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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 ON UPDATE OF EXPECTED TIMELINE AND CHANGE OF CERTAIN 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**”), the circulars of the Company (the “**Circulars**”) dated 24 July 2020 and 22 September 2023 and the announcements of the Company (the “**Announcements**”) dated 18 January 2022 and 30 August 2023, in relation to, among others, the proposed amount of the proceeds from A Share Offering (“**A Share Proceeds**” or “**Proceeds**”), its proposed uses (“**A Share Proceeds-funded Projects**”) and certain adjustment to the amount of proceeds proposed to be invested in 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, the Circulars and the Announcements.

On 30 August 2024, the Company held the sixteenth meeting of the fifth session of the Board and the tenth meeting of the fifth session of the Supervisory Committee, at which the Resolution on the Update of Expected Timeline and Change of Certain Proceeds-funded Projects (《關於募投項目延期及變更的議案》) was considered and approved. The resolution approved the Company to update the expect timeline for the Proceeds-funded Projects to reach the expected conditions for use and make adjustments including addition of main implementation entities and places. The sponsor, Huatai United Securities Co., Ltd. (hereinafter referred to as the “**Sponsor**”), issued verification opinions of no objection on this matter.

The Resolution on the Update of Expected Timeline and Change of Certain Proceeds-funded Projects (《關於募投項目延期及變更的議案》) is subjected to the approval by the Shareholders at the extraordinary general meeting (the “**EGM**”) of the Company.

I. BASIC INFORMATION ON THE 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 (證監許可[2021]3702號) issued by the China Securities Regulatory Commission, the Company was allowed to publicly issue 38,428,000 RMB ordinary shares (A shares) to the general public with a par value of RMB1.00 each, at the issue price of RMB29.81 per Share. The Proceeds amounted to RMB1,145.5387 million in aggregate. The net Proceeds amounted to RMB1,067.1283 million after deducting the issue expenses (exclusive of value-added tax). The payment of the 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 Proceeds in a special account. A supervision agreement on the special account for the Proceeds has also been entered into among the Company, the Sponsor and the relevant bank of the special account for the Proceeds in accordance with the requirements. The supervision agreement clearly stipulates the relevant responsibilities and obligations of the Company, the Sponsor, and the relevant bank for the deposit of the Proceeds, clarifies the rights and obligations of all parties, and implements strict approval procedures for the use of the Proceeds to ensure the special funds are for specified purpose only.

II. INFORMATION ON THE PROCEEDS-FUNDED PROJECTS

As the actual net Proceeds of the Company from the public issuance of A Shares amounted to RMB1,067.1283 million, which was lower than the proposed amount of RMB2,000 million as disclosed in 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》). With reference to the actual net Proceeds from the Initial Public Offering and the actual situation of the Proceeds-funded Projects, the Company adjusted the Proceeds to be invested in each of the Proceeds-funded Projects. The specific adjustment allocation is as follows:

Unit: RMB0'000

No.	Name of Proceeds-funded Project	Total investment for the project	Amount of Proceeds proposed to be invested before adjustment	Amount of Proceeds proposed to be invested after adjustment
1	Integrated Construction Project of Orthopedic Implants and Supporting Materials	94,470.38	86,000.00	46,000.00
2	Research and Development (“R&D”) 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

As of 30 June 2024, for details of the Proceeds-funded Projects and the use of the Proceeds of the Company, please refer to the “Special Report on the Deposit and Actual Use of Proceeds for the First Half of 2024 of Beijing Chunlizhengda Medical Instruments Co., Ltd.* (《北京市春立正達醫療器械股份有限公司2024年半年度募集資金存放與實際使用情況的專項報告》)” published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 31 August 2024.

III. DETAILS AND REASONS FOR THE DELAY AND CHANGES IN ADJUSTMENTS OF THE PROCEEDS-FUNDED PROJECTS

(I) Details and reasons for delay of the Proceeds-funded Projects

1. *Details for the delay of the Proceeds-funded Projects*

With the continuous expansion of the implementation of centralised procurement policies in the field of orthopedic consumables, the Company, taking into account the actual progress of the proceeds-funded projects, has extended the date for the proceeds-funded projects to reach the expected conditions for use after prudent study on the premise of no change in the investment scale in the proceeds-funded projects.

