose of this circular is to provide you with the information of certain resolutions to be considered at the AGM, so as to enable you to make an informed decision as to whether voting in favor of or against such resolutions.

II. MATTERS TO BE RESOLVED AT THE AGM

Resolutions to be proposed at the AGM for the Shareholders' consideration and approval by way of ordinary resolutions include: (1) the 2023 annual report and audited financial statements for 2023; (2) the work report of the Board of Directors for 2023; (3) the work report of the Supervisory Committee for 2023; (4) the final account report for 2023; (5) the proposed 2023 Profit Distribution Plan; and (6) the proposed re-appointment of the auditor for 2024 and the authorization to the Board of Directors to fix the remuneration of the auditor.

Resolutions to be proposed at the AGM for the Shareholders' consideration and approval by way of special resolutions include: (7) the proposed reduction of the registered capital; (8) the proposed Amendments to the Articles of Association; (9) general mandate to issue Shares; and (10) general mandate to repurchase H Shares.

Proposal to be proposed at the AGM for the Shareholders' review which is not subject to resolution by the Shareholders includes: (11) the work report of the independent non-executive Directors for 2023.

Details of the matters to be resolved at the AGM are set out in the notice of the AGM on pages 31 to 33 of this circular. To enable you to get a better understanding of the resolutions to be proposed at the AGM and make informed decisions with sufficient and necessary information, we have provided particulars thereon in this circular and the accompanying appendices.

ORDINARY RESOLUTIONS

(1) 2023 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2023

The 2023 annual report has been considered and approved by the Board on March 27, 2024, and is hereby proposed at the AGM for consideration. The annual report has been published on the websites of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.microtechmd.com>).

LETTER FROM THE BOARD

(2) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Board for 2023, the full text of which shall be set out in the 2023 Annual Report.

(3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023

The work report of the Supervisory Committee for 2023, as set out in Appendix II to this circular, has been considered and approved by the Board on March 27, 2024, and is hereby proposed at the AGM for consideration.

(4) FINAL ACCOUNT REPORT FOR 2023

The final account report for 2023, as set out in Appendix III to this circular, has been considered and approved by the Board on March 27, 2024, and is hereby proposed at the AGM for consideration.

(5) PROPOSED 2023 PROFIT DISTRIBUTION PLAN

Based on the consolidated operating results, financial position and future development of the Company, the Board recommended not to distribute the final dividend for 2023.

The above profit distribution plan for 2023 has been considered and approved by the Board on March 27, 2024, and is hereby proposed at the AGM.

(6) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR 2024 AND THE AUTHORIZATION TO THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE AUDITOR

In line with the requirements of the Articles of Association and the auditing tasks of the Company, the Company proposes to re-appoint Pan-China Certified Public Accountants LLP to be the auditor of the Company for 2024 with a term of one year. The Company confirmed to pay Pan-China Certified Public Accountants LLP an audit fee of RMB641.51 thousands (including audit fees incurred by each subsidiary) for their services rendered in 2023 and it will be proposed at the AGM to authorize the Board or person(s) authorized by the Board to determine the remuneration of Pan-China Certified Public Accountants LLP as auditor of the Company for 2023. The resolution in relation to re-appointment of auditor for 2024 and their remuneration for 2023 has been considered and approved by the Board on March 27, 2024, and is hereby proposed at the AGM for consideration.

LETTER FROM THE BOARD

SPECIAL RESOLUTIONS

(7) PROPOSED REDUCTION OF THE REGISTERED CAPITAL

In order to further safeguard the interests of Shareholders, in light of the market situation and the actual situation of the Company, in accordance with the Company Law of the PRC, the Listing Rules and other relevant regulations, the Board of Directors intends to cancel all the 4,604,600 Shares deposited in the special securities account for repurchase and reduce the registered capital accordingly. After the completion of the cancellation, the total registered capital of the Company will be changed from 425,742,600 Shares to 421,138,000 Shares, and the H share capital will be changed from 173,840,442 Shares to 169,235,842 Shares, and the registered capital will be changed from RMB425,742,600 to RMB421,138,000 accordingly. The cancellation of repurchase of Shares are subject to the Shareholders' approval by way of special resolution at the AGM, and there is uncertainty. The details are set out below:

A. Share repurchase plan and implementation status

The Company held the 16th meeting of its first session of the Board of Directors on October 15, 2023, and approved the proposal on the repurchase of Shares. It was agreed that the Company would use no more than HKD150 million to repurchase no more than 17.384044 million H Shares at a price not exceeding 5% of the average closing price of the 5 trading days prior to each repurchase date. The repurchased H Shares would be deregistered in accordance with the provisions of the Company Law of the PRC, and the registered capital of the Company would be reduced accordingly.

