

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



北京市春立正達醫療器械股份有限公司

Beijing Chunlizhengda Medical Instruments Co., Ltd.*

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

(Stock Code: 1858)

ANNOUNCEMENT IN RELATION TO ADJUSTMENT TO THE AMOUNT OF PROCEEDS PROPOSED TO BE INVESTED IN A SHARE PROCEEDS-FUNDED PROJECTS

References are made to the Overseas Regulatory Announcement which set out the A Share Prospectus for the Initial Public Offering and Listing of Shares of Beijing Chunlizhengda Medical Instruments Co., Ltd. on the Science and Technology Innovation Board (《北京市春立正達醫療器械股份有限公司首次公開發行股票並在科創板上市招股說明書》) published by Beijing Chunlizhengda Medical Instruments Co., Ltd.* (the “**Company**”) on 27 December 2021 (“**A Share Prospectus**”) and the circular of the Company (the “**Circular**”) dated 24 July 2020, in relation to, among others, the proposed amount of the proceeds from A Share Offering (“**A Share Proceeds**” or “**Proceeds**”) and its proposed uses (“**A Share Proceeds-funded Projects**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the A Share Prospectus and the Circular.

On 18 January 2022, the Company convened the sixteenth meeting of the fourth session of the Board of Directors and the fourth meeting of the fourth session of the Supervisory Committee, at which the Resolution on Adjustment to the Amount of Proceeds Proposed to be Invested in Proceeds-funded Projects (《關於調整募集資金投資項目擬投入募集資金金額的議案》) was considered and approved, thus authorizing the Company to adjust the proceeds proposed to be invested in A Share Proceeds-funded Projects according to the actual amount of the A Share Proceeds, and to confirm the Implementation Methods of A Share Proceeds-funded Projects. Relevant situations are announced as follows:

I. BASIC INFORMATION ON A SHARE PROCEEDS

As reviewed and approved by the listing committee of the Science and Technology Innovation Board of the Shanghai Stock Exchange, and pursuant to the document for the approval of registration Zheng Jian Xu Ke (2021) No. 3702 (證件許可(2021) 3702號) issued by the China Securities Regulatory Commission, the Company issued 38,428,000 A Shares with a par value of RMB1 each, at the issue price of RMB29.81 per Share. The A Share Proceeds amounted to RMB1,145.5387 million in aggregate. The actual net A Share Proceeds amounted to RMB1,067.1283 million after deducting the issue expenses

(exclusive of value-added tax). The payment of the A Share Proceeds mentioned above was verified by WUYIGE Certified Public Accountants LLP, and a Capital Verification Report (WUYIGE Yan Zi [2021] No. 3-00041) (大信驗字[2021]第3-00041號《驗資報告》) was issued by them. The Company has deposited the A Share Proceeds in a special account. A supervision agreement on a special account for the Proceeds has also been entered into between the Company, the Sponsor and the relevant bank of the special account for the Proceeds.

II. ADJUSTMENT TO THE AMOUNT OF PROCEEDS PROPOSED TO BE INVESTED IN A SHARE PROCEEDS-FUNDED PROJECTS

As the actual net A Share Proceeds of the Company are RMB1,067.1283 million, which are lower than RMB2,000 million, i.e. the amount of proceeds proposed to be invested in A Share Proceeds-funded Projects specified in the A Share Prospectus and the Circular. With reference to the actual net Proceeds from the A Share Offering and the actual situation of A Share Proceeds-funded Projects, the Company adjusts the A Share Proceeds proposed to be invested in each of the A Share Proceeds-funded Projects, with particulars as follows:

		(Expressed in RMB Ten Thousand)		
No.	Name of the Proceeds-funded investment project	Total investment for the project	Proceeds proposed to be invested before adjustment	Proceeds proposed to be invested after adjustment
1	Integrated construction project of orthopedic implant and ancillary materials	94,470.38	86,000.00	46,000.00
2	Research and development centre construction project	70,806.59	68,000.00	36,000.00
3	Marketing network construction project	16,736.34	16,000.00	8,000.00
4	Replenishment of working capital project	30,000.00	30,000.00	16,712.83
Total		212,013.31	200,000.00	106,712.83

III. IMPACT OF ADJUSTMENT TO THE AMOUNT OF PROCEEDS PROPOSED TO BE INVESTED IN A SHARE PROCEEDS-FUNDED PROJECTS ON THE COMPANY

Subsequent to the adjustment to the proceeds proposed to be invested in A Share Proceeds-funded Projects by the Company, if the actual net Proceeds fail to meet the demand for capital under the A Share Proceeds-funded Projects, the Company will settle the remaining demand for capital through self-financing. The adjustment to the proceeds proposed to be invested in A Share Proceeds-funded Projects is a decision made based on the actual situation that the net Proceeds of the Company are lower than the total investment under the A Share Proceeds-funded Projects, as well as to ensure the successful implementation of the A Share Proceeds-funded Projects. The adjustment will not cause any substantial impact on the normal use of the Proceeds and will not change the proposed use of Proceeds in a disguised form or damage the interests of Shareholders while in compliance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on the management of funds raised by listed companies.