Details of the delay for the proceeds-funded projects to reach the expected conditions for use are as follows:

No.	Name of Proceeds-funded Project	Before changes	After changes
1	Integrated Construction Project of Orthopedic Implants and Supporting Materials	August 2024	December 2026
2	R&D Centre Construction Project	December 2024	December 2026
3	Marketing Network Construction Project	December 2024	December 2026

2. *Analysis of reasons for the delay of the Proceeds-funded Projects*

Upon its listing, the Company has actively promoted the construction of the above proceeds-funded projects. At the early stage, the construction progress has slowed down compared with expectations resulted from the market environment filled with uncertainties due to the consolidated impact of the COVID-19 pandemic and changes in industry policies along with other multiple factors. In addition, based on the principle of cost control and risk prevention, the Company has taken more cautious actions towards investment and expenditure on the proceeds-funded projects in response to the uncertain domestic and oversea political, economic and other macro-factors during recent years. Aiming to ensure the steady implementation of its proceeds-funded projects and reduction in the risk using funds, the Company proposed to extend the date for the proceeds-funded projects to reach the expected conditions for use after full consideration and prudent study.

(II) Details and reasons for changes in adjustments to the Proceeds-funded Projects

1. Details and reasons for changes in adjustments to Integrated Construction Project of Orthopedic Implants and Supporting Materials

(1) Changes in adjustments to the main implementation entities of Integrated Construction Project of Orthopedic Implants and Supporting Materials

The Company targeted to satisfy the strategic demands of business expansion and production base layout, combined with its plan on the proceeds-funded projects and actual needs of business development and operation, and to safeguard the progress of the implementation of the proceeds-funded projects and further improve the efficiency of funding considering the market environment in the future. Accordingly, Xingtai Langtai Benyuan Medical Devices Co., Ltd.* (邢台市琅泰本元醫療器械有限公司) (hereinafter referred to as “**Langtai Benyuan**”), Hebei Chunli Hangnuo New Materials Technology Co., Ltd.* (河北春立航諾新材料科技有限公司) (hereinafter referred to as “**Chunli Hangnuo**”), two wholly-owned subsidiaries of the Company will become joint implementation entities of Integrated Construction Project of Orthopedic Implants and Supporting Materials, along with Chunli Medical.

Details of which are as follows:

No.	Changes proposed	Before changes	After changes
1	Addition of main implementation entities	Chunli Medical	Chunli Medical, Langtai Benyuan and Chunli Hangnuo

Basic information of the new main implementation entities of the proceeds-funded projects are as follows:

①	Xingtai Langtai Benyuan Medical Devices Co., Ltd.*		
	Company name	Xingtai Langtai Benyuan Medical Devices Co., Ltd.*	
	Company type	Limited Liability Company	
	Unified Social Credit Identifier	91130533MA0G0WJG0P	
	Legal representative	Wei Zhangli	

Date of establishment	22 February 2021
Registered Capital	RMB5 million
Address of registration	Area B, No. 6 Factory, Weixian County Hi-Tech Industrial Development Zone of Hebei province, the east end of Kuayue road, and north end of Mianfang road and west end of Binhe road, Xingtai City, Hebei Province
Scope of Business	Production and sale of medical devices; import and export of goods or technology (except for the import and export of goods or technology prohibited for approval). (Items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities)
Shareholding structure	100% shareholding by the Company

② Hebei Chunli Hangnuo New Materials Technology Co., Ltd.*

Company name	Hebei Chunli Hangnuo New Materials Technology Co., Ltd.*
Company type	Limited Liability Company
Unified Social Credit Identifier	91130533MA0CKBIU9C
Legal representative	Yue Shutong
Date of establishment	2 August 2018
Registered Capital	RMB3 million
Address of registration	Area A, No. 6 Factory, Weixian County Hi-Tech Industrial Development Zone of Hebei province, the east end of Kuayue road, and north end of Mianfang road and west end of Binhe road, Xingtai City, Hebei Province

Scope of Business	R&D and promotion of alloy material technology; production and sales of medical devices and metal materials; forging of precision parts; import and export of goods or technology (except for the import and export of goods or technology prohibited by the state or involving administrative approval). (Items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities)
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Shareholding structure	100% shareholding by the Company
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(2) *Analysis of reasons for changes in the main implementation entities of Integrated Construction Project of Orthopedic Implants and Supporting Materials*

Langtai Benyuan and Chunli Hangnuo are added as the main implementation entities in this change. Langtai Benyuan is a wholly-owned subsidiary of the Company specializing in the spraying process in the production of various products, and Chunli Hangnuo is a wholly-owned subsidiary of the Company specializing in the upstream raw materials of various products. The addition of the above two enables the Company to better utilize its internal resources so as to bring into play the synergistic effect of the main production entities within the Company.

