
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in PW Medtech Group Limited (普华和顺集团公司), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was affected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

PW MEDTECH GROUP LIMITED

普 华 和 顺 集 团 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL IN RELATION TO PROPOSED LISTING OF SICHUAN RUIJIAN MEDICAL ON BEIJING STOCK EXCHANGE AND NOTICE OF EGM

A letter from the Board is set out on pages 4 to 26 of this circular. A notice convening the EGM to be held on Thursday, February 13, 2025 at 10:00 a.m. (Hong Kong time) at Building 1, No. 23 Panlong West Road, Pinggu District, Beijing, PRC is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.pwmedtech.com).

Whether or not you intend to attend the EGM, you are requested to complete the form of proxy enclosed with the notice of the EGM in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:00 a.m. (Hong Kong time) on Tuesday, February 11, 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent the Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should they so wish.

January 21, 2025

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial Information of the Group	I-1
Appendix II — General Information	II-1
Notice of EGM	EGM-1

DEFINITIONS

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

“Announcements”	the announcements of the Company dated May 20, 2024, July 2, 2024, October 2, 2024, December 5, 2024, and December 9, 2024 in relation to the NEEQS Quotation and the Subsequent Listing
“Blood Purification Business”	the R&D, manufacturing and sales of blood purification medical devices
“Board”	the board of directors of the Company
“Company”	PW Medtech Group Limited (普华和顺集团公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 13, 2011
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subsequent Listing
“Group”	the Company and its subsidiaries from time to time
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Infusion Set Business”	the R&D, manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc.
“Latest Practicable Date”	January 16, 2025
“Lepu Medical”	Lepu Medical Technology (Beijing) Co., Ltd. (樂普(北京)醫療器械股份有限公司), a joint stock company incorporated in the PRC on June 11, 1999 and listed on the Shenzhen Stock Exchange (stock code: 300003)
“Lepu Medical Group”	Lepu Medical and its subsidiaries
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

DEFINITIONS

“Medcore Investment”	Medcore Investment Limited (美宜科投資有限公司), a limited company incorporated under the laws of Hong Kong on September 9, 2021 and a wholly-owned subsidiary of the Company
“NEEQS”	National Equities Exchange and Quotation System
“NEEQS Quotation”	the spin-off of Sichuan Ruijian Medical, by way of a separate quotation on NEEQS without issuance of new shares
“Offer Price”	the offer price per each Offer Share
“Offer Share(s)”	the new A-shares to be issued by Sichuan Ruijian Medical under the Subsequent Listing
“Over-allotment Option”	the over-allotment option of a maximum of 15% of the total number of the new A-shares of Sichuan Ruijian Medical issued that may be exercised under the Subsequent Listing
“PRC”	The People’s Republic of China, which expression for the purpose of this circular, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Regenerative Medical Biomaterials Business”	the R&D and manufacturing of animal-derived regenerative medical biomaterials and human tissue repair alternative products
“RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Sichuan Ruijian Medical”	Sichuan Rekind Medtec., Inc. (also known as Sichuan Ruijian Medical Technology Co. Ltd.) (四川睿健醫療科技股份有限公司), a joint stock limited liability company established in PRC on August 6, 2013, a non-wholly owned subsidiary of the Company
“Sichuan Ruijian Medical Group”	Sichuan Ruijian Medical and its subsidiaries
“Share(s)”	share(s) of the Company

DEFINITIONS

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Listing”	a subsequent listing of Sichuan Ruijian Medical on Beijing Stock Exchange by way of issuance of new A-shares of Sichuan Ruijian Medical subject to the then market conditions and its strategic development needs
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD

PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

Executive Director:

Ms. Yue'e ZHANG (*Chairman &
Chief Executive Officer*)

Non-executive Directors:

Mr. JIANG Liwei
Mr. LIN Junshan

Independent Non-executive Directors:

Mr. WANG Xiaogang
Mr. CHEN Geng
Ms. WANG Fengli

Registered Office:

The Grand Pavilion Commercial Centre
Oleander Way, 802 West Bay Road
P.O. Box 32052
Grand Cayman KY1-1208
Cayman Islands

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

Building 1, No. 23 Panlong West Road
Pinggu District
Beijing
PRC 101204

Principal Place of Business in Hong Kong:

Room 1928, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

January 21, 2025

To the Shareholders

Dear Sir or Madam,

**POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL
IN RELATION TO
PROPOSED LISTING OF
SICHUAN RUIJIAN MEDICAL ON BEIJING STOCK EXCHANGE**

1. INTRODUCTION

References are made to the Announcements in relation to the NEEQS Quotation and the Subsequent Listing.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Subsequent Listing; (ii) financial information of the Group; (iii) a notice convening the EGM; and (iv) other information as required under the Listing Rules.

2. THE SUBSEQUENT LISTING

References are made to the Announcements in relation to the NEEQS Quotation and the Subsequent Listing.

As of the Latest Practicable Date, the NEEQS Quotation was approved by the NEEQ Co., Ltd. and was successfully completed. It is proposed that Sichuan Ruijian Medical will proceed the Subsequent Listing and submit the application for the Subsequent Listing to the Beijing Stock Exchange. The Subsequent Listing will involve issue of new Offer Shares of Sichuan Ruijian Medical and the Offer Shares will only be issued in the PRC. The completion of the Subsequent Listing is subject to fulfillment of the conditions set out in the section headed “Conditions of the Subsequent Listing” below. It is intended that the number of Offer Shares to be issued under the Subsequent Listing will be (i) no more than 43,000,000 Offer Shares (assuming the Over-Allotment Option is not exercised) (representing approximately 14.0% of the total number of shares of Sichuan Ruijian Medical in issue as of the Latest Practicable Date, and 12.3% of the total number of shares of Sichuan Ruijian Medical as enlarged by the Subsequent Listing); or (ii) no more than 49,450,000 Offer Shares (assuming the Over-Allotment Option is fully exercised) (representing approximately 16.1% of the total number of shares of Sichuan Ruijian Medical in issue as of the Latest Practicable Date, and 13.9% of the total number of shares of Sichuan Ruijian Medical as enlarged by the Subsequent Listing). The actual number of the Offer Shares will be determined at a later stage subject to regulatory approvals by the Beijing Stock Exchange, the CSRC, discussions among the board of Sichuan Ruijian Medical, the lead underwriter of the Subsequent Listing and in particular, subject to market conditions. It is expected that Sichuan Ruijian Medical will remain as a subsidiary of the Company upon completion of the Subsequent Listing subject to the Company and its auditor’s final assessment under HKFRS. It is intended that the results of the Sichuan Ruijian Medical Group will continue to be consolidated by the Company.

Sichuan Ruijian Medical has appointed a sponsor for the Subsequent Listing. It has submitted the listing counselling materials to the Sichuan Supervisory Office of the CSRC on October 10, 2024. The counselling is expected to be completed by the end of March 2025. It is expected that Sichuan Ruijian Medical will submit the application for the Subsequent Listing to the Beijing Stock Exchange by the end of the first quarter of 2025, while the completion date of the Subsequent Listing will be subject to (i) the vetting process of the relevant listing application by Beijing Stock Exchange, CSRC and other relevant governmental and regulatory authorities, and (ii) market conditions. The Company will provide further update on the progress of the Subsequent Listing as and when appropriate.

The shares of Sichuan Ruijian Medical will cease to be quoted on the NEEQs on the first day of listing on the Beijing Stock Exchange.

LETTER FROM THE BOARD

Conditions of the Subsequent Listing

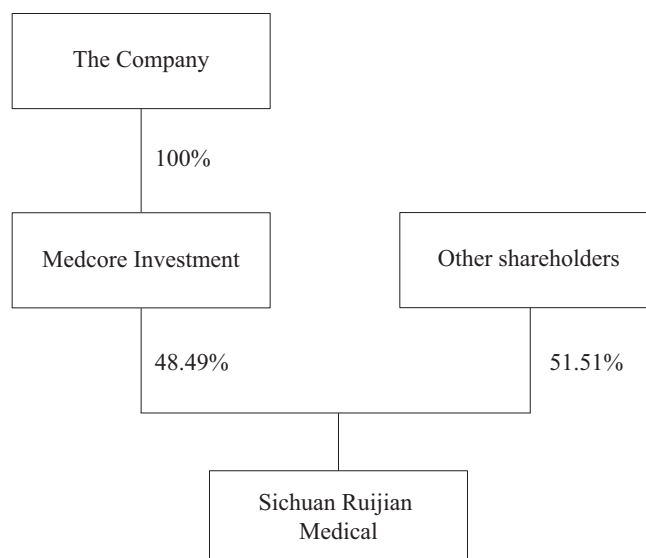
Based on the information currently available to the Board, the completion of the Subsequent Listing will be conditional upon, among other things, the following:

- (1) the approval of the Shareholders of the Subsequent Listing at the EGM;
- (2) the approval of the board of directors of Sichuan Ruijian Medical;
- (3) the approval of the shareholders of Sichuan Ruijian Medical; and
- (4) the approvals of the CSRC and the Beijing Stock Exchange.