The Company repurchased a total of 4,604,600 Shares on November 24, 27, 28, 29 and 30, 2023, December 1, 4, 5, 6, 7, 8, 11, 12, 13, 20, 21, 22, 27, 28 and 29, 2023, January 2, 3, 4, 5, 8, 9, 11, 12, 22, 23, 24, 26, 30 and 31, 2024, February 1, 2, 5, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22 and 23, 2024 from November 24, 2023 to February 23, 2024.

B. The reason and content of the cancellation and repurchase of Shares

According to the Company Law of the PRC and the Company's share repurchase plan, the H Shares repurchased by the Company will be deregistered in accordance with the provisions of the Company Law of the PRC, and the registered capital of the Company will be reduced accordingly. Taking into account the overall business strategy of the Company, in order to protect the interests of the majority of Shareholders and improve shareholder investment returns, the Company plans to cancel 4,604,600 Shares held in its dedicated securities account and reduced its registered capital.

LETTER FROM THE BOARD

C. Changes in share capital structure after the completion of the Share cancellation

Nature of Shares	Shares before the change Quantity (Shares)	The proposed cancellation of Shares Quantity (Shares)	Shares after the change Quantity (Shares)
Unlisted Shares	251,902,158	—	251,902,158
H Shares	173,840,442	4,604,600	169,235,842
Total Share Capital	425,742,600	4,604,600	421,138,000

Note: This table is the preliminary calculation result of the Company. The share capital structure after this deregistration is subject to the final processing result.

D. The impact of the cancellation of Shares and the reduction of registered capital on the Company

The cancellation and repurchase of Shares is a decision made based on the actual situation of the Company. After the completion of share cancellation, the distribution of the Company's Shares still meets the listing conditions, does not affect the Company's listing status, and will not have a substantial impact on the Company's financial condition and operating results.

(8) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As (i) the Company intends to cancel a total of 4,604,600 shares of the Company repurchased from the open market from November 24, 2023 to February 23, 2024, and to reduce the Company's registered capital from RMB425,742,600 to RMB421,138,000 accordingly; and (ii) the Company is required to comply with the filing requirements of the Market Supervision Administration of Zhejiang Province to clarify its chief financial officer as the person in charge of financial matters of the Company, and to specify the number of deputy general managers as three, the Board proposes the Proposed Amendments to the Articles of Association to amend its Articles of Association.

The details of the Proposed Amendments to the Articles of Association, which have been prepared in Chinese, are set out in Appendix IV to this circular. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association are subject to the Shareholders' approval by way of special resolutions at the AGM.

LETTER FROM THE BOARD

(9) GENERAL MANDATE TO ISSUE SHARES

In accordance with the requirements of relevant laws, regulations, the Listing Rules and other normative documents, and based on the practices of the capital market, it is proposed at the AGM to grant the Board a general mandate to issue Shares, to allot, issue or otherwise deal with additional Unlisted Shares and the H Shares of not more than 20% of the respective total issued number of the Unlisted Shares and the H Shares, and authorize the Board to make corresponding amendments to the Articles of Association as it deems appropriate to reflect the capital structure of the Company as a result of the additional Shares allotted or issued under such mandate. Details are as follows:

A. Subject of mandate

The specific scope of the mandate includes but not limited to:

- (a) granting of a general mandate to the Board, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with additional Unlisted Shares and/or H Shares during the Relevant Period (as defined below), and each of the number of the Unlisted Shares and/or H Shares to be allotted or agreed conditionally or unconditionally to be allotted by the Board shall not exceed 20% of the respective number of Unlisted Shares and/or H Shares in issue on the date of passing of such resolution at the AGM (including but not limited to ordinary shares, preference shares, securities convertible into Shares, options and warrants or similar right which may subscribe for any Share or above convertible securities or any sale or transfer of treasury Shares out of treasury), and decide to make or grant offers for sale, offers, agreements, share options, power to exchange for or convert into Shares or other powers as required or may be required to allot Shares. Notwithstanding the Issue Mandate as set out above, provided that the allotment of Shares will effectively alter the control of the Company, the Board is required to obtain prior authorization at a general meeting by way of a special resolution to allot such Shares;
- (b) the Board be authorized to formulate and implement detailed issuance plan in the exercise of the above-mentioned Issue Mandate, including but not limited to the class of new shares to be issued, pricing mechanism and/or issuance/conversion/exercise price (including price range), form of issuance, number of shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to allot shares to existing Shareholders;

LETTER FROM THE BOARD

- (c) the Board be authorized to engage professional advisers for matters related to the issuance, and to approve and execute all acts, deeds, documents and other related matters which are necessary, appropriate or advisable for share issuance; to approve and execute, on behalf of the Company, agreements related to the issuance, including but not limited to underwriting agreements, placing agreements, engagement agreements of professional advisers;
- (d) the Board be authorized to approve and execute, on behalf of the Company, documents in connection with the issuance of Shares to be submitted to relevant regulatory authorities, to carry out relevant approval procedures required by regulatory authorities and place where the Company is listed, and to complete all necessary filings, registrations and records procedures with the relevant government authorities of the PRC, Hong Kong and/or any other regions and jurisdictions (if applicable);
- (e) the Board be authorized to amend, as required by regulatory authorities within or outside the PRC, the related agreements and statutory documents; and
- (f) the Board be authorized to increase the registered capital of the Company after the issuance and to make corresponding amendments to the Articles of Association relating to share capital and shareholdings, etc., and to authorize the operating management of the Company to carry out the relevant procedures.