2. *Details and reasons for changes in adjustments to R&D Centre Construction Project*

(1) *Details for changes in adjustments to R&D Centre Construction Project*

The Company targeted to satisfy the strategic demands of business expansion and production base layout, combined with its plan on the proceeds-funded projects and actual needs of business development and operation, and to safeguard the progress of the implementation of the proceeds-funded projects and further improve the efficiency of funding considering the market environment in the future. Accordingly, Langtai Benyuan and Beijing Lechi Inspection Technology Co.* (北京樂馳檢測技術有限公司) (hereinafter referred to as “**Lechi Medical**”) will become joint implementation entities of R&D Centre Construction Project.

Details of which are as follows:

No.	Changes proposed	Before changes	After changes
1	Addition of main implementation entities	Chunli Medical	Chunli Medical, Langtai Benyuan and Lechi Medical
2	Addition of main implementation places	<ol style="list-style-type: none"> 1. Daxing Biomedicine Industrial Base of the Zhongguancun Science Park in Beijing 2. Weixian County New Production Base and Research and Development Center, Weixian County, Xingtai City, Hebei Province 	<ol style="list-style-type: none"> 1. Daxing Biomedicine Industrial Base of the Zhongguancun Science Park in Beijing 2. Weixian County New Production Base and Research and Development Center, Weixian County, Xingtai City, Hebei Province 3. Tongzhou Economic Development Zone, Tongzhou District, Beijing
3	Addition of implementation methods	<ol style="list-style-type: none"> 1. The R&D project conducted in Beijing used the existing site without R&D center construction 2. Proposed new R&D center in Weixian County, Hebei Province 	<ol style="list-style-type: none"> 1. The R&D center construction for projects will be conducted in Beijing through owned space and leasing, as well as the purchase of R&D and inspection devices 2. Proposed new R&D center in Weixian County, Hebei Province

Basic information of the new main implementation entities of the proceeds-funded projects are as follows:

① Xingtai Langtai Benyuan Medical Devices Co., Ltd.*

Please refer to “1. Details and reasons for changes in adjustments to Integrated Construction Project of Orthopedic Implants and Supporting Materials” in this section.

② Beijing Lechi Inspection Technology Co.*

Company name	Beijing Lechi Inspection Technology Co.*
Company type	Limited liability company (sole proprietorship)
Unified Social Credit Identifier	91110115MA04H1Y617
Legal representative	Zhang chun
Date of establishment	8 November 2021
Registered Capital	RMB10 million
Address of registration	1/F, Building 2, Huatuo Road No. 39, Daxing Biomedicine Industrial Base of the Zhongguancun Science Park, Huatuo Road, Beijing
Scope of Business	Inspection and testing services. (The enterprise shall select business items and carry out operating activities at its discretion in accordance with the law; for inspection and testing services and items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities and to the extent authorised by such approval; it is not allowed to engage in operating activities prohibited or restricted by industrial policies of the PRC and the city where it is located.)
Shareholding structure	100% shareholding by the Company

(2) *Analysis of reasons for changes in the main implementation entities of R&D Centre Construction Project*

Langtai Benyuan and Lechi Medical are added as the main implementation entities in this change. Langtai Benyuan is a wholly-owned subsidiary of the Company specializing in the spraying process in the production of various products, and Lechi Medical is a wholly-owned subsidiary of the Company specializing in the inspection and testing. The addition of the above two enables the Company to strengthen its spraying technology improvement of the relevant products as well as the enhancement of inspection and testing capabilities in the R&D process. It thus contributes to fulfilling the synergistic effect of the various main production entities within the Company and developing the R&D capabilities.

The addition of Tongzhou Economic Development Zone, Tongzhou District, Beijing as one of the implementation places for the proceeds-funded projects has expanded the places from Beijing Daxing Biomedicine Industrial Base and Weixian County Hi-Tech Industrial Development Zone to Beijing Daxing Biomedicine Industrial Base, Weixian Hi-Tech Industrial Development Zone, and Tongzhou Economic Development Zone, Beijing. This will enable the Company to fully realize synergistic development of its original and new production and R&D bases, integrate its internal resources, and better promote the implementation of the proceeds-funded projects, in line with its strategic development plan with a positive impact on business development of the Company.

The tightness of the existing R&D office space of the Company's proceeds-funded projects will be alleviated while their implementation progress will gain acceleration with the improving efficiency of the use of proceeds, benefiting from the addition of implementation places and the adjustment of implementation methods. The new implementation places of the Company near the existing ones, favors maintaining staff stability with the complete matching facilities to create convenience for the later R & D materials management, promote the further development of the Company, and ensure the smooth implementation of the projects, in line with its overall strategic planning.