Each of the aforementioned conditions is not waivable, and as of the Latest Practicable Date, the board of directors of Sichuan Ruijian Medical has approved the Subsequent Listing and none of other of other conditions have been fulfilled. If any of these and other applicable conditions is not fulfilled or waived, if applicable, the Subsequent Listing will not proceed and an announcement will be published by the Company as soon as practicable thereafter.

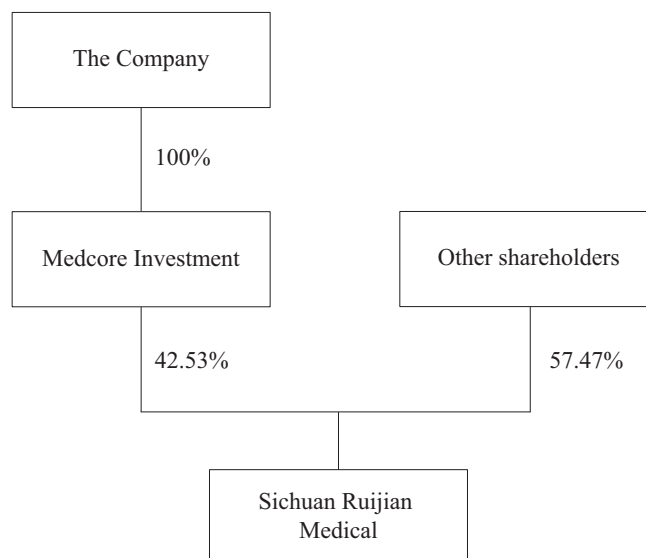
Effects of the Subsequent Listing on the shareholding structure of Sichuan Ruijian Medical

As of the Latest Practicable Date, Sichuan Ruijian Medical had an aggregate of 306,930,370 shares in issue, and was an indirect non-wholly owned subsidiary of the Company. Set out below is a simplified shareholding structure of Sichuan Ruijian Medical as of the Latest Practicable Date:

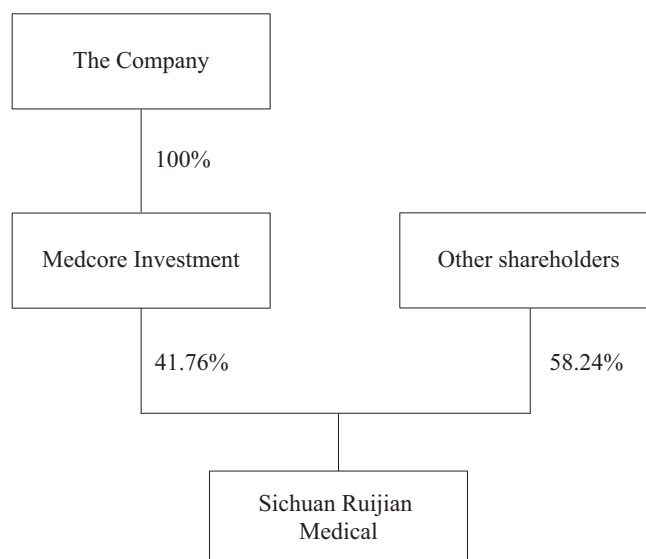


LETTER FROM THE BOARD

Set out below is a simplified shareholding structure of Sichuan Ruijian Medical immediately upon completion of the Subsequent Listing (assuming that the Offer Shares to be issued will represent 12.3% of the enlarged share capital of Sichuan Ruijian Medical and the Over-allotment Option is not exercised):



Set out below is a simplified shareholding structure of Sichuan Ruijian Medical immediately upon completion of the Subsequent Listing (assuming that the Offer Shares to be issued will represent 13.9% of the enlarged share capital of Sichuan Ruijian Medical and the Over-allotment Option is fully exercised):



LETTER FROM THE BOARD

The Company expects that certain minority shareholder(s) of Sichuan Ruijian Medical holding an aggregate of around 9% shareholding of the total issued share capital of Sichuan Ruijian Medical (the “**Certain Minority Shareholder(s)**”) will issue undertaking letters to Medcore Investment (the “**Voting Arrangement Undertakings**”) before the Subsequent Listing, pursuant to which each Certain Minority Shareholder(s) will undertake to exercise their voting rights in accordance with the instructions of Medcore Investment solely with respect to the appointment, removal and/or replacement of directors of Sichuan Ruijian Medical at the shareholders’ meetings of Sichuan Ruijian Medical, provided, however, that such voting is reasonable and do not prejudice the Certain Minority Shareholder(s)’ legitimate interests. For the avoidance of doubt, except for the Voting Arrangement Undertaking, all other rights of the Certain Minority Shareholder(s) as a shareholder of the Sichuan Ruijian Medical (including but not limited to voting rights on matters other than appointment, removal and/or replacement of directors, dividend rights and information rights) will remain unaffected.

Reference is made to the announcement of the Company dated December 22, 2023, in which the Company disclosed the acting-in-concert agreement dated December 22, 2023 between Medcore Investment and Ningbo Zhengyao in relation to their acting in concert of the exercise of their respective voting right at the shareholders’ meetings of Sichuan Ruijian Medical (the “**Acting-In-Concert Agreement**”).

For illustration purpose only, immediately upon completion of the Subsequent Listing (assuming that the Offer Shares to be issued will represent 13.9% of the enlarged share capital of Sichuan Ruijian Medical and the Over-allotment Option is fully exercised), Medcore Investment, Ningbo Zhengyao and the Certain Minority Shareholder(s) will hold approximately 41.76%, 1.78% and 7.5% of the total issued share capital of Sichuan Ruijian Medical, respectively.

The Company is of the view that having considered the Acting-In-Concert Agreement and the Voting Arrangement Undertaking(s), Medcore Investment will have the majority of voting rights to appoint, remove or replace the directors of Sichuan Ruijian Medical at its shareholders’ meetings. Therefore, the Company is able to make decisions regarding Sichuan Ruijian Medical, and direct Sichuan Ruijian Medical’s relevant activities. Accordingly, Medcore Investment will have control over Sichuan Ruijian Medical and continue to consolidate Sichuan Ruijian Medical as a subsidiary. The auditor of the Company concurs with this view.

Proceeds to be raised from the Subsequent Listing

As the exact offer price and the expected offering size of the Subsequent Listing are not determined at this stage, the proceeds to be raised from the Subsequent Listing cannot be determined yet. It is currently expected that the gross proceeds to be raised from the Subsequent Listing will be approximately RMB482 million in consideration of Sichuan Ruijian Medical’s current expansion plan and the intended use of proceeds. However, investors should be aware that the expected offering size, the indicative P/E ratio and the

LETTER FROM THE BOARD

estimated gross proceeds referred to above are for illustration purposes only and the actual amount raised, if the Subsequent Listing is completed, will depend on the PRC domestic market conditions at the time of the launch of the A-share offering and may vary substantially from the amount estimated above.

Offer Price

The Offer Price will be subject to market conditions close to the launch of the proposed issuance of the Offer Shares and determined (i) by Sichuan Ruijian Medical and the lead underwriter of the Subsequent Listing or (ii) by a book-building process organized by the lead underwriter of the Subsequent Listing and to be agreed by Sichuan Ruijian Medical. In determination of the Offer Price, Sichuan Ruijian Medical shall take in account of, including but not limited to (i) the operating results and performance of Sichuan Ruijian Medical, including the net profit of Sichuan Ruijian Medical in the financial year preceding the launch of the proposed issuance of the Offer Shares; (ii) the net asset value per share of Sichuan Ruijian Medical at the time of the launch; (iii) the expansion plan and the capital need of Sichuan Ruijian Medical; (iv) the then responses to price consultation to the proposed issuance of the Offer Shares in the book-building process; and (v) an appropriate price to earnings ratio to be determined by Sichuan Ruijian Medical and the lead underwriter of the Subsequent Listing, with reference to other comparable companies listed in the PRC in the same industry as Sichuan Ruijian Medical. Having considered the above, the Board is of the view that the aforementioned basis of determining the Offer Price of the Subsequent Listing is fair and reasonable.