B. Term of the mandate

Except that the Board may make or grant offers, agreements, options during the Relevant Period (as defined below) in relation to the issuance of Shares, which might require further promotion or implementation after the end of the Relevant Period, the exercise of the Issue Mandate shall be within the Relevant Period.

The “Relevant Period” represents the period from the approval of the resolution as a special resolution at the AGM until the earliest of:

- (a) conclusion of the next annual general meeting of the Company;
- (b) expiration of the 12-month period from the date on which the resolution is approved at the AGM;
- (c) the revocation or variation of the Issue Mandate under the resolution by a special resolution at any general meeting of the Company.

LETTER FROM THE BOARD

The Board may only exercise the issuance plan in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules or all applicable laws, regulations and provisions of any other governments or regulatory authorities, and subject to obtaining approvals from the relevant government agencies.

As at the date of this circular, the proposed amendments to the Listing Rules in relation to treasury shares have not become effective. The Company will only use the Issuance Mandate to sell or transfer the treasury Shares held by the Company from time to time (if any) according to the needs of the Company after the relevant amendments to the Listing Rules relating to treasury shares come into effect.

(10) GENERAL MANDATE TO REPURCHASE H SHARES

In accordance with the requirements of relevant laws, regulations, the Listing Rules and other normative documents, in order to provide flexibility to the Directors in any event that it becomes desirable to repurchase H Shares, it is proposed at the AGM to grant the Board a general mandate to repurchase H Shares issued on the Stock Exchange with an aggregate nominal value of not exceeding 10% of the aggregate nominal value of H Shares in issue and to authorize the Board to do all such deeds, acts, matters and business necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares. Details are as set out below:

A. Subject of the mandate

The specific scope of the mandate includes but not limited to:

- (a) granting of a conditional general mandate to the Board to repurchase H Shares in issue at the Stock Exchange in accordance with market conditions and needs of the Company, provided that the number of repurchased H Shares shall not exceed 10% of the total number of H Shares in issue (excluding any treasury Shares) on the date of passing the special resolution at the AGM;
- (b) the Board be authorized to do all such deeds, acts, matters and business necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares, including but not limited to amendments to the Articles of Association and the cancellation of the repurchased H Shares after such general mandate has been exercised.

The Company Law of the PRC (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for, among others, (a) reducing its share capital; (b) a merger with another entity that holds the shares of the Company; (c) granting shares for the employee stock ownership plan or share incentive; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the

LETTER FROM THE BOARD

repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. The Articles of Association provide that, subject to obtaining the approval of the relevant regulatory authorities and complying with the Articles of Association, share repurchase may be effected by the Company for the reduction of its share capital, a merger between itself and another entity that holds its shares, the employee stock ownership plan or share incentive, the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company, the conversion of convertible corporate bonds issued by the listed company, maintenance of the value of the company and the interests of its shareholders, or in circumstances permitted by law or administrative regulations.

The Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Board to repurchase H shares of such company that is listed on the Stock Exchange. Such Repurchase Mandate is required to be given by way of a special resolution passed by shareholders at the AGM.

As the H Shares are traded on the Stock Exchange in Hong Kong Dollars and the price payable by the Company for any repurchase of H Shares will, therefore, be paid in Hong Kong Dollars, the approvals of SAFE and other relevant government authorities are required for any repurchase of H Shares.

In accordance with the requirements of the Articles of Association applicable to capital reduction, if the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared. Prior to exercising the Repurchase Mandate, the Company will have to notify its creditors in writing of the passing of such special resolutions and the possible reduction of the registered capital of the Company. The Company shall notify its creditors within 10 days after the passing of such special resolutions and also by way of publication of announcement in newspaper within 30 days after the passing of such special resolutions. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 45 days after the first publication of the newspaper announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

B. Conditions precedent

The repurchase is conditional upon satisfaction of each of the following condition:

- (a) the special resolution regarding the grant of the Repurchase Mandate having been approved at the AGM and Class Meetings;
- (b) the Company having obtained the approval from and/or filed to the SAFE (or its successor authority) and/or any other regulatory authorities (if applicable) as may stipulated under the PRC laws, rules and regulations; and

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- (c) the Company has not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the provisions of the Articles of Association. If the Company determines to repay any amount to any of its creditors in circumstances described under conditions above, it expects to do so out of its internal resources. The Board will not exercise the Repurchase Mandate if the abovementioned conditions are not satisfied.

C. Term of the mandate

The term of the Repurchase Mandate shall commence from consideration and approval at the AGM until the following dates (whichever is earlier):

- (a) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the revocation or variation of the Repurchase Mandate under the resolution by a special resolution at the next general meeting of the Company.

