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Shanghai INT Medical Instruments Co., Ltd.*

上海瑛泰醫療器械股份有限公司

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

(Stock Code: 1501)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2023 ANNUAL REPORT

Reference is made to the annual report of Shanghai INT Medical Instruments Co., Ltd. * (上海瑛泰醫療器械股份有限公司) published on 16 April 2024 (the "**2023 Annual Report**"). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Report. This announcement provides supplemental information to the 2023 Annual Report and should be read in conjunction with the 2023 Annual Report.

In relation to the Share Incentive Scheme, the 2023 Share Incentive Scheme and the H Share Award and Trust Scheme, the Company would like to provide the following supplemental information:

The number of share that may be issued in respect of options and awards granted under all schemes of the issuer during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is 2.97%.

SHARE INCENTIVE SCHEME

Total Number of Shares Available for Issue

As at the date of the 2023 Annual Report, the total number of shares available for issue under the Share Incentive Scheme was nil, representing nil percentage of the issued shares (excluding treasury shares) of the Company, because all 5,000,000 Domestic Shares in the form of RS under the Share Incentive Scheme have been fully granted.

Maximum Entitlement of Each Grantee

Where any grant of Domestic Shares to a Grantee would result in the Shares issued and to be issued in respect of all options and awards granted to such grantee (excluding any options and awards lapsed in accordance with the terms of the Share Incentive Scheme or any other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total issued Shares, such grant must be separately approved by the Shareholders at the general meeting, with such grantee and his/her close associates (or associate if the grantee is a connected person) abstaining from voting, and the Company must send a circular to the Shareholders.

2023 SHARE INCENTIVE SCHEME

Total Number of Shares Available for Issue

As at the date of the 2023 Annual Report, the total number of shares available for issue under the 2023 Share Incentive Scheme was 5,000,000, representing approximately 2.84% of the issued shares (excluding treasury shares) of the Company as at the date of the 2023 Annual Report.

H SHARE AWARD AND TRUST SCHEME

Total Number of Shares Available for Issue

Subject to the terms of the H Share Award and Trust Scheme, the maximum size of the H Share Award and Trust Scheme shall be the maximum number of H Shares that will be acquired by the trustee appointed by the Company (the "**Trustee**") through on-market transactions from time to time at the prevailing market price, and at any case being 10,420,000 H Shares, which accounts for approximately 5.92% of the Company's total share capital as at the date of the 2023 Annual Report.

Maximum Entitlement of Each Participant

The total number of non-vested Award Shares granted to the participants under the H Share Award and Trust Scheme shall not exceed 1% of the total number of Shares issued by the Company from time to time.

Purchase Price and Basis of Determination

The source of the Award Shares under the H Share Award and Trust Scheme shall be H Shares to be acquired by the Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the H Share Award and Trust Scheme. The Board may specify in the instructions given to the Trustee with respect to the acquisition of H Shares any conditions or terms, including without limitation, the specified price or range of prices for the acquisition, the maximum amount of funds to be used for the acquisition, and/or the maximum number of H Shares to be acquired. The Company shall as soon as reasonably practicable, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. The Trustee shall as soon as reasonably practicable thereafter proceed to acquire such number of H Shares as instructed by the Company on market at the prevailing market price.

In relation to the breakdown of the RS granted the Share Incentive Scheme as disclosed in the 2023 Annual Report, the Company would like to also make revisions as follows (revisions are shown in underline):

Name of Grantee	Category of Grantee	Date of Grant	Lock-up period[1]	Exercise Period	Vesting Period	As at 1 January 2023	Granted during the Reporting Period	Attributed during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	As at 31 December 2023	Grant price	Fair value of the awards as at the date of grant
Dr. Liang Dongke	Director and general manager	19 August 2021	60 months from 13 May 2022	12 months after obtaining the CSRC approval	Nil	3,234,300	150,000[2]	Nil	Nil	Nil	3,384,300	RMB12.0	RMB14.81
Mr. Lin Sen	Director	19 August 2021	60 months from 13 May 2022	12 months after obtaining the CSRC approval	Nil	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	RMB14.81
Dr. Song Yuan	Director	19 August 2021	60 months from 13 May 2022	12 months after obtaining the CSRC approval	Nil	141,600	Nil	Nil	Nil	Nil	141,600	RMB12.0	RMB14.81
Mr. Wang Ruiqin	Director	19 August 2021	60 months from 13 May 2022	12 months after obtaining the CSRC approval	Nil	100,000	Nil	Nil	Nil	Nil	100,000	RMB12.0	RMB14.81
Others	Employees	19 August 2021	60 months from 13 May 2022	12 months after obtaining the CSRC approval	Nil	1,382,500	Nil	Nil	Nil	150,000	1,232,500	RMB12.0	RMB14.81

Notes:

(1) Pursuant to the Share Incentive Scheme, during the lock-up period, if the domestic shares of the Company are listed on a stock exchange, the shares or partnership interest acquired by the grantees through the Share Incentive Scheme shall not be transferred upon the listing of the domestic shares of the Company, and the lock-up period will be extended until the expiry of 36 months of the listing of the Company's domestic shares (or the lock-up period after the listing of the domestic shares pursuant to the latest laws and regulations at that time).