The minimum Offer Price of the Subsequent Listing will be determined via price inquiry or pricing process of the Subsequent Listing (以後續詢價或定價產生的價格作為發行底價). Pursuant to the “Management Measures for the Registration of Public Issuance of Stocks to Non-Specific Qualified Investors by the Beijing Stock Exchange” (北京證券交易所向不特定合格投資者公開發行股票註冊管理辦法) and “Implementation Rules for the Public Offering and Underwriting of Stocks to Non-Specific Qualified Investors” (北京證券交易所股票向不特定合格投資者公開發行與承銷業務實施細則) promulgated by the CSRC and the Beijing Stock Exchange, respectively, the offer price of a new public offering and listing on Beijing Stock Exchange can be determined by methods such as (i) independent negotiation and direct pricing between the issuer and the lead underwriter (“**Direct Pricing**”), (ii) online bidding by qualified investors (“**Online Bidding**”); or (iii) offline enquiry with qualified investors (“**Offline Price Enquiry**”). While qualified investors are generally allowed to participate in Online Bidding process if such way is used to determine the offer price of a share offer, in the event the offer price is determined via Offline Price Enquiry, such investors participating in price inquiries must have extensive investment experience and good pricing capabilities, and should accept the self-regulatory management of the Securities Association of China and abide by the self-regulatory rules of the Securities Association of China. If the Direct Pricing method is adopted, the issuer and the lead underwriter are required to carefully determine the issue price based on factors such as the industry to which the issuer belongs, market conditions, and valuation levels of companies in the same industry, and disclose it in the relevant prospectus and issuance announcement.

LETTER FROM THE BOARD

The Company will make further announcement(s) as appropriate after information relating to the final Offer Price, the number of Offer Shares to be issued and net proceeds from the Subsequent Listing is available.

The Company has performed an analysis of the P/E ratio of the issuers (“**Listing P/E Ratio**”) in recent new public offering transactions (“**Comparable Transactions**”) in the Beijing Stock Exchange from November 1, 2023 and up to the Latest Practicable Date. According to the public disclosures on the Beijing Stock Exchange website, the offer prices of all these Comparable Transactions were determined by Direct Pricing between the respective issuers and the lead underwriters. The Comparable Transactions are set out below:

Company name	Stock code	Listing date	Listing P/E Ratio (times)
Beijing Paratera Tech Corp., Ltd* (北京並行科技股份有限公司)	839493	November 1, 2023	N/A (Note 1)
Hangzhou Reformer Holding Co., Ltd.* (杭州立方控股股份有限公司)	833030	November 2, 2023	16.0
Chongqing Mexin Yishen Machinery Co., Ltd.* (重慶美心翼申機械股份有限公司)	873833	November 8, 2023	16.0
Zhejiang Forward Heating Technologies Co., Ltd.* (浙江前進暖通科技股份有限公司)	873679	November 10, 2023	15.1
Shandong Taipeng Intelligent Household Products Co., Ltd.* (山東泰鵬智能家居股份有限公司)	873132	November 16, 2023	11.4
Xingtai Naknor Technology Co., Ltd.* (邢台納科諾爾精軋科技股份有限公司)	832522	November 16, 2023	12.5
Zhejiang Kunbo Precision Technology Co., Ltd.* (浙江坤博精工科技股份有限公司)	873570	November 23, 2023	18.5
Machinery Technology Development Co., Ltd. (機科發展科技股份有限公司)	835579	November 30, 2023	19.5

LETTER FROM THE BOARD

Company name	Stock code	Listing date	Listing P/E Ratio (times)
Beijing Groundsun Technology Co., Ltd.* (北京廣廈環能科技股份有限公司)	873703	December 5, 2023	14.0
Wuxi Jinghai Amino Acid Co., Ltd.* (無錫晶海氨基酸股份有限公司)	836547	December 12, 2023	15.3
Zhuhai Pilot Technology Co., Ltd.* (珠海派諾科技股份有限公司)	831175	December 14, 2023	16.5
Wuxi Lingood Machinery Technology Co., Ltd.* (無錫靈鵠機械科技股份有限公司)	833284	December 19, 2023	15.2
Ningbo Souwest Magnetech Development Co., Ltd.* (寧波西磁科技發展股份有限公司)	836961	December 21, 2023	18.0
LAISAI Laser Technology Co., Ltd.* (萊賽激光科技股份有限公司)	871263	December 28, 2023	16.7
Zhejiang Jiezhong Science and Technology Co., Ltd.* (浙江捷眾科技股份有限公司)	873690	January 5, 2024	17.0
Beijing Yunxingyu Traffic Technology Ltd.* (北京雲星宇交通科技股份有限公司)	873806	January 11, 2024	21.3
Hubei Kangnong Seed Co., Ltd.* (湖北康農種業股份有限公司)	837403	January 18, 2024	16.3
Xuchang Intelligent Relay Co., Ltd.* (許昌智能繼電器股份有限公司)	831396	January 26, 2024	29.7
Zhejiang Chemsyn Pharm Co., Ltd.* (浙江海昇藥業股份有限公司)	870656	February 2, 2024	14.5
Fujian Tietuo Machinery Co., Ltd.* (福建省鐵拓機械股份有限公司)	873706	March 3, 2024	16.0

LETTER FROM THE BOARD

Company name	Stock code	Listing date	Listing P/E Ratio (times)
Hubei Gabrielle Optech Co., Ltd.* (湖北戈碧迦光電科技股份有限公司)	835438	March 25, 2024	11.0
Guangdong Bawei Biotechnology Corporation* (廣東芭薇生物科技股份有限公司)	837023	March 29, 2024	14.0
Wuxi Dingbang Heat Exchange Equipment Co., Ltd.* (無錫鼎邦換熱設備股份有限公司)	872931	April 8, 2024	14.0
Jiangsu Wanda Special Bearing Co., Ltd.* (江蘇萬達特種軸承股份有限公司)	920002	May 30, 2024	14.0
Zhejiang Taihu Yuanda New Material Corp., Ltd.* (浙江太湖遠大新材料股份有限公司)	920118	August 22, 2024	11.8
Chengdu Uestc Optical Communications Corp.* (成都成電光信科技股份有限公司)	920008	August 29, 2024	14.8
Anhui Chinaherb Flavors & Fragrances Co., Ltd.* (安徽中草香料股份有限公司)	920016	September 13, 2024	14.9
Changzhou Ruihua Chemical Eng & Tech Co., Ltd.* (常州瑞華化工工程技術股份有限公司)	920099	September 25, 2024	13.1
Tongguan Mines Construction Co., Ltd. of Tongling Nonferrous Metals Group* (銅陵有色金屬集團銅冠礦山建設股份 有限公司)	920019	October 11, 2024	14.9
Xinjiang Keli New Technology Development Co., Ltd.* (新疆科力新技術發展股份有限公司)	920088	October 29, 2024	14.3

LETTER FROM THE BOARD

Company name	Stock code	Listing date	Listing P/E Ratio (times)
Hefei Cobel Advanced Plastics Co., Ltd.* (合肥科拜爾新材料股份有限公司)	920066	October 31, 2024	13.9
Wenzhou Juxing Science And Technology Co., Ltd.* (溫州聚星科技股份有限公司)	920111	November 11, 2024	12.7
Kunshan WanYuanTong Electronics Technology Co., Ltd.* (昆山萬源通電子科技股份有限公司)	920060	November 19, 2024	14.9
Shengye Electric Co., Ltd.* (勝業電氣股份有限公司)	920128	November 29, 2024	16.0
Shaanxi Kelong New Material Technology Co., Ltd.* (陝西科隆新材料科技股份有限公司)	920098	December 5, 2024	14.5
Maximum			29.7
Minimum			11.0
Average			15.5
Median			14.9
The Company (Note 2)			9.2
Sichuan Ruijian Medical (Note 3)			26.8

Source: Beijing Stock Exchange, Reuters, Sichuan Ruijian Medical's NEEQ Prospectus

Notes:

1. The Listing P/E Ratio of Beijing Paratera Tech Corp., Ltd was not available as the issuer incurred a net loss attributable to its shareholders for the year ended December 31, 2022. The Listing P/E ratio of Beijing Paratera Tech Cop., Ltd is not included in the calculation of the average Listing P/E Ratio of the Comparable Transactions.
2. Historical P/E ratio of the Company is calculated based on its share price as at January 10, 2025, multiplied by the number of issued shares of the Company as at the November 30, 2024 as disclosed in the monthly return of the Company for November 2024, divided by the profit attributable to the owners of the Company for the year ended December 31, 2023.
3. For illustrative purpose, the implied P/E ratio of Sichuan Ruijian Medical are based on (i) the implied market capitalisation of approximately RMB3,919 million, as computed based on the expected gross proceeds of RMB482 million, divided by the amount of new Offer Shares as percentage of the enlarged share capital upon completion of the Subsequent Listing (assuming that the Offer Shares to be issued will represent 12.3% of the enlarged share capital of Sichuan Ruijian Medical and the Over-allotment Option is not exercised); and (ii) the net profit attributable to the shareholders of Sichuan Ruijian Medical of approximately RMB146.4 million for the year ended December 31, 2023.