An explanatory statement containing all the information relating to the Repurchase Mandate is set out in Appendix I to this circular, which provides you with information reasonably required to make an informed decision as to whether voting in favor of or against the resolution regarding the grant of the Repurchase Mandate to the Board.

AS REPORTING DOCUMENT

(11) WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2023

The work report of the independent non-executive Directors for 2023, as set out in Appendix V to this circular, has been reviewed by the Board on March 27, 2024, and is hereby proposed at the AGM for review by the Shareholders, which is not subject to resolution.

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III. AGM

The notice convening the AGM at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China on May 17, 2024 at 2:30 p.m. is set out on pages 31 to 33 in this circular.

The proxy form for use at the AGM is enclosed in this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.microtechmd.com).

If you intend to attend the AGM by proxy, you are required to return the duly completed accompanying proxy form according to the instructions printed thereon. Shareholders who intend to attend the AGM by proxy are required to duly complete the proxy form and return the same to Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or the Company's office at No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China (for holders of Unlisted Shares) as soon as practicable but in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than May 16, 2024 at 2:30 p.m.), or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM.

IV. CLOSURE OF REGISTER OF MEMBERS

The register of members of H Shares has been scheduled to close from Monday, May 13, 2024 to Friday, May 17, 2024, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming AGM. To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, May 10, 2024 for registration.

V. VOTING BY POLL

All resolutions to be proposed at the AGM will be decided by way of poll. The Company shall publish an announcement in respect of the poll results of the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, save as otherwise disclosed in this circular, no other Shareholders are required to abstain from voting at the AGM.

LETTER FROM THE BOARD

VI. RECOMMENDATIONS

The Directors consider that all resolutions set out in the notice of Annual General Meeting for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

VII. RESPONSIBILITY STATEMENT

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

Yours faithfully,
By order of the Board
MicroTech Medical (Hangzhou) Co., Ltd.
Zheng Pan
Chairman of the Board

The following is an explanatory statement, as required by the Listing Rules, to provide you with the requisite information for your consideration to vote for or against the special resolution to be proposed at the AGM in relation to the Repurchase Mandate.

I. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 173,840,442 H Shares (including 4,664,600 H Shares repurchased on the Stock Exchange which had not been cancelled as of the Latest Practicable Date), 208,205,474 Domestic Shares and 43,696,684 Unlisted Foreign Shares with a nominal value of RMB1.00 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the AGM, a maximum of 16,917,584 H Shares which represent the Company may repurchase pursuant to the Repurchase Mandate 10% of the total number of H Shares in issue (excluding 4,664,600 H Shares repurchased on the Stock Exchange which had not been cancelled as of the Latest Practicable Date) as at the date of passing of the relevant resolution at the AGM.

II. REASONS AND FUNDING OF THE REPURCHASE OF SHARES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its H Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules and the applicable PRC laws and regulations. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for under the PRC laws.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate were to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital and the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining and in the best interest of the Company.

III. GENERAL

To the best of their knowledge and belief, having made all reasonable enquiries, none of the Directors or any of their close associates (as defined in the Listing Rules), currently intends to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders and is exercised.

The Directors have undertaken that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable PRC laws and regulations.

The Company may cancel such repurchased Shares or hold them as treasury Shares (subject to the relevant Listing Rules relating to treasury Shares coming into effect), subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

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

The Company confirms that neither the explanatory statement nor the Repurchase Mandate has unusual features.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is granted by the Shareholders at the AGM.

IV. TAKEOVERS CODE

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any consequences which would arise under the Takeover Codes as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that would result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% as required under the Listing Rules.

V. SHARE REPURCHASE MADE BY THE COMPANY

The Company had purchased its H Shares on the Stock Exchange during six months immediately preceding the Latest Practicable Date, the details of which were as follows:

Date	Number of Shares repurchased	Price per Share	
		Highest price HK\$	Lowest price HK\$
November 24, 2023	40,000	4.52	4.46
November 27, 2023	150,000	4.40	4.28
November 28, 2023	200,000	4.50	4.35
November 29, 2023	174,000	4.50	4.43
November 30, 2023	150,000	4.60	4.33
December 1, 2023	86,000	4.60	4.42
December 4, 2023	195,700	4.65	4.29
December 5, 2023	193,700	4.72	4.65
December 6, 2023	200,000	4.75	4.32
December 7, 2023	30,100	4.74	4.70
December 8, 2023	33,400	4.66	4.51
December 11, 2023	72,900	4.54	4.13
December 12, 2023	101,900	4.50	4.36
December 13, 2023	11,900	4.50	4.45
December 20, 2023	185,200	5.30	5.00
December 21, 2023	236,000	5.55	5.37
December 22, 2023	527,700	5.71	5.49
December 27, 2023	90,900	5.87	5.75
December 28, 2023	27,200	6.03	5.91
December 29, 2023	597,200	6.27	6.08
January 2, 2024	116,500	6.25	6.15
January 3, 2024	59,200	6.05	5.90
January 4, 2024	40,000	6.04	5.96
January 5, 2024	102,900	5.93	5.48
January 8, 2024	46,000	5.70	5.48
January 9, 2024	45,000	5.64	5.49
January 11, 2024	30,000	5.39	5.20
January 12, 2024	31,200	5.20	5.10

