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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**)

DISCLOSEABLE TRANSACTIONS

- (I) SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS WITH CHINA CONSTRUCTION BANK (DAXING BRANCH)**
- (II) SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS WITH BANK OF BEIJING (FANGZHUANG BRANCH)**

SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS

We refer to the announcement of the Company dated 2 September 2022 (the “**Announcement**”) in relation to, among other things, the subscription of structured deposit products of the Bank of Beijing (Fangzhuang Branch) and Bank of Beijing (Daxing Branch) by the Company. As disclosed in the Announcement, on 2 September 2022, the Company entered into (i) the BOJ (Fangzhuang) Structured Deposit Products Agreement 4 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Fangzhuang Branch) with a total amount of RMB70 million by using its internal resources; and (ii) the BOJ (Daxing) Structured Deposit Products Agreement 2 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Daxing Branch) with a total amount of RMB300 million by using its temporary idle proceeds from the public issuance of A shares. On 13 October 2022, the Company entered into (i) the CCBC (Daxing) Structured Products Agreement 3 and agreed to subscribe for the structured deposit products of the China Construction Bank (Daxing Branch) with a total amount of RMB240 million by using its temporary idle proceeds from the public issuance of A shares; and (ii) the BOJ (Fangzhuang) Structured Deposit Products Agreement 5 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Fangzhuang Branch) with a total amount of RMB155 million by using its internal resources and temporary idle proceeds from the public issuance of A shares.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transactions under the BOJ (Fangzhuang) Structured Deposit Products Agreement 4, the BOJ (Daxing) Structured Deposit Products Agreement 2, the CCBC (Daxing) Structured Products Agreement 3 and the BOJ (Fangzhuang) Structured Deposit Products Agreement 5 in aggregate exceeds 5% but are below 25%, such transactions constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

We refer to the announcement of the Company dated 2 September 2022 (the “**Announcement**”) in relation to, among other things, the subscription of structured deposit products of the Bank of Beijing (Fangzhuang Branch) and Bank of Beijing (Daxing Branch) by the Company. As disclosed in the Announcement, on 2 September 2022, the Company entered into (i) the BOJ (Fangzhuang) Structured Deposit Products Agreement 4 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Fangzhuang Branch) with a total amount of RMB70 million by using its internal resources; and (ii) the BOJ (Daxing) Structured Deposit Products Agreement 2 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Daxing Branch) with a total amount of RMB300 million by using its temporary idle proceeds from the public issuance of A shares. On 13 October 2022, the Company entered into (i) the CCBC (Daxing) Structured Products Agreement 3 and agreed to subscribe for the structured deposit products of the China Construction Bank (Daxing Branch) with a total amount of RMB240 million by using its temporary idle proceeds from the public issuance of A shares; and (ii) the BOJ (Fangzhuang) Structured Deposit Products Agreement 5 and agreed to subscribe for the structured deposit products of the Bank of Beijing (Fangzhuang Branch) with a total amount of RMB155 million by using its internal resources and temporary idle proceeds from the public issuance of A shares.

THE CCBC (DAXING) STRUCTURED PRODUCTS AGREEMENT 3

The major terms of the CCBC (Daxing) Structured Products Agreement 3 are set out below:

Date: 13 October 2022

Parties: (1) the Company; and

(2) the China Construction Bank (Daxing Branch)

Product name: CCBC (Daxing Branch) Entity-targeted RMB Customised Structured Deposit* (建設銀行大興支行單位人民幣定制型結構性存款)

Type of investment Principal-guaranteed with floating return
return of the
product:

Principal amount: RMB240 million

Term of the
product: 91 days commencing from 17 October 2022 to 16 January 2023

Product linked
and expected
annualized rate
of return: Pegging indicator: EUR/USD rate set by BFIX: Bloomberg FX Fixings

Initial price: Mid-rate of EUR/USD at 3 p.m. (Tokyo time) published under the “EUR CURNCY BFIX” on the Bloomberg’s website on 17 October 2022

Observed price: Mid-rate of EUR/USD at 3 p.m. (Tokyo time) published under the “EUR CURNCY BFIX” on the Bloomberg’s website on 12 January 2023

Annualized rate
of return: 1.50% to 3.08%

Principle for
calculation of
return: Daily rate of return = annual rate of return/365

Termination and
redemption: The CCBC (Daxing) Structured Products Agreement 3 shall be performed within the agreed period and the Company has no right of early termination or redemption. The China Construction Bank (Daxing Branch) has the right of early termination due to force majeure.

THE BOJ (FANGZHUANG) STRUCTURED DEPOSIT PRODUCTS AGREEMENT 5

The major terms of the BOJ (Fangzhuang) Structured Deposit Products Agreement 5 are set out below:

Date: 13 October 2022

Parties: (1) the Company; and
(2) the Bank of Beijing (Fangzhuang Branch)

Product name: EUR/USD Daily Observation Bearish Structured Deposits* (歐元／美元每日觀察看跌型結構性存款)

Type of investment Principal-guaranteed with floating return
return of the
product:

Principal amount: RMB155 million

Term of the
product: 91 days commencing from 17 October 2022 to 16 January 2023

Product linked
and expected
annualized rate
of return: Pegging indicator: EUR/USD rate set by BFIX: Bloomberg FX Fixings
Initial price: Mid-rate of EUR/USD at 3 p.m. (Tokyo time) published under the “EUR CURNCY BFIX” on the Bloomberg’s website on 17 October 2022

Observed price: Mid-rate of EUR/USD at 3 p.m. (Tokyo time) published under the “EUR CURNCY BFIX” on the Bloomberg’s website on 12 January 2023

Annualized rate
of return: 1.30% or 3.12%

Principle for
calculation of
return: Daily rate of return = annual rate of return/365

Termination and
redemption: The BOJ (Fangzhuang) Structured Deposit Products Agreement 5 shall be performed within the agreed period and the Company has no right of early termination or redemption. The Bank of Beijing (Fangzhuang Branch) has the right of early termination due to force majeure.