LETTER FROM THE BOARD

As illustrated above, the implied P/E Ratio of Sichuan Ruijian Medical of approximately 26.8 times is higher than the average Listing P/E Ratio of the Comparable Transactions of 15.6 times and is at the higher end of the range of Listing P/E Ratio of the Comparable Transactions of approximately 11.0 times to 29.7 times. Meanwhile, the historical P/E ratio of the Company of approximately 9.2 times is lower than the average Listing P/E Ratio of the Comparable Transactions and falls below the range of Listing P/E Ratio of the Comparable Transaction.

Based on the above, the Company believes that it is beneficial to the Company if the shares of Sichuan Ruijian Medical will be offered and listed in the Beijing Stock Exchange, where issuers would in general be able to list their shares at Listing P/E Ratios higher than those of the Company, and it will better reflect the value of Sichuan Ruijian Medical vis-a-vis prevailing valuation of the Company.

In order to provide the Shareholders with a general reference regarding the valuation of companies listed in the PRC and Hong Kong with a similar business scope of Sichuan Ruijian Medical, the Company has also conducted a search, on a best effort basis, for listed companies engaging in research, development, manufacturing and sales of medical devices in the PRC involving blood purification products (the “**Comparable Companies**”) and analysed their P/E ratios and P/B ratios, which are commonly adopted parameters in conducting market comparable analysis.

In selecting the Comparable Companies, the selection criteria focused on companies that (i) are listed on the Stock Exchange, the Shenzhen Stock Exchange, the Shanghai Stock Exchange, or the Beijing Stock Exchange; (ii) are principally engaged in research, development, manufacturing and sales of medical devices in the PRC involving blood purification products; and (iii) generated profits (after deducting extraordinary gain or loss) in the most recent financial year. Shareholders should note that despite the aforesaid criteria, the business and scale of operations of Sichuan Ruijian Medical are not exactly the same as those of the Comparable Companies, and the Company has not conducted any in-depth investigation into the business and operations of the Comparable Companies. For this analysis, the Company has identified eight Comparable Companies, which have been selected through the research using public information and based on the above criteria. The Company considers the Comparable Companies to be fair and representative samples for the purpose of P/E ratio and P/B ratio analysis, and the research on the Comparable Companies provides a meaningful analysis for the Shareholders.

LETTER FROM THE BOARD

Company name	Stock code	Date of Listing	Market capitalisation as of the January 10, 2025 <i>RMB' million</i>	Revenue contribution from blood purification products <i>(Note 1)</i>	Historical P/E ratio <i>(Note 2)</i> <i>times</i>	Historical P/B ratio <i>(Note 3)</i> <i>times</i>
Jafron Biomedical Co. Ltd.* (健帆生物科技集團股份有限公司)	300529 (Shenzhen Stock Exchange)	August 2, 2016	22,768.2	99.8%	55.7	7.5
Jiangxi Sanxin Medtec Co. Ltd.* (江西三鑫醫療科技股份有限公司)	300453 (Shenzhen Stock Exchange)	May 15, 2015	3,740.4	73.0%	20.7	3.0
Shandong Weigao Company Medical Polymer Co. Ltd. (山東威高集團醫用高分子製品股份有限公司)	01066 (The Stock Exchange)	July 29, 2010	18,001.9	N/A <i>(Note 4)</i>	9.0	0.8
SWS Hemodialysis Care Co., Ltd.* (重慶山外山血液淨化技術股份有限公司)	688410 (Shanghai Stock Exchange)	December 26, 2022	3,171.4	81.7%	18.0	1.9
Ningbo Tianyi Medical Appliance Co., Ltd.* (寧波天益醫療器械股份有限公司)	301097 (Shenzhen Stock Exchange)	April 7, 2022	2,160.4	53.8%	64.7	1.8
Maider Medical Industry Equipment Co. Ltd.* (邁得醫療工業設備股份有限公司)	688310 (Shanghai Stock Exchange)	December 3, 2019	1,693.8	15.8% <i>(Note 6)</i>	19.4	2.0
Well Lead Medical Co. Ltd.* (廣州維力醫療器械股份有限公司)	603309 (Shanghai Stock Exchange)	March 2, 2015	3,250.8	4.9% <i>(Note 6)</i>	18.1	1.8
Shinva Medical Instrument Co. Ltd.* (山東新華醫療器械股份有限公司)	600587 (Shanghai Stock Exchange)	September 27, 2002	9,573.4	Not disclosed	15.5	1.3
Maximum					64.7	7.5
Minimum					9.6	0.8
Average					27.7	2.5
Median					18.8	1.9
The Company			HK\$1,503 million	58.4%	9.2	0.4
Sichuan Ruijian Medical (Note 5)			RMB3,919 million	100.0%	26.8	5.0

Source: Reuters, 2023 annual reports and 2024 interim reports of each Comparable Companies, 2023 Annual Report, 2024 Interim Report, Sichuan Ruijian Medical's NEEQ Prospectus

Notes:

1. Revenue contribution from blood purification products of the Comparable Companies over total revenue for their latest financial years is based on the information disclosed in their latest published annual reports.

LETTER FROM THE BOARD

2. Historical P/E ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at January 10, 2025 sourced from the websites of the Stock Exchange, Shenzhen Stock Exchange and Shanghai Stock Exchange, divided by their respective net profit attributable to shareholders after deduction of non-recurring gain or loss for the year ended December 31, 2023.
3. Historical P/B ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at January 10, 2025 sourced from the websites of the Stock Exchange, Shenzhen Stock Exchange and Shanghai Stock Exchange, divided by the net asset attributable to shareholders as of December 31, 2023.
4. This company's blood purification products business is conducted through an associated company so the revenue contribution from such business is not applicable.
5. For illustrative purpose, the implied market capitalisation is computed based on the expected gross proceeds of RMB482 million, divided by the amount of new Offer Shares as percentage of the enlarged share capital upon completion of the Subsequent Listing.

The implied P/E ratio and P/B ratio of Sichuan Ruijian Medical are based on the implied market capitalisation above, divided by (i) the net profit attributable to the shareholders of Sichuan Ruijian Medical of approximately RMB146.4 million for the year ended December 31, 2023; and (ii) the net asset attributable to the shareholders of Sichuan Ruijian Medical of approximately RMB782.3 million as of June 30, 2024 respectively, based on financial information extracted from the Sichuan Ruijian Medical's NEEQ Prospectus).

6. While the Company notes that revenue contribution from blood purification products is minimal, for these Comparable Companies; taking into account that (i) these companies can be considered comparable to Sichuan Ruijian Medical by virtue of industry recognition of their participation in developing and supplying blood purification products in the PRC; and (ii) they belong to medical device sector and their inclusion provides a reasonable sample size for meaningful analysis; the Company included these companies in the analysis.
7. Where amounts in HK\$ are translated into RMB, the exchange rate of HK\$1.00 equivalent to RMB0.93 has been used.