Date	Number of Shares repurchased	Price per Share	
		Highest price HK\$	Lowest price HK\$
January 22, 2024	23,000	4.27	4.18
January 23, 2024	54,700	4.29	4.17
January 24, 2024	38,000	4.28	4.17
January 26, 2024	37,100	4.30	4.12
January 30, 2024	32,000	4.30	4.16
January 31, 2024	63,300	4.18	3.81
February 1, 2024	34,000	4.40	4.06
February 2, 2024	59,700	4.36	4.19
February 5, 2024	34,700	4.30	4.11
February 6, 2024	44,000	4.39	4.16
February 7, 2024	92,900	4.40	4.15
February 8, 2024	66,600	4.38	4.10
February 9, 2024	20,500	4.40	4.35
February 14, 2024	7,700	4.35	4.20
February 15, 2024	6,000	4.38	4.20
February 16, 2024	2,700	4.40	4.25
February 19, 2024	5,000	4.29	4.20
February 20, 2024	111,000	4.20	3.97
February 21, 2024	25,300	4.10	3.85
February 22, 2024	35,600	4.22	3.80
February 23, 2024	36,200	4.25	4.00
March 28, 2024	28,200	4.19	4.09
April 9, 2024	<u>31,800</u>	4.10	3.92
	<u><u>4,664,600</u></u>		

VI. SHARE PRICES

The highest and lowest traded prices for the Shares recorded on the Stock Exchange during the twelve months immediately preceding the Latest Practicable Date were as follows:

Month	Highest traded prices <i>HK\$</i>	Lowest traded prices <i>HK\$</i>
2023		
April	7.60	6.75
May	7.01	6.06
June	6.40	5.19
July	5.35	5.00
August	6.80	4.02
September	4.73	3.40
October	4.66	3.45
November	4.73	4.00
December	6.40	4.13
2024		
January	6.28	3.76
February	4.41	3.80
March	4.28	3.82
April (up to the Latest Practicable Date)	4.55	3.88

With the collaborative effort from all Supervisors, the Supervisory Committee conscientiously performed the duties and responsibilities granted by relevant laws and regulations, actively and effectively carried out the work, supervised the lawful operation of the Company and the performance of duties by the Directors and senior management of the Company, and safeguarded the legitimate rights and interests of the Company as well as its Shareholders in the spirit of being responsible to all Shareholders pursuant to the laws and regulations such as the Company Law of the People's Republic of China (the "**Company Law**"), and the provisions of the Articles of Association and the Rules of Procedures for Meeting of the Supervisory Committee.

The Supervisory Committee's duties for 2023 and work plan for 2024 are hereby reported as follows:

I. DUTIES OF SUPERVISORY COMMITTEE

In 2023, the Supervisory Committee has convened and held five meetings pursuant to the laws. The procedures for notifying, convening and voting at the meetings were in compliance with the requirements of the Company Law and relevant laws and regulations as well as the Articles of Association and the Rules of Procedures for Meeting of the Supervisory Committee. The duties of the Supervisory Committee mainly included:

- (1) Attend general meetings of the Company to understand the operation of the general meetings;
- (2) Attend the meetings of the Board to understand the operation of the Board;
- (3) Review the financial reports of the Company and the audit reports submitted by the accounting firm; and
- (4) Supervise the lawful operation of the Company and internal control.

II. OPINIONS OF THE SUPERVISORY COMMITTEE FOR 2023

(i) Lawful Operation

The Board and senior management of the Company operated in strict compliance with the relevant provisions of the Company Law and the Articles of Association, diligently and responsibly performed their duties with a scientific and reasonable decision-making process, and earnestly implemented each resolution of the general meetings of the Company. The Supervisory Committee was not aware of any illegal act or acts against the interests of the Company.

(ii) Financial Position of the Company

The Supervisory Committee has reviewed and approved the audited consolidated financial report for the year ended December 31, 2023, and is of the view that the financial statements of the Company has given an objective and true view of the financial position and the operating results of the Company and do not contain false representations, misleading statements and material omissions.

(iii) Internal Control

Based on the relevant provisions of the Company Law and the Articles of Association together with its actual condition, the Company has set up its internal management and internal control system, which ensures the normal operation of the Company. The Company has a complete internal control organization which ensures that the implementation and supervision of the internal control of Company are fully effective.

(iv) Integrity and Self-discipline

The Directors and senior management of the Company are law-abiding, honest and act with integrity, and have not been found to have committed any illegal acts for their personal interests.