IV. IMPACT OF THE DELAY, THE ADDITION OF MAIN IMPLEMENTATION ENTITIES AND ADJUSTMENTS TO IMPLEMENTATION METHODS OF THE PROCEEDS-FUNDED PROJECTS ON THE DAILY OPERATION OF THE COMPANY

The delay and adjustments including the addition of main implementation entities and places, changes in methods of the Proceeds-funded Projects are a prudent decision made by the Company based on the actual situation of the implementation of the relevant Proceeds-funded Projects and the Company's own development strategy and actual operation needs. The addition of main implementation entities and places for certain Proceeds-funded Projects fully integrates the overall operation and development planning of the Company and the business positioning of the subsidiaries, reasonably utilizes the location advantages of the subsidiaries, improves the overall utilization efficiency of the Company's existing resources, and helps to accelerate the implementation progress of the Proceeds-funded Projects in compliance with the relevant laws, regulations and regulatory documents including "Rules for Listing of Stocks on the Technology Innovation Board of the Shanghai Stock Exchange", the 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指引第1號－規範運作》) and Regulatory Guideline for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (《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》), and there is no change or disguised change in the direction of the investment of the proceeds and detriment to the interests of shareholders. These changes will not adversely affect the normal operation of the Company, will not prejudice the interests of the shareholders, and are in line with the long-term development plan of the Company and the long-term interests of the shareholders.

V. THE PERFORMED REVIEW PROCEDURES

On 30 August 2024, the Company convened the sixteenth meeting of the fifth session of the Board and the tenth meeting of the fifth session of the Supervisory Committee, at which the Resolution on the Delay and Change of the Proceeds-funded Projects (《關於募投項目延期及變更的議案》) was considered and approved, respectively. The sponsor issued verification opinions of no objection on this matter. This matter is subject to the consideration by the Shareholders at the general meeting of the Company before its implementation.

VI. STATEMENT OF SPECIAL OPINIONS

(I) Opinion of the Supervisory Committee

The Supervisory Committee of the Company is of the view that the delay, changes and adjustments of the Proceeds-funded Projects are made by the Company in a prudent manner based on the actual situation of the relevant Proceeds-funded Projects and taking into account the Company's own development strategy and actual operation needs. It will not have an adverse impact on the implemented projects and will be in line with the production and operation conditions of the Company at the current stage. The adjustment and the change to the Proceeds-funded Projects will not cause any material adverse impact on the normal operation of the Company, nor will it damage the interests of the Shareholders, which is in line with the long-term development plan of the Company and the long-term interests of the Shareholders. The decision-making and approval procedures of the matter are in compliance with the relevant laws and regulations including Regulatory Guideline for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies, the 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 and the Proceeds Management System (《募集資金管理制度》) of the Company. In conclusion, the Supervisory Committee approved the Resolution on the Delay and Changes in the Adjustments to the Proceeds-funded Projects.

(II) Verification Opinion of the Sponsor

The Sponsor is of the view that: the matters in relation to the delay and changes in adjustments to the Proceeds-funded Projects of the Company have been considered and approved by the Board and the Supervisory Committee of the Company, and shall be required the consideration and approval of the general meeting in the future. The necessary legal review procedures were performed in this stage. This matter is in compliance with the Regulatory Guideline for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (Revised 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 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指引第1號－規範運作》), the Rules Governing the Listing of Shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), Measures for the Continuous Supervision of Companies Listed on the Science and Technology Innovation Board (for Trial Implementation) (《科創板上市公司持續監管辦法(試行)》) and other relevant laws and regulations.

In conclusion, the Sponsor has no objection against the changes in the Proceeds-funded Projects of the Company.

The Resolution on the Update of Expected Timeline and Change of Certain A Share Proceeds-funded Projects is subjected to the approval by the Shareholders at the extraordinary general meeting (the “**EGM**”) of the Company.

The Resolution on the Update of Expected Timeline and Change of Certain A Share Proceeds-funded Projects will be proposed by way of ordinary resolution to be approved by the Shareholders at the EGM.

A circular containing, amongst other things, detailed information in relation to the Resolution on the Update of Expected Timeline and Change of Certain A Share Proceeds-funded Projects, together with a notice convening the EGM will be despatched to the Shareholders in due course.

On behalf of the Board
Beijing Chunlizhengda Medical Instruments Co., Ltd.*
Shi Wenling
Chairman

Beijing, the PRC, 30 August 2024

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

* For identification purposes only