Compare with the implied P/E ratio and P/B ratio of Sichuan Ruijian Medical

As shown in the table above, the historical P/E ratios of the Comparable Companies range from approximately 9.6 times to 64.7 times, with the average and median being approximately 27.7 and 18.8 times respectively. The implied P/E ratio of Sichuan Ruijian Medical is 26.8 times, which is within the range of those of the Comparable Companies, and approximates their average and median. The Company considers that the implied P/E ratio of Sichuan Ruijian Medical is slightly lower than the average historical P/E ratios of the Comparable Companies for the following reasons: (i) each Comparable Company operates in different business environments, with varying operational performances, business models, and market focuses for the year of 2023; and (ii) it is customary and reasonable for the pricing of new public offering with implied P/E ratio lower than the P/E ratios of already-listed Comparable Companies. This slighter lower P/E ratio incentivizes investors to participate in the new public offering, compensating them for the additional risks associated with a new listing, such as limited historical trading performance for reference. In addition, the Company understands that (i) the P/E ratio of Jafron Biomedical Co. Ltd. is substantially higher than the

LETTER FROM THE BOARD

average and median historical P/E ratios of the Comparable Companies due to (a) its leading position in hemoperfusion devices industry according to publicly disclosed information, (b) its strong profitability with higher gross profit margin than the industry average, and (c) market expectations of its substantial growth in 2024; and (ii) the P/E ratio of Ningbo Tianyi Medical Appliance Co., Ltd. (“Ningbo Tianyi”) is substantially higher than the average and median historical P/E ratios of the Comparable Companies because the calculation of the historical P/E ratios is based on the net profit attributable to shareholders after deduction of non-recurring gain or loss for the year ended December 31, 2023 and the net profit attributable to shareholders after deduction of non-recurring gain or loss of Ningbo Tianyi decreased by 49.22% from approximately RMB65.8 million in 2022 to approximately RMB33.4 million in 2023 due to a non-recurring gain of approximately RMB30.2 million recorded in 2023, which elevated the historical P/E ratio of Ningbo Tianyi. If Jafron Biomedical and Ningbo Tianyi are excluded from the calculation of the average historical P/E ratios of the Comparable Companies, the implied P/E ratio of Sichuan Ruijian Medical, being 26.8 times, is higher than the average historical P/E ratios of the Comparable Companies of 16.8 times (after the exclusion of Jafron Biomedical and Ningbo Tianyi).

Meanwhile, the historical P/B ratios of the Comparable Companies range from approximately 1.0 times to 8.0 times, with the average and median being approximately 2.9 and 2.4 times respectively. The implied P/B ratio of Sichuan Ruijian Medical is 5.0 times, which is within the range of those of the Comparable Companies, and higher than their average and median.

Compare with the prevailing P/E ratio and P/B ratio of the Company

Both the implied P/E ratio and the implied P/B ratio of Sichuan Ruijian Medical were significantly higher than the historical P/E ratio and the historical P/B ratio of the Company of approximately 9.2 times and 0.4 times respectively. Meanwhile, the historical P/E ratio and the historical P/B ratio of the Company are lower than the range of historical P/E ratios and the historical P/B ratios of the Comparable Companies.

The Company also notes that (i) the Direct Pricing method is more prevalent for listing in the Beijing Stock Exchange recently; (ii) the Company and other existing shareholders of Sichuan Ruijian Medical intend to make close reference to and put emphasis on the market valuation, in particular the P/E ratio and P/B ratios of other comparable companies listed in the PRC in the same industry as Sichuan Ruijian Medical when they negotiate with the lead underwriter to determine the Offer Price; and (iii) the implied P/E ratio and implied P/B ratio of Sichuan Ruijian Medical in the Subsequent Listing is within the range of the historical P/E ratios and the historical P/B ratios of the Comparable Companies, which in turn are higher than the prevailing P/E ratio and the P/B ratio of the Company as illustrated above. Taking into account the above, the Company believes that it is beneficial to the Company if the shares of Sichuan Ruijian Medical will be offered at historical P/E ratio and P/B ratio comparable to those of the Comparable Companies, as this in effect unlocks the value of the Company’s Blood Purification Business, which is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Proposed use of proceeds

As the exact offer price and the expected offering size of the Subsequent Listing are not determined at this stage, the proceeds to be raised from the Subsequent Listing cannot be determined yet. It is currently expected that the gross proceeds to be raised from the Subsequent Listing will be approximately RMB482 million in consideration of Sichuan Ruijian Medical's current expansion plan and the intended use of proceeds.

Based on the information currently available to the Board, Sichuan Ruijian Medical expects to use the net proceeds from the Subsequent Listing (after deducting related expenses) in the following manner:

- (i) approximately RMB292 million, accounting for approximately 60.6% of the net proceeds for the industrialization project for high-value consumables for blood purification during the next three years;
- (ii) approximately RMB99 million, accounting for approximately 20.5% of the net proceeds for the construction project for blood purification innovation R&D center during the next three years; and
- (iii) approximately RMB91 million, accounting for approximately 18.9% of the net proceeds for the R&D and industrialization project for new blood purification equipment during the next three years.

The above timetable is based on current estimates of the management of Sichuan Ruijian Medical and is subject to change depending on the actual project progress. If the final proceeds from the Subsequent Listing are less than RMB482 million, the respective amount of proceeds allocated for the above purposes will be reduced and determined based on the then actual project progress. Any shortfall between the actual proceeds raised from the Subsequent Listing and RMB482 million will be funded through the self-raised fund of Sichuan Ruijian Medical.

Lock-up and non-competition undertakings

As required by the relevant listing rules of the Beijing Stock Exchange, Medcore Investment, a wholly-owned subsidiary of the Company, will undertake that, among others:

- (1) from the date on which the proposal regarding the Subsequent Listing is approved by the shareholders of Sichuan Ruijian Medical at a general meeting, up to the date on which the shares of Sichuan Ruijian Medical are listed on the Beijing Stock Exchange (the "**BSE Listing Date**") (unless the proposal regarding the Subsequent Listing is terminated earlier), it will not dispose of any shares of Sichuan Ruijian Medical;

LETTER FROM THE BOARD

- (2) for a period of 12 months commencing from the BSE Listing Date (the “**Lock-up Period**”), it will not dispose of nor entrust other party to manage its shares of Sichuan Ruijian Medical (directly or indirectly). The Lock-up Period will be automatically extended for a further six-month period if, within six months of the BSE Listing Date, the closing price of the shares of Sichuan Ruijian Medical for 20 consecutive trading days are lower than the Offer Price;
- (3) for a period of 24 months after the expiry of the Lock-up Period, Medcore Investment will not transfer its shares of Sichuan Ruijian Medical at a price lower than the Offer Price; and
- (4) it will not directly or indirectly control, invest or engage in any other manner any business or activity which competes or may compete with the business of Sichuan Ruijian Medical; and it will not provide funding, technology, sales channel and customer information support to any entity which competes with Sichuan Ruijian Medical. It will also transfer to Sichuan Ruijian Medical or independent third parties, or terminate the competing business (if any), and will procure business opportunities approaching it of competing business to Sichuan Ruijian Medical. It will also vote against any proposal of directly or indirectly engaging in any business same or similar as the business Sichuan Ruijian Medical intends to engage in.

It is also expected that Medcore Investment will provide other undertakings or documents or agreements required by the relevant listing rules of the Beijing Stock Exchange, or which are customarily provided by an issuer and/or controlling shareholder of an issuer (as may be applicable) in a transaction of similar nature. It is currently expected that these includes undertakings to provide further undertaking to properly exercise its shareholders rights, not to wrongfully interfere the management or impair the corporate interests of Sichuan Ruijian Medical, undertakings on price stabilisation activities, undertakings on the content of prospectus and other listing application documentations, undertakings to cooperate relating to the dividend policy and plan of Sichuan Ruijian Medical and (if any) such other undertakings as may be required by the CSRC, the Beijing Stock Exchange or other relevant authorities in the application and listing process.

3. INFORMATION ON THE COMPANY AND THE SICHUAN RUIJIAN MEDICAL

The Company

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 13, 2011. The principal business activity of the Company is investment holding. The Group is principally engaged in the R&D, manufacturing and sales of (i) advanced infusion set, intravenous cannula products, insulin needles etc., (ii) blood purification medical devices, and (iii) animal-derived regenerative medical biomaterial and human tissue repair alternative products in the PRC.