III. WORK PLAN FOR 2024

The Supervisory Committee will further standardize the work of the Supervisory Committee in accordance with the Company Law, Articles of Association and relevant laws and regulations, and intensify its supervision efforts to protect the rights and interests of the Company and its shareholders:

- (1) To attend the general meetings of the Company, to keep abreast of the operation of the general meetings and the business decisions of the Company, and to ensure the standardized operation of the Company.
- (2) To attend meetings of the Board of Directors of the Company and to continue to actively participate in various working meetings organized by the Company, so as to keep abreast of the operation of the Board of Directors and the development of the Company's business operations and to ensure the standardized operation of the Company.
- (3) To further strengthen the supervision and inspection of the Company's financial situation.
- (4) To exercise supervision over the directors and senior management of the Company in respect of their compliance with the law and their diligence.

FINAL ACCOUNT REPORT FOR 2023

The Company has prepared the financial statements for 2023, which have been audited by Pan-China Certified Public Accountants LLP with an unqualified audit report issued thereon. The major accounting data and financial indicators for the year 2023 are reported as follows:

- I. The Company recorded revenue of RMB253,228,000, representing an increase of 45.9% over the same period of the previous year. In specific:
 - (i) patch insulin pump realized revenue of RMB74,668,000 for the year;
 - (ii) the blood glucose monitoring system realized revenue of RMB96,789,000 for the year;
 - (iii) the continuous glucose monitoring system realized revenue of RMB75,714,000 for the year;
 - (iv) other income was RMB6,057,000.
- II. The Company recorded net loss attributable to shareholders of the Company of RMB125,016,000, representing a decrease of RMB89,973,000 as compared with RMB35,043,000 for the same period of the previous year.
- III. As of the end of 2023, R&D expenses were RMB70,098,000, representing an increase of 14.8% as compared with RMB61,086,000 for the same period of the previous year.
- IV. As of the end of 2023, cash at bank and on hand were RMB1,885,881,000, representing a decrease of 7.9% as compared with the end of the previous year.
- V. As of the end of 2023, the Group's total assets were RMB2,158,782,000.
- VI. As of the end of 2023, the Group's net assets were RMB2,061,085,000 in total.
- VII. As of the end of 2023, the Group's gearing ratio was 4.5%.

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF MICROTECH MEDICAL

No.	Before Amendment	After Amendment (Revision)
Article 5	The registered capital of the Company is RMB 425,742,600 .	The registered capital of the Company is RMB 421,138,000 .
Article 10	<p>The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management personnel, all of whom may propose claims in respect of rights concerning any matters of the Company pursuant to the Articles of Association.</p> <p>A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors, general manager and other senior management personnel of the Company pursuant to the Articles of Association.</p> <p>The legal action referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.</p> <p>The term “other senior management personnel” as mentioned herein shall include the vice general manager, the secretary to the Board of Directors and the chief financial officer.</p>	<p>The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management personnel, all of whom may propose claims in respect of rights concerning any matters of the Company pursuant to the Articles of Association.</p> <p>A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors, general manager and other senior management personnel of the Company pursuant to the Articles of Association.</p> <p>The legal action referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.</p> <p>The term “other senior management personnel” as mentioned herein shall include the vice general manager, the secretary to the Board of Directors and the chief financial officer.</p> <p>(The Company refers to the chief financial officer as the “Chief Financial Officer.”)</p>

No.	Before Amendment	After Amendment (Revision)
Article 105	<p>The Company shall have one general manager to be appointed or dismissed by the Board of Directors.</p> <p>The Company shall have several deputy general managers to be appointed or dismissed by the Board of Directors.</p> <p>The Board of Directors of the Company shall have the right to appoint members of the Board of Directors to serve concurrently as general manager.</p> <p>The term of office of the general manager shall be 3 years and the general manager may be reappointed upon the expiration of his/her term.</p>	<p>The Company shall have one general manager to be appointed or dismissed by the Board of Directors.</p> <p>The Company shall have 3 deputy general managers to be appointed or dismissed by the Board of Directors.</p> <p>The Board of Directors of the Company shall have the right to appoint members of the Board of Directors to serve concurrently as general manager.</p> <p>The term of office of the general manager shall be 3 years and the general manager may be reappointed upon the expiration of his/her term.</p>

Work Report of the independent non-executive Directors of
MicroTech Medical (Hangzhou) Co., Ltd. for 2023

Dear Directors,

As the independent non-executive Directors of MicroTech Medical (Hangzhou) Co., Ltd. (hereinafter, the “**Company**”), in 2023, in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Articles of Association of MicroTech Medical (Hangzhou) Co., Ltd. and the Working Rules for Independent Non-executive Directors of MicroTech Medical (Hangzhou) Co., Ltd. and other relevant provisions, we have diligently and earnestly performed our duties as independent non-executive Directors, played the due role of independent non-executive Directors, and safeguarded the legitimate rights and interests of the Company and shareholders. We hereby set out our work report in 2023 as follows:

1. BASIC INFORMATION ABOUT INDEPENDENT NON-EXECUTIVE DIRECTORS

(1) Personal working experiences, professional background and part-time situation

Dr. Li Lihua (厲力華), was appointed as an independent non-executive Director of the Company in October 2020 and re-designated as an independent non-executive Director in April 2021. His main responsibility is to participate in the decision making of major events of the Company and to provide advice on corporate governance, audit and remuneration and evaluation of Directors, Supervisors and senior management. He serves as a member of the nomination committee and the strategy committee of the Company.