REASONS AND BENEFITS OF THE STRUCTURED DEPOSIT PRODUCTS AGREEMENTS

The Company's subscription of the structured deposit products under the Structured Deposit Products Agreements respectively by reasonable and effective use of certain portions of its temporary idle funds from the public issuance of A shares and its internal resources is beneficial for enhancing the overall capital gain of the Group, which is consistent with the core objectives of the Company to safeguard its capital and ensure liquidity. It is expected that the impact of risk factors in connection with the expected return of the above-mentioned structured deposit products is low, while the Group can enjoy a higher return compared with fixed term deposits in commercial banks in the PRC.

The Directors (including the independent non-executive Directors) are of the view that the above-mentioned Structured Deposit Products Agreements respectively are made on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is principally engaged in the research and development, production and sale of implantable orthopedic medical devices in PRC. Its products include joint prosthesis products and spinal products.

China Construction Bank is a joint stock commercial bank in the PRC which provides services such as accepting deposits, making loans and offering basic investment products. Headquartered in Beijing, it was listed on the Stock Exchange in October 2005 (stock code: 939) and the Shanghai Stock Exchange in September 2007 (stock code: 601939). China Construction Bank (Daxing branch) is a branch of China Construction Bank. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Construction Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. Bank of Beijing is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 601169). Bank of Beijing (Fangzhuang Branch) and Bank of Beijing (Daxing Branch) are branches of Bank of Beijing. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Bank of Beijing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirm that the considerations for each of the Structured Deposit Products Agreements was determined on the basis of commercial terms negotiated at arm's length between the Group and each of China Construction Bank (Daxing branch) and Bank of Beijing (Fangzhuang Branch) respectively, having considered the temporary idle funds from the public issuance of A shares and the internal resources of the Company.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transactions under the BOJ (Fangzhuang) Structured Deposit Products Agreement 4, the BOJ (Daxing) Structured Deposit Products Agreement 2, the CCBC (Daxing) Structured Products Agreement 3 and the BOJ (Fangzhuang) Structured Deposit Products Agreement 5 in aggregate exceeds 5% but are below 25%, such transactions constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As none of the Directors has a material interest in the subscription of above-mentioned Structured Deposit Products Agreements respectively, no Director is required to abstain from voting on the Board resolution approving the subscription of above-mentioned Structured Deposit Products Agreements.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Bank of Beijing”	Bank of Beijing Co., Ltd.* (北京銀行股份有限公司), a licensed bank in the PRC and a joint stock company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601169)
“Board”	the board of Directors of the Company
“BOJ (Fangzhuang) Structured Deposit Products Agreement 4”	the entity-targeted structured deposit products agreement entered into by the Company and Bank of Beijing (Fangzhuang Branch) on 2 September 2022, pursuant to which the Company agreed to subscribe for the structured deposit products of Bank of Beijing with an amount of RMB70 million
“BOJ (Fangzhuang) Structured Deposit Products Agreement 5”	the entity-targeted structured deposit products agreement entered into by the Company and Bank of Beijing (Fangzhuang Branch) on 13 October 2022, pursuant to which the Company agreed to subscribe for the structured deposit products of Bank of Beijing with an amount of RMB155 million
“BOJ (Daxing) Structured Deposit Products Agreement 2”	the entity-targeted structured deposit products agreement entered into by the Company and Bank of Beijing (Daxing Branch) on 2 September 2022, pursuant to which the Company agreed to subscribe for the structured deposit products of Bank of Beijing with an amount of RMB300 million
“CCBC” or “China Construction Bank”	China Construction Bank Corporation* (中國建設銀行股份有限公司), a joint stock commercial bank in the PRC, the shares of which are listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939)

“CCBC (Daxing) Structured Products Agreement 3”	the entity-targeted structured deposit products agreement entered into by the Company and CCBC (Daxing Branch) on 13 October 2022, pursuant to which the Company agreed to subscribe for the structured deposit products of CCBC (Daxing Branch) with an amount of RMB240 million
“Company”	Beijing Chunlizhengda Medical Instruments Co., Ltd.*, a joint stock limited company incorporated in the People’s Republic of China with limited liability, with A shares listed on the STAR Market of Shanghai Stock Exchange and H shares listed on the Main Board of the Stock Exchange
“connected person”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and/or its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Structured Deposit Products Agreements”	the CCBC (Daxing) Structured Products Agreement 3 and the BOJ (Fangzhuang) Structured Deposit Products Agreement 5
“%”	per cent

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

Beijing, the PRC, 13 October 2022

* For identification purposes only

As at the date of this announcement, the executive Directors of the Company are Mr. Shi Chunbao, Ms. Yue Shujun, Mr. Xie Feng Bao and Ms. Shi Wenling; 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.