LETTER FROM THE BOARD

Sichuan Ruijian Medical Group

Sichuan Ruijian Medical is a non-wholly owned subsidiary of the Company as of the date of this circular. Its shares are currently quoted on the NEEQS (NEEQ stock code: 874652). As of January 10, 2025, Sichuan Ruijian Medical had a registered capital of RMB306,930,370, divided into 306,930,370 shares. It is a joint stock company with limited liability established in the PRC on August 6, 2013. Sichuan Ruijian Medical is a medical device company, principally engaged in the R&D, manufacturing and sales of medical device for blood purification. As of January 10, 2025, the shareholding structure of Sichuan Ruijian Medical is set out below:

Shareholders of Sichuan Ruijian Medical	Shareholding Percentage
Medcore Investment ^(Note 1)	48.49%
Lepu Medical	17.11%
Shenzhen Venture Capital Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership) (深創投製造業轉型升級新材料基金(有限合夥))	10.05%
Shanghai Junwei Investment Management Center (Limited Partnership) (上海鈞衛投資管理中心(有限合夥))	3.86%
Yu Bin (余彬)	3.47%
Rizhao Chengrui Corporate Management Partnership (Limited Partnership) (日照成睿企業管理合夥企業(有限合夥))	3.25%
Suzhou Industrial Park Xinyuan Phase IV Equity Investment Partnership (Limited Partnership) (蘇州工業園區新建元四期股權投資合夥企業(有限合夥))	2.44%
Ningbo Zhengyao Investment Management Center (Limited Partnership) (寧波正垚投資管理中心(有限合夥)) (“Ningbo Zhengyao”) ^{(Note 1)(Note 2)}	2.06%
Huizhi Xiangshun Equity Investment Fund (Qingdao) Partnership (Limited Partnership) (匯智翔順股權投資基金(青島)合夥企業(有限合夥))	1.65%
Wang Tao (王滔)	1.57%
Hubei Jiuzhou Zhiyi Equity Investment Fund Partnership (Limited Partnership) (湖北九州智醫股權投資基金合夥企業(有限合夥))	1.10%

LETTER FROM THE BOARD

Shareholders of Sichuan Ruijian Medical	Shareholding Percentage
Huizhi Industrial Investment Kanglan Venture Capital (Huzhou) Partnership (Limited Partnership) (匯智產投康嵐創業投資(湖州)合夥企業(有限合夥))	1.10%
Tianjin Jinyitongda Venture Capital Fund Partnership (Limited Partnership) (天津金意通達創業投資基金合夥企業(有限合夥))	0.73%
Nanjing Bangsheng Yingxin No. 2 Venture Capital Partnership (Limited Partnership) (南京邦盛贏新二號創業投資合夥企業(有限合夥))	0.73%
Shanghai Panjinhua Business Consulting Partnership (Limited Partnership) (上海磐錦華商務諮詢合夥企業(有限合夥))	0.44%
Wuhan Junzheng Jiaming Venture Capital Fund Partnership (Limited Partnership) (武漢市君正佳明創業投資基金合夥企業(有限合夥))	0.18%
Suzhou Yuanrui Venture Capital Partnership (Limited Partnership) (蘇州元瑞創業投資合夥企業(有限合夥))	0.12%
Other public shareholders	<u>1.65%</u>
Total	<u><u>100%</u></u> <i>(Note 3)</i>

Notes:

- On December 22, 2023, Medcore Investment and Ningbo Zhengyao entered into an acting-in-concert agreement pursuant to which Medcore Investment and Ningbo Zhengyao agreed to exercise their voting rights unanimously in respect of their respective equity interest in Sichuan Ruijian Medical at all shareholders' meetings of Sichuan Ruijian Medical. Please refer to the announcement of the Company dated December 22, 2023.
- Ningbo Zhengyao is the employee shareholding platform for the purpose of the stock incentive plan of Sichuan Ruijian Medical. As Sichuan Ruijian Medical does not constitute a principal subsidiary of the Company under Rule 17.14 of the Listing Rules as of the date of the announcement, the stock incentive plan of Sichuan Ruijian Medical is not subject to Chapter 17 of the Listing Rules.
- The aggregate percentage may not add up to 100% due to rounding.

LETTER FROM THE BOARD

Below summarizes selected consolidated financial information of Sichuan Ruijian Medical prepared under the PRC Generally Accepted Accounting Principles for the periods/dates indicated:

	Year ended December 31,		Nine months ended
	2022	2023	September 30,
	(RMB'000)	(RMB'000)	2024
	(audited)	(audited)	(unaudited)
Net profit (before taxation)	119,465	168,875	110,445
Net profit (after taxation)	103,870	146,112	92,279
Revenue	344,891	410,684	341,698
	As of December 31,		As of September 30,
	2022	2023	2024
	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(unaudited)
Total assets	602,429	773,909	888,759
Net assets	531,131	715,113	818,894

4. FINANCIAL IMPACT OF THE SUBSEQUENT LISTING ON THE GROUP

It is expected that Sichuan Ruijian Medical will remain as a non-wholly owned subsidiary of the Company upon completion of the Subsequent Listing and Sichuan Ruijian Medical's financial results will continue to be consolidated into the accounts of the Group. The following is the expected financial impact of the Subsequent Listing on the Group:

Earnings

The Subsequent Listing will be regarded as a transaction with non-controlling interest, the carrying amount of the non-controlling interest will be adjusted to reflect the proportionate change in the non-controlling interest in Sichuan Ruijian Medical. It is expected that there would be no expected gain or loss on the deemed disposal credited or charged to the Company's consolidated statement of profit or loss as gain or loss upon the completion of the Subsequent Listing. The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration received will be recorded in equity attributed to the shareholders of the Company. In addition, as the Subsequent Listing will result in a dilution of the Group's interest in Sichuan Ruijian Medical from 48.49% as at the Latest Practicable Date to 41.76% immediately after the completion of the Subsequent Listing (assuming that the Offer Shares to be issued will represent 13.9% of the enlarged share capital of Sichuan Ruijian Medical and the Over-allotment Option is fully exercised), it is expected

LETTER FROM THE BOARD

that the earnings attributable to owners of the Company contributed by Sichuan Ruijian Medical will decrease while the earnings attributable to the non-controlling interests of the Company will increase.

Assets and liabilities

The Subsequent Listing will increase the number of shares of Sichuan Ruijian Medical and raise funds. The net proceeds of the Subsequent Listing will increase the cash recorded in the consolidated statement of financial position of the Group and increase the total assets of the Group correspondingly. As of June 30, 2024, the unaudited consolidated total assets of the Group amounted to approximately RMB5,246 million. Assuming the gross proceeds to be raised from the Subsequent Listing would be approximately RMB482 million and the Subsequent Listing would be completed on June 30, 2024 and excluding any impact of transaction costs to be incurred, the unaudited pro forma consolidated total assets of the Group would have increased to RMB5,728 million. The Subsequent Listing will not affect the liabilities of the Group. However, the Subsequent Listing will raise funds and increase the net asset value of the Group.

5. REASONS FOR AND BENEFITS OF THE SUBSEQUENT LISTING

The Board believes that the Subsequent Listing is fair and reasonable and in the interests of the Company and its Shareholders as a whole as:

- (a) there is a great potential for blood purification medical device in the PRC market in terms of both market size and growth prospect. The Subsequent Listing is expected to promote the reputation and profile of Sichuan Ruijian Medical in the PRC market and enhance its ability and opportunities to capture and benefit from such market growth, with potential increases in sales and market share. With the reputation and profile being raised, Sichuan Ruijian Medical is expected to have more opportunities to win certain tendering, attract human resources and obtain government subsidies;
- (b) the Subsequent Listing is also expected to allow Sichuan Ruijian Medical Group to create a clearly defined business focus, which would help further reinforce its leading position in the blood purification industry with its own integrated R&D, manufacturing, sales and services;
- (c) the Subsequent Listing will unlock embedded value for the Shareholders and help identify and establish the fair value of the Company's blood purification medical device business, in particular, the fair value represented by Sichuan Ruijian Medical Group's profitability and technology in the area of blood purification medical device;
- (d) the Subsequent Listing will bring Sichuan Ruijian Medical proceeds for its R&D and expansion and enable Sichuan Ruijian Medical to have direct access to the domestic capital market, broaden its financing channels and increase its financing capabilities;

LETTER FROM THE BOARD

- (e) the Subsequent Listing will provide the market with great clarity on the business and financial position of Sichuan Ruijian Medical and help enhance its own corporate governance; and
- (f) while there will be dilution in the Company's shareholdings in Sichuan Ruijian Medical immediately following the Subsequent Listing, it is expected that Sichuan Ruijian Medical will remain as a subsidiary of the Company after the Subsequent Listing subject to the Company and its auditor's final assessment under HKFRS and the financial results of Sichuan Ruijian Medical will continue to be consolidated into the accounts of the Group. The Company believes that the Subsequent Listing will allow the Company and the Shareholders to enjoy the enhanced value of Sichuan Ruijian Medical.

The Company will make further announcement(s) in relation to the Subsequent Listing in accordance with the requirements of the Listing Rules as and when appropriate.