IV. PROCEDURES FOR CONSIDERATION OF ADJUSTMENT AND COMPLIANCE STATEMENT

On 18 January 2022, the Company convened the sixteenth meeting of the fourth session of the Board of Directors, at which the Resolution on Adjustment to the Amount of Proceeds Proposed to be Invested in Proceeds-funded Projects (《關於調整募集資金投資項目擬投入募集資金金額的議案》) was considered and approved. It was agreed that the Company shall adjust the proceeds proposed to be invested in A Share Proceeds-funded Projects based on the actual net Proceeds and the actual situation of the A Share Proceeds-funded Projects. The adjustment is in compliance with the requirements of relevant laws and regulations. The independent Directors of the Company have expressed their independent opinion to agree on the matter. The above matter is not required to be submitted to the Shareholders' meeting for consideration.

V. SPECIAL OPINIONS

1. Opinion of the Independent Directors

The independent Directors of the Company are of the view that the adjustment to the proceeds proposed to be invested in A Share Proceeds-funded Projects is a reasonable adjustment made by the Company after prudent study based on the actual situation of the implementation of the A Share Proceeds-funded Projects and the Proceeds. Such adjustment is in line with the actual situation of the Company's development without changing the investment directions of the Proceeds. It will neither cause any material adverse impact on the normal operation of the Company nor change the investment directions of the Proceeds in a disguised form or damage the interests of Shareholders, which is in line with the interests of the Company and all Shareholders. The independent Directors have consented to the Resolution on Adjustment to the Amount of Proceeds Proposed to be Invested in Proceeds-funded Projects (《關於調整募集資金投資項目擬投入募集資金金額的議案》) proposed by the Company.

2. Opinion of the Supervisory Committee

The Supervisory Committee is of the view that since the net Proceeds are lower than the amount of proceeds to be invested in the A Share Proceeds-funded Projects, in order to ensure the smooth implementation of the proceeds-funded projects, the amount of proceeds to be invested in some of the proceeds-funded projects has been adjusted and the necessary approval procedures have been performed. There is no change or disguised change in the investment directions and the use of the Proceeds and damage to the interests of the Shareholders. This is in compliance with the Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (as amended in 2022) (《上市公司監管指引第2號–上市公司募集資金管理和使用的監管要求(2022年修訂)》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), Guideline No. 1 on the Application of Self-Regulatory Rules for Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Regulated Operation (《上海證券交易所科創板上市公司自律監管規則適用指引第1號–規範運作》) and the Proceeds Management System (《募集資金管理制度》) of the Company and other relevant laws, regulations, regulatory documents and the system of the Company. This is in line with the future development needs of the Company and the interests of all Shareholders. Therefore, the Supervisory Committee agrees to adjust the amount of Proceeds to be invested in some of the A Share Proceeds-funded Projects.

3. Verifications Opinion of the Sponsor

The adjustment to the amount of proceeds proposed to be invested in A Share Proceeds-funded Projects of the Company have been considered and approved at the sixteenth meeting of the fourth session of the Board of Directors and the fourth meeting of the fourth session of the Supervisory Committee, with the affirmatively independent opinion of independent Directors. The above matters are within the terms of reference of the Board of the Company and not subject to approval in Shareholders' meetings. Such adjustment complies with the requirements of Measures for the Administration of the Sponsorship of Securities Offering and Listing (《證券發行上市保薦業務管理辦法》), the Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (as amended in 2022) (《上市公司監管指引第2號–上市公司募集資金管理和使用的監管要求(2022年修訂)》), Guideline No. 1 on the Application of Self-Regulatory Rules for Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Regulated Operation (《上海證券交易所科創板上市公司自律監管規則適用指引第1號–規範運作》), the Rules Governing the Listing of Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Proceeds Management System (《募集資金管理制度》) of the Company and other relevant laws, regulations and regulatory documents. There is no disguised change in the use of the Proceeds and damage to the interests of the Shareholders. To conclude, the Sponsor raises no objection against the adjustment by the Company to the amount of Proceeds proposed to be invested in A Share Proceeds-funded Projects.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Independent Opinion of Independent Directors of Beijing Chunlizhengda Medical Instruments Co., Ltd.* on Relevant Matters at the Sixteenth Meeting of the Fourth Session of the Board of Directors (《北京市春立正達醫療器械股份有限公司獨立董事關於第四屆董事會第十六次會議相關事項的獨立意見》);
2. Verifications Opinion on the Adjustment to the Amount of Proceeds Proposed to be Invested in Proceeds-funded Projects by Beijing Chunlizhengda Medical Instruments Co., Ltd.* issued by Huatai United Securities Co., Ltd. (《華泰聯合證券有限責任公司關於北京市春立正達醫療器械股份有限公司調整募集資金投資項目擬投入募集資金金額的核查意見》); and
3. Resolution of the Fourth Meeting of the Fourth Session of the Supervisory Committee (《第四屆監事會第四次會議決議》).

By order of the Board
Beijing Chunlizhengda Medical Instruments Co., Ltd.*
Shi Chunbao
Chairman

Beijing, the PRC, 18 January 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Shi Chunbao, Ms. Yue Shujun and Mr. Xie Feng Bao; the non-executive Director of the Company is Mr. Wang Xin; and the independent non-executive Directors of the Company are Mr. Ge Changyin, Mr. Wong Tak Shing and Mr. Weng Jie.

* For identification purpose only