Mr. Ho Kin Cheong Kelvin (何建昌), was appointed as an independent non-executive Director on April 21, 2021, with effect from October 19, 2021. He is primarily responsible for participating in the decision making for our Company’s significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management. He serves as a member of the audit committee and the remuneration and assessment committee of the Company.

Ms. Wang Chunfeng (王春鳳), was appointed as an independent non-executive Director of the Company in October 2020 and re-designated as an independent non-executive Director in April 2021. She is primarily responsible for participating in the decision making for our Company’s significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management. She serves as a member of the audit committee and the remuneration and assessment committee of the Company.

Dr. Cheng Hua (程華), was appointed as an independent non-executive Director of the Company in December 2022. She is primarily responsible for participating in the decision making for our Company’s significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management. She serves as a member of the nomination committee of the Company.

(2) Statement on whether the independence is affected

As independent non-executive Directors of the Company, we have the independence required by the Listing Rules, the Articles of Association and the Working System for Independent Non-executive Directors and the qualifications to serve as an independent non-executive Director of the Company, can ensure an objective and independent professional judgment, and have not been subject to any punishment by the CSRC and other relevant authorities or by any stock exchanges. Neither we nor our immediate family members hold shares in the Company and have held any positions in the Company other than independent non-executive directors ; nor have relationship with the Directors, Supervisors and senior management of the Company and the shareholders and de-facto controllers holding more than 5% of the shares of the Company, nor is there any other situation affecting the independence.

2. PERFORMANCE OF DUTIES OF INDEPENDENT NON-EXECUTIVE DIRECTORS IN THE YEAR 2023

In 2023, based on the principle of prudence and objectivity, we gave full play to our respective professional roles with a diligent and responsible attitude. We carefully reviewed the meeting-related materials, actively participated in the discussion of proposals, independently expressed opinions and voted according to law when considering proposals, to give full play to the role of independent non-executive Directors. We believe that the convening and holding procedures of the Board meetings and general meetings in 2023 were in compliance with statutory requirements, and relevant approval procedures have been performed in major business decision- making matters and other major matters, which were legal and effective. On the basis of careful review, we voted in favor of all proposals of the Board and other matters of the Company, and there was no dissent, objection or waiver.

(I) Attendance at meetings in 2023

Name of Director	Board meetings <i>time(s)</i>	Attendance in person <i>time(s)</i>	Attendance by proxy <i>time(s)</i>	Absence <i>time(s)</i>	Failure to attend in person for two consecutive meetings <i>time(s)</i>	Presence at general meetings
Li Lihua	7	7	0	0	No	2
Ho Kin Cheong Kelvin	7	7	0	0	No	2
Wang Chunfeng	7	7	0	0	No	2
Cheng Hua	7	7	0	0	No	2

(II) Independent opinions by independent non-executive Directors

As at the end of the reporting period, subject to the relevant laws, regulations and normative documents, the independent opinions issued by independent directors who shall be responsible to all shareholders and stakeholders on relevant matters of the Company are detailed in the table below:

Date	Session	Independent Opinions on Matters
April 25, 2023	The thirteenth Meeting of the First Board of Directors	<ol style="list-style-type: none"> 1. Regarding the Company's proposed 2022 profit distribution plan 2. Regarding the resolution to recognize the connected transactions of the Company in the past three years 3. The proposed re-appointment of the auditor for 2023

1. Related party transactions

The independent non-executive directors believe that the relevant related party transactions in 2023 followed the principles of equality, voluntariness, equivalence and compensation, the consideration of which did not deviate from the price offered by/to an independent third party in the market, without prejudicing the interests of non-related shareholders and the Company, and were conducive to the normal business operations of the Company.

2. External guarantee and occupation of funds

In 2023, the Company did not provide guarantees for third parties, and there was no illegal occupation of the Company's funds by related parties. The Company has established a sound external guarantee risk control system, which could conscientiously implement the relevant system regulations, and strictly control external guarantee risks and the risk of funds occupied by related parties.

3. Merger and reorganization

In 2023, the Company did not undertake any merger and reorganization.

4. Cash dividends and other investor returns

In 2023, the Company had no cash dividends and other investor returns.