6. LISTING RULES IMPLICATIONS

As of the Latest Practicable Date, Sichuan Ruijian Medical is a non-wholly-owned subsidiary of the Company. The Subsequent Listing is expected to involve the issue of new A-shares of Sichuan Ruijian Medical by way of public offer. It is intended that the maximum number of the Offer Shares under the Subsequent Listing will be approximately 13.9% (including the shares to be issued under the exercise of the Over-allotment Option) of the enlarged issued share capital of Sichuan Ruijian Medical after the Subsequent Listing, following which the ownership of the Company in Sichuan Ruijian Medical will be diluted to not less than 41.76%. Accordingly, the Subsequent Listing, if materialized, will constitute a deemed disposal of the Company's shareholding in Sichuan Ruijian Medical under Rule 14.29 of the Listing Rules. As one or more applicable percentage ratios under Rule 14.06 of the Listing Rules in respect of the Subsequent Listing is expected to exceed 25% but be less than 75%. Accordingly, the Subsequent Listing, if consummated, will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement and Shareholders' approval requirements under Rule 14.40 of the Listing Rules.

It is currently expected that the gross proceeds to be raised from the Subsequent Listing will be approximately RMB482 million in consideration of Sichuan Ruijian Medical's current expansion plan and the intended use of proceeds. With reference to (a) the recent trend of the market prices of the Shares as quoted on the Stock Exchange and the expected gross proceeds to be raised from the Subsequent Listing, and (b) the financial performance of the Company and Sichuan Ruijian Medical, the Company considers it is not likely for the Subsequent Listing to be classified as a very substantial disposal under Chapter 14 of the Listing Rules based on its highest applicable percentage ratio assuming that there being no unforeseen material changes. The Group currently under Chapter 14 of the Listing Rules does not expect for the offering size of the Subsequent Listing to exceed a level which would render the applicable consideration ratio (as defined under the Listing Rules) to reach 75% or higher (being approximately HK\$1,068 million, for illustrative purpose only, based on the market capitalisation of the Company with reference to closing prices quoted on the Stock Exchange on five business days preceding (and including) January 15, 2025).

LETTER FROM THE BOARD

If at the time immediately prior to the determination of the final offer price and the offering size of the Subsequent Listing, the percentage ratio of the Subsequent Listing will reach 75% or higher, the Group will only proceed with the final pricing and the Subsequent Listing after complying with the additional disclosure and other additional requirements applicable to a very substantial disposal under Chapter 14. If at the time of the Subsequent Listing, there is any material change to the terms of Subsequent Listing disclosed in this circular, the Company will comply with relevant applicable requirements under Chapter 14.

Given the NEEQS Quotation has gone through the “spin-off” procedure under Practice Note 15 of the Listing Rules, to the best of the knowledge and belief of the Company, the Subsequent Listing is not regarded as a “spin-off” under Practice Note 15 of the Listing Rules.

7. EGM AND PROXY ARRANGEMENT

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Subsequent Listing. As of the date of this circular, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Subsequent Listing. As such, no Shareholder is required to abstain from voting at the general meeting to be convened to approve the Subsequent Listing.

The EGM will be held on Thursday, February 13, 2025 at 10:00 a.m., at Building 1, No. 23 Panlong West Road, Pinggu District, Beijing, PRC, at which ordinary resolution will be proposed to consider and, if thought fit, approve the Subsequent Listing. Voting by the Shareholders at the EGM will be taken by poll. Notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pwmedtech.com). Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the branch share registrar of the Company in Hong Kong, 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 48 hours before the time scheduled for holding the EGM (i.e. no later than 10:00 a.m. (Hong Kong time) on Tuesday, February 11, 2025) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish and in such event, your form of proxy shall be deemed to be revoked.

8. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, February 10, 2025 to Thursday, February 13, 2025 (both days inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares

LETTER FROM THE BOARD

should ensure that all share transfer documents accompanied by the relevant share certificates are lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Friday, February 7, 2025.

9. RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Subsequent Listing are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the terms of the Subsequent Listing.

10. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Shareholders and potential investors should note that the Subsequent Listing is subject to, among other things, the prevailing market conditions and approvals of relevant authorities, including the CSRC and the Beijing Stock Exchange. Accordingly, Shareholders and potential investors should be aware that the Company does not guarantee that the Subsequent Listing will materialize, nor the timing thereof. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Your faithfully,
By order of the Board
PW Medtech Group Limited
普华和顺集团公司
Yue'e Zhang
Chairman & Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Company for each of the years ended December 31, 2021, 2022, 2023 and for the six months ended June 30, 2024 were disclosed in the following documents which are available on the Stock Exchange's website:

- (1) Audited consolidated financial statements for the year ended December 31, 2021: Pages 78 to 152 of the Company's 2021 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100675.pdf>), which was posted on April 21, 2022.
- (2) Audited consolidated financial statements for the year ended December 31, 2022: Pages 91 to 172 of the Company's 2022 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042601801.pdf>), which was posted on April 26, 2023.
- (3) Audited consolidated financial statements for the year ended December 31, 2023: Pages 88 to 168 of the Company's 2023 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042500594.pdf>), which was posted on April 25, 2024.
- (4) Unaudited consolidated financial statements for the six months ended June 30, 2024: Pages 24 to 56 of the Company's 2024 interim report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900385.pdf>), which was posted on September 19, 2024.

2. INDEBTEDNESS STATEMENT

At the close of business on November 30, 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group was as follows:

Other Borrowings

The Group had unsecured other borrowings of approximately RMB5,800,000.

Lease liabilities

The Group had lease liabilities of approximately RMB6,526,000.

Contingent liabilities

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have, at the close of business on November 30, 2024, any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the internally generated funds, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Focusing on the fast-growing and high-margin business sectors in the medical device market in China, the Group will always be committed to promoting the development of the industry in a healthy and orderly manner, enhancing product innovation and R&D capabilities, and expanding production capacity and product portfolio. So far, the Group has established the business layout comprising three business segments, namely the Infusion Set Business, the Blood Purification Business and the Regenerative Medical Biomaterials Business. In the first half of 2024, the Group focused on the development of its core business by constantly enhancing its R&D capabilities, as well as continuously improving its distribution networks in order to strengthen its overall competitiveness.

The Group will continue to leverage its leading position in the medical device industry in China, actively contribute to the safety and efficiency of medical care as well as the development of the industry and increase its competitive edges through continuous optimization of business deployment.

Emphasis on Innovation and R&D

The Group has always believed that innovation and R&D is one of the key drivers for the long-term development of the medical device industry. At present, the Group has an experienced R&D team with strong academic and research background, which helps the Group develop innovative products and continuously enhance its R&D capabilities. In 2024, the Group's product registration and R&D processes progressed smoothly. In particular:

In the Infusion Set Business segment, the Group has been focusing on R&D and continuous improvement of the materials and performance of infusion set and cannula products to improve its product line in the infusion healthcare field, and has also been exploring R&D of medical devices for diabetes mellitus and other healthcare fields. In March 2024, the Group obtained the registration certificate of pump infusion set product, which further enriched its product portfolio in the infusion healthcare field.

In the Blood Purification Business segment, the Group obtained a registration certificate for hemodialysis equipment in May 2024 and a registration certificate for continuous blood purification machine in July 2024, expanding its business from blood purification consumables to blood purification equipment.

In the Regenerative Medical Biomaterials Business segment, the Group obtained registration certificates for absorbable oral cavity repair membrane products and breast tissue patch products in July 2024. Absorbable oral cavity repair membrane products are used to guide bone regeneration in dental implant surgery, while breast tissue patch products are used to support and cover implants in breast reconstruction surgery and to repair soft breast tissue.

As of June 30, 2024, the Group owned 174 patents for products, including 81 patents in relation to infusion set products, 64 patents for blood purification products and 29 patents for regenerative medical biomaterial products, and had applied for 61 new patents.

In the future, the Group will continue to focus on product innovation and R&D. Following the R&D strategy of “produce and focus its R&D efforts for a leading next generation of products”, the Group will focus on R&D and innovation of medical devices, improve comprehensive competitive edge and consolidate its leading position in the industry.

Expansion of Distribution Networks

The Group has an experienced and strong professional sales and marketing team to support and consolidate our distribution networks in 31 provinces, cities and autonomous regions across the country and to fortify product promotion for all business segments. The Group’s sales force has an average of 10 years of experience in their respective fields, and nearly half of the members of the sales and marketing team have a medical education background, which facilitates their professional and effective communication with doctors and nurses.

The Group will continue to optimize sales structure and marketing strategies, keep abreast of policies in the medical industry and flexibly adjust bidding strategies. In terms of operation and management, the Group will continue to implement the “low cost and high quality” strategy to improve operation efficiency.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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.