(2) Such RS granted to Dr. Liang Dongke are held by himself as the general partner of the Share Incentive Platforms. As disclosed in the circular of the Company dated 5 November 2020, the maximum entitlement of Dr. Liang Dongke (as the general partner of the Share Incentive Platforms) under the Share Incentive Scheme is 83,400 RS ("**Dr. Liang's Individual Limit**"). Such grants were made beyond Dr. Liang's Individual Limit and therefore are in breach of Rule 17.03C(3) of the Listing Rules, which provides that a listed issuer may seek separate approval by its shareholders in general meeting for granting options or awards beyond the scheme mandate limit.

Reasons leading to the Disclosure Error

According to the above revised disclosure, the source of shares underlying the grant of the 150,000 RS to Dr. Liang came from the 150,000 lapsed RS. The previous disclosure in the 2023 Annual Report mistakenly disclosed that there were 65,700 cancelled RS and 84,300 lapsed RS during the Reporting Period (the "**Disclosure Error**"). The aforesaid revisions in the 2023 Annual Report were to correct the Disclosure Error and clarify that there should be nil cancelled RS and 150,000 lapsed RS during the Reporting Period instead. Among such 150,000 lapsed RS, 65,700 RS were lapsed because of voluntary withdrawal by the relevant grantees due to inability to pay purchase price notwithstanding of achieving the performance assessment targets and meeting the vesting conditions (the "**Concerned RS**").

The primary reason leading to the Disclosure Error was that the scheme terms of the Share Incentive Scheme are silent as to whether the Concerned RS should be classified as "cancelled" or "lapsed", and the Directors and the relevant officers who prepared the 2023 Annual Report were not familiar with the difference thereof in the context of Chapter 17 of the Listing Rules which took effect at the beginning of the Reporting Period.

Enhanced Internal Control covering Share Schemes and the Underlying Grants

Taking into account the Disclosure Error, the aforesaid loophole in the scheme terms of the Share Incentive Scheme and the exceed of Dr. Liang's Individual Limit, the Directors are of the view that the Company needs to rectify the relevant deficiencies in the Company's existing internal controls covering its share schemes and the underlying grants, and the Company proposes to adopt enhanced internal control measures as follows:

(i) The Company shall keep tracking of movements of awards granted under the share scheme during each year and timely maintain proper record and more specifically:

    (a) the office of the Board shall conduct a comprehensive review of grant details recorded in the Company's system (such as grant date, number of shares, vesting schedule and grant price) against the grant letters on a quarterly basis;

(b) the office of the Board shall monitor the vesting schedule of the granted awards set out in the grant letters, set up one-week advanced alerts for upcoming vesting dates and expirations and send notifications to finance department on the same day of receiving such alerts;

(c) the office of the Board shall monitor the scheme mandate limit as well as individual limit to ensure that such limits are not exceeded throughout each year, especially before any grant or other movements of awards and no grants beyond such limits shall be made without shareholders' approval;

(d) the office of the Board shall update the records in the Company's system when the awards are vested, exercised, lapsed or cancelled, including the dates and quantities on the same day of occurrence of such relevant event; and

(e) the office of the Board conduct monthly reconciliation of the share movements with accounting and HR records by the end of each month.

(ii) The Company shall seek legal advisers and accountants' advice before adopting any new share schemes, amending any terms of the share schemes and making any proposed grants under the share schemes. The Board, the office of the Board and the finance department will gather all information and relevant documents about adoption of new share schemes or amending of any terms of the share schemes at least four weeks in advance.

(iii) The Company will conduct comprehensive review of existing share schemes and make amendments to ensure alignments with the latest listing rules and make other housekeeping amendments where necessary. The legal/compliance team of the Company will review compliance with relevant rules and regulations every half year.

(iv) The Company will arrange training sessions with the Directors and other key persons handling matters for the share schemes of the Company. In particular, Directors, key persons in the office of the Board and the finance department handling record and documentation of share schemes and other key persons handling the shares schemes of the Company shall attend the relevant training sessions regarding Chapter 17 of the Listing Rules (including relevant trainings on the difference between "lapse" and "cancel" of RS and their respective implications under Chapter 17 of the Listing Rules) by the end of the year.

General Meeting

To rectify the exceed of Dr. Liang's Individual Limit which are in breach of Rule 17.03C(3) of the Listing Rules and to plug the aforesaid loophole in the scheme terms of the Share Incentive Scheme, the Company proposes to convene a general meeting to seek Shareholders' approval on (i) increasing Dr. Liang's Individual Limit and rectifying the grant of RS to Dr. Liang during the Reporting Period in excess of Dr. Liang's Individual Limit; and (ii) making corresponding amendments of the scheme terms of the Share Incentive Scheme to specify whether RS in the scenario of voluntary withdrawal shall lapse or be cancelled (collectively, the "**Proposed Resolutions**"). A circular containing, amongst others, further details of the Proposed Resolutions and notice of the general meeting will be despatched to the Shareholders in due course.

The information contained in this announcement does not affect the other information contained in the 2023 Annual Report. Save as disclosed in this announcement, all the other information and contents in the 2023 Annual Report remain unchanged.

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

Shanghai, the PRC
4 December 2024

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*