5. *Implementation of internal control*

In 2023, the Company established a comparatively complete corporate governance structure and internal control system in strict compliance with the requirements of the Company Law, Listing Rules, Basic Standards for Enterprise Internal Control and other relevant laws and regulations. The organizational structure required by the business scale and operation management of the Company were rationalized and optimized to ensure the standardized operation of the Company's general meetings, board of directors, board of supervisors and other institutions, as well as the effectiveness of the internal control system, thereby safeguarding the interests of the investors and the Company. During the reporting period, the Company maintained effective internal control.

3. **OVERALL EVALUATION AND RECOMMENDATIONS**

During 2023, in strict compliance with the relevant laws and regulations such as the Company Law and the Securities Law, as well as the Articles of Association and the Working Rules for Independent Directors, and subject to the principles of objectivity, fairness and independence, we, as independent non-executive directors, were in a diligent and conscientious position to keep abreast of the Company's production and operation conditions, as well as the improvement and implementation of management and internal control system during the reporting period, carefully reviewed relevant documents and materials for proposals to be brought before the Board for consideration, and expressed independent opinions wherever necessary. We paid attention to learning about the latest laws, regulations, and various rules and systems so as to deepen our awareness and understanding of relevant laws and regulations, especially those related to the corporate governance structure of the Company and the protection of the interests and rights of public shareholders, while promoting the scientific and objective decision-making procedures of the Board. Furthermore, we provided the Company with opinions and recommendations for scientific decision-making and risk prevention, while promoting continuous improvement of corporate governance.

Looking into 2024, while maintaining sufficient independence, we will continue to improve our ability to perform duties, including faithfully discharging the duties of independent directors, and actively, independently and impartially performing responsibilities in terms of corporate governance, internal control, information disclosure, and financial supervision. In addition, we will continue to stay informed of relevant laws and regulations and requirements related to listed company governance, so as to further improve our professional level and decision-making capability. Besides advice and recommendations for the Company's sustainable and stable development, we will also continue to protect the legitimate rights and

interests of the Company and investors, especially minority shareholders. Finally, we hereby would like to express our heartfelt gratitude to the Board of the Company, management and relevant departments for their understanding and support of our work.

NOTICE OF THE ANNUAL GENERAL MEETING OF 2023



MicroTech Medical (Hangzhou) Co., Ltd.

微泰醫療器械(杭州)股份有限公司

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

(Stock code: 2235)

NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of MicroTech Medical (Hangzhou) Co., Ltd. (the “Company”) will be held at Business Conference Room, 3rd Floor, MicroTech Medical Administration Building, No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China on Friday, May 17, 2024 at 2:30 p.m. for the purposes of considering and, if deemed appropriate, approving the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the 2023 annual report and audited financial statements for 2023;
2. To consider and approve the work report of the Board of Directors for 2023;
3. To consider and approve the work report of the Supervisory Committee for 2023;
4. To consider and approve the final account report for 2023;
5. To consider and approve the proposed 2023 Profit Distribution Plan;
6. To consider and approve the proposed re-appointment of the auditor for 2024 and the authorization to the Board of Directors to fix the remuneration of the auditor; and

SPECIAL RESOLUTIONS

7. To consider and approve the proposed reduction of the registered capital;
8. To consider and approve the Proposed Amendments to the Articles of Association;

NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

9. To consider and approve the general mandate to allot, issue and deal with additional shares (including the sale or transfer of treasury Shares out of treasury) of the Company, not exceeding 20% of the total number of issued Shares of the Company as at the date of passing this resolution; and
10. To consider and approve the general mandate to repurchase H Shares of the Company, not exceeding 10% of the total number of issued H Shares (excluding any treasury Shares) of the Company as at the date of passing this resolution.

AS REPORTING DOCUMENT

11. To review the work report of the independent non-executive Directors for 2023.

Details of the above resolutions proposed at the AGM are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.microtechmd.com).

By Order of the Board
MicroTech Medical (Hangzhou) Co., Ltd.
Zheng Pan
Chairman of the Board

Hangzhou, the PRC, April 25, 2024

Notes:

- (i) Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated April 25, 2024.
- (ii) Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer or attorney duly authorized.
- (iv) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H shares) or the Company's office at No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang, China (for holders of unlisted shares) as soon as practicable but in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than May 16, 2024 at 2:30 p.m.), or any adjourned meeting thereof (as the case may be).
- (v) Completion and return of the form of proxy shall not preclude the shareholders of the Company (the "Shareholders") from attending and voting in person at the AGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (vi) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.

NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

- (vii) For the purpose of determining the H shareholders of the Company entitled to attend and vote at the AGM, the register of members of H shares of the Company will be closed from May 13, 2024 to May 17, 2024 (both days inclusive). The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be May 17, 2024.
- (viii) Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the AGM. If corporate Shareholders appoint authorised representative to attend the AGM, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
- (ix) Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
- (x) All resolutions at the AGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
- (xi) All times refer to Hong Kong local time, except as otherwise stated.
- (xii) For any matter relating to the AGM, please contact the securities representative or the investor relationship department of the Group (via email: zhengdai@microtechmd.com; ir@microtechmd.com, respectively, or telephone: 0571-88566373-866).