2. DISCLOSURE OF INTERESTS

Interests of Directors and Chief Executive in Securities

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules, were as follows:

(A) Long position in the Shares

Name of Director	Capacity	Number of Shares interested	Approximate percentage of the Company's issued share capital
Mr. JIANG Liwei	Beneficial owner	2,638,714	0.17%
Mr. LIN Junshan	Beneficial owner	1,673,427	0.11%
Mr. CHEN Geng	Beneficial owner	636,943	0.04%

The percentage represents the number of ordinary Shares/underlying Shares interested divided by the number of the Company's issued Shares as at the Latest Practicable Date.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO)

which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' Positions in the Substantial Shareholders

As at the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of ordinary Shares interested	Approximate percentage of the Company's issued share capital
Cross Mark Limited	Beneficial owner	621,557,863	40.54%
Ms. Yufeng LIU	Interest of a controlled corporation	621,557,863	40.54%
Mr. ZHANG Zaixian	Interest of spouse	621,557,863	40.54%
Mr. Marc CHAN	Interest of controlled corporations	414,025,962	27.00%
Right Faith Holdings Limited	Beneficial owner	393,385,962	25.66%

Notes:

- (1) The entire issued share capital of Cross Mark Limited is legally and beneficially owned by Ms. Yufeng LIU. Under the SFO, Ms. Yufeng LIU is deemed to be interested in the same number of Shares in which Cross Mark Limited is interested.
- (2) Mr. ZHANG Zaixian is the spouse of Ms. Yufeng LIU. Under the SFO, Mr. ZHANG Zaixian is deemed to be interested in the same number of Shares in which Ms. Yufeng LIU is interested.

- (3) Cross Mark Limited controls one-third or more of the voting power at general meetings of the Company. Hence, it is taken to have an interest in 46,496,000 treasury shares of the Company following the repurchase of shares by the Company on the open market pursuant to the repurchase mandate.

The percentage represents the number of ordinary Shares interested divided by the number of the Company's issued Shares as at the Latest Practicable Date.

As of the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Interests of Directors in the Group's Assets or Contracts or Arrangements Significant to the Group

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors had any interest in any asset which have been, since December 31, 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, to the best knowledge of the Directors, save for the sales of medical devices framework agreement dated October 18, 2024 entered into between the Company and Lepu Medical for the sales of medical devices from the Group to the Lepu Medical Group, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the businesses of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract, excluding contract expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation) between any of the Directors and any member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete, either directly, or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder).

5. MATERIAL ADVERSE CHANGES

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since December 31, 2023 (being the date to which the latest published audited accounts of the Company were made up).

6. LITIGATION

As of the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration or claim of material importance affecting its business operation, and the Directors were not aware of any litigation or arbitration or claim of material importance affecting its business operation which was pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular:

- (i) the investment agreement dated December 22, 2023 entered into among Shenzhen Venture Capital Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership) (深創投製造業轉型升級新材料基金(有限合夥)) (the “**Investor**”), Medcore Investment, the original minority shareholders of Sichuan Ruijian Medical (including Lepu Medical, Ningbo Yihui Investment Management Center (Limited Partnership) (寧波醫惠投資管理中心(有限合夥)) (“**Ningbo Yihui**”), Shanghai Junwei Investment Management Center (Limited Partnership) (上海鈞衛投資管理中心(有限合夥)), Rizhao Chengrui Corporate Management Partnership (Limited Partnership) (日照成睿企業管理合夥企業(有限合夥)), Tianjin Tongchen Medical Technology Partnership (Limited Partnership) (天津同辰醫療科技合夥企業(有限合夥)), Ningbo Zhengyao Investment Management Center (Limited Partnership) (寧波正垚投資管理中心(有限合夥)) (“**Ningbo Zhengyao**”) and Wang Tao (王滔)) and Sichuan Ruijian Medical, pursuant to which (1) the Investor agreed to purchase, and Ningbo Yihui, one of the original minority shareholders of Sichuan Ruijian Medical, agreed to sell 15,712,308 shares of Sichuan Ruijian Medical at a consideration of RMB140 million, and (2) the Investor agreed to subscribe for, and Sichuan Ruijian Medical agreed to issue 15,130,370 new shares at a consideration of RMB140 million;
- (ii) the acting-in-concert agreement dated December 22, 2023 entered into by Medcore Investment and Ningbo Zhengyao, pursuant to which Medcore Investment and Ningbo Zhengyao agreed to exercise their voting rights unanimously in respect of their respective equity interest in Sichuan Ruijian Medical at all shareholders’ meetings of Sichuan Ruijian Medical;

- (iii) the supplemental agreement dated June 14, 2024 entered by Medcore Investment, pursuant to which Medcore Investment agreed to terminate the Special Rights (as defined below) with effect from the date on which the application for the NEEQS Quotation is accepted. As disclosed in the circular of the Company dated December 31, 2021, Medcore Investment is entitled to enjoy the special rights, including pre-emptive rights, right to transfer of equity interest in Sichuan Ruijian Medical, restriction on the transfer of equity interest in Sichuan Ruijian Medical by the vendors, right of first refusal, liquidation preference and drag-along rights (the “**Special Rights**”);
- (iv) the supplemental loan agreement dated May 31, 2024 entered into between Zhangjiagang Hua An Investment Co., Ltd. (張家港華安投資有限公司) and PW Medtech (Beijing) Limited (普華和順(北京)醫療科技有限公司), an indirectly wholly-owned subsidiary of the Company, in relation to the extension of the maturity date of the loan in the principal amount of RMB120 million under the loan agreement dated September 5, 2023;
- (v) the loan agreement dated September 5, 2023 entered into between Zhangjiagang Hua An Investment Co., Ltd. (張家港華安投資有限公司) and PW Medtech (Beijing) Limited (普華和順(北京)醫療科技有限公司), an indirectly wholly-owned subsidiary of the Company, in relation to the provision of the loan in the principal amount of RMB120 million to Zhangjiagang Hua An Investment Co., Ltd. (張家港華安投資有限公司); and
- (vi) the loan agreement dated April 20, 2023 entered into between Beijing Tianxia Pule Medical Investment Co., Ltd.* (北京天下普樂醫療投資有限公司) and Beijing Fert Technology Co., Ltd.* (北京伏爾特技術有限公司), an indirectly wholly-owned subsidiary of the Company, in relation to the provision of the loan the principal amount of RMB180 million to Beijing Tianxia Pule Medical Investment Co., Ltd.* (北京天下普樂醫療投資有限公司).

8. MISCELLANEOUS

- (a) The secretary of the Company is Ms. SO Ka Man, a Chartered Secretary and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.
- (b) The registered office of the Company is situated at The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.
- (c) The principal place of business in Hong Kong of the Company is situated at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Save as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

NOTICE OF EGM

PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of PW Medtech Group Limited (the “**Company**”) will be held at 10:00 a.m. on Thursday, February 13, 2025 at Building 1, No. 23 Panlong West Road, Pinggu District, Beijing, the People’s Republic of China for the purposes of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the subsequent listing of Sichuan Ruijian Medical on Beijing Stock Exchange by way of issuance of new A-shares of Sichuan Ruijian Medical (the “**Subsequent Listing**”) be and is hereby confirmed, approved and ratified; and
- (b) any one director of the Company be and is hereby authorized, for and on behalf of the Company, to do all acts and things as he/she considers to be necessary, appropriate or expedient in connection with and to implement or give effect to the above, and to execute all documents (and where required, to affix the common seal thereon) deemed by him/her to be incidental to, ancillary to or in connection with the above, and to attend to any necessary registration and/or filing for and on behalf of the Company.”

Your faithfully,

By order of the Board

PW Medtech Group Limited

普华和顺集团公司

Yue’e Zhang

Chairman & Chief Executive Officer

Hong Kong, January 21, 2025

Notes:

- 1. Any member of the Company entitled to attend and vote at the EGM (or any adjournment thereof) is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

NOTICE OF EGM

2. In order to be valid, a 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 that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, 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 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:00 a.m. (Hong Kong time) on Tuesday, February 11, 2025) or any adjournment thereof (as the case may be). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and, in such event, the form of proxy shall be deemed to be revoked.
3. To ascertain shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Monday, February 10, 2025 to Thursday, February 13, 2025 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited (at its address shown in Note 2 above) for registration no later than 4:30 p.m. (Hong Kong time), on Friday, February 7, 2025.
4. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises one executive Director, namely, Ms. Yue'e Zhang; two non-executive Directors, namely, Mr. Jiang Liwei and Mr. Lin Junshan; and three independent non-executive Directors, namely, Mr. Wang Xiaogang, Mr. Chen Geng and Ms. Wang Fengli.