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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)

**CONNECTED TRANSACTION
STRATEGIC ALLOTMENT TO
COLLECTIVE ASSETS MANAGEMENT PLAN
UNDER THE A SHARE OFFERING**

STRATEGIC ALLOTMENT TO COLLECTIVE ASSETS MANAGEMENT PLAN

References are made to the announcements of the Company dated 3 November 2015, 22 April 2020, 5 June 2020 and 7 July 2021 in relation to, among others, the A Share Offering (the “**A Share Offering Announcements**”), the circulars of the Company’s 2020 second extraordinary general meeting, 2020 second Domestic Shareholders’ class meeting and 2020 second H Shareholders’ class meeting dated 24 July 2020 and the Company’s 2021 first extraordinary general meeting, 2021 first Domestic Shareholders’ class meeting and 2021 first H Shareholders’ class meeting dated 16 July 2021 (the “**A Share Offering Circulars**”), the announcement of the Company dated 10 August 2020 in relation to the poll results of the Company’s 2020 second extraordinary general meeting, 2020 second Domestic Shareholders’ class meeting and 2020 second H Shareholders’ class meeting, the announcement of the Company dated 6 August 2021 in relation to the poll results of the Company’s 2021 first extraordinary general meeting, 2021 first Domestic Shareholders’ class meeting and 2021 first H Shareholders’ class meeting, the announcement of the Company dated 22 December 2020 in relation to the acceptance by the SSE of the application for A Share Offering, and the announcements dated 22 December 2020, 22 June 2021, 28 June 2021, 19 July 2021, 6 August 2021 and 12 August 2021 in relation to the Prospectus for the A Share Offering, and responses to vetting inquiries from the SSE and the announcement dated 20 August 2021 in relation to the approval of A Share Offering by the Listing Committee for the SSE STAR Market. The A Share Offering is still subject to the approval of the CSRC.

The special authorization for the A Share Offering was considered and approved by the extraordinary general meetings and the Domestic Shareholders' class meetings and the H Shareholders' class meetings of the Company on 10 August 2020 and 6 August 2021. As the A Share Offering Announcements and A Share Offering Circulars were prepared on 3 November 2015, 22 April 2020, 5 June 2020, 24 July 2020, 7 July 2021 and 16 July 2021 respectively, by which time the Company had no specific plans to issue A Shares to connected persons.

According to the PRC legal adviser of the Company, according to the Implementation Rules, the senior management and core employees from the enterprise applicants of the SSE STAR Market can participate in the strategic allotment of the public offering and listing on the SSE STAR Market. In accordance with the Company Law, the Implementation Rules, the Guidelines and the provisions of other relevant laws, regulations and regulatory documents and the Articles of Association, as part of the A Share Offering, the Company formulated the Strategic Allotment Plan. Certain senior management and core employees (including Directors) of the Company will establish the Collective Assets Management Plan and intend to participate in the Strategic Allotment under the A Share Offering. The Strategic Allotment Plan has come into force after being considered and approved by the Board resolutions passed on 18 October 2021. Pursuant to the Strategic Allotment Plan, the Company may allot not more than 10% of the proposed issue number under the A Share Offering to the Collective Assets Management Plan under the A Share Offering.

Certain Participants of the Collective Assets Management Plan (being the directors and/or chief executives of the Company) are connected persons of the Company. The Collective Assets Management Plan is a connected person of the Company and the Strategic Allotment to the Collective Assets Management Plan constitutes a connected transaction of the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Company will convene the EGM to consider and approve the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan. As at the date of this announcement, each of Mr. Shi Chunbao and Ms. Yue Shujun directly or indirectly holds the Shares of the Company, and they will, if applicable, abstain from voting on the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan at the EGM. Save as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders is required to abstain from voting on such resolution at the EGM pursuant to the Listing Rules.

The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular by reference to the advice of Gram Capital in this regard) consider that the terms of the Strategic Allotment to the Collective Assets Management Plan are on normal commercial terms and fair and reasonable, and the Strategic Allotment to the Collective Assets Management Plan is in the interests of the Company and the Shareholders as a whole, although it is not in the usual and ordinary course of business of the Company due to its nature of transaction.

The circular of the EGM containing, among other things, (i) details of the Strategic Allotment to the Collective Assets Management Plan; (ii) a letter to the independent Board committee from Gram Capital, which contains its advice on the Strategic Allotment to the Collective Assets Management Plan; and (iii) a letter from the independent Board committee, which contains its recommendation on the Strategic Allotment to the Collective Assets Management Plan, is expected to be despatched to the Shareholders on or before 1 November 2021.

I. STRATEGIC ALLOTMENT TO COLLECTIVE ASSETS MANAGEMENT PLAN

1. Background

References are made to the announcements of the Company dated 3 November 2015, 22 April 2020, 5 June 2020 and 7 July 2021 in relation to, among others, the A Share Offering (the “**A Share Offering Announcements**”), the circulars of the Company’s 2020 second extraordinary general meeting, 2020 second Domestic Shareholders’ class meeting and 2020 second H Shareholders’ class meeting dated 24 July 2020 and the Company’s 2021 first extraordinary general meeting, 2021 first Domestic Shareholders’ class meeting and 2021 first H Shareholders’ class meeting dated 16 July 2021 (the “**A Share Offering Circulars**”), the announcement of the Company dated 10 August 2020 in relation to the poll results of the Company’s 2020 second extraordinary general meeting, 2020 second Domestic Shareholders’ class meeting and 2020 second H Shareholders’ class meeting, the announcement of the Company dated 6 August 2021 in relation to the poll results of the Company’s 2021 first extraordinary general meeting, 2021 first Domestic Shareholders’ class meeting and 2021 first H Shareholders’ class meeting, the announcement of the Company dated 22 December 2020 in relation to the acceptance by the SSE of the application for A Share Offering, and the announcements dated 22 December 2020, 22 June 2021, 28 June 2021, 19 July 2021, 6 August 2021 and 12 August 2021 in relation to the Prospectus for the A Share Offering, and responses to vetting inquiries from the SSE and the announcement dated 20 August 2021 in relation to the approval of A Share Offering by the Listing Committee for the SSE STAR Market. The A Share Offering is still subject to the approval of the CSRC.

The special authorization for the A Share Offering was considered and approved by the extraordinary general meetings and the Domestic Shareholders’ class meetings and the H Shareholders’ class meetings of the Company on 10 August 2020 and 6 August 2021. As the A Share Offering Announcements and A Share Offering Circulars were prepared on 3 November 2015, 22 April 2020, 5 June 2020, 24 July 2020, 7 July 2021 and 16 July 2021 respectively, by which time the Company had no specific plans to issue A Shares to connected persons.

According to the PRC legal adviser of the Company, according to the Implementation Rules, the senior management and core employees from the enterprise applicants of the SSE STAR Market can participate in the strategic allotment of the public offering and listing on the SSE STAR Market. In accordance with the Company Law, the Implementation Rules, the Guidelines

and the provisions of other relevant laws, regulations and regulatory documents and the Articles of Association, as part of the A Share Offering, the Company formulated the Strategic Allotment Plan. Certain senior management and core employees (including Directors) of the Group will establish the Collective Assets Management Plan and intend to participate in the Strategic Allotment under the A Share Offering. The Strategic Allotment Plan has come into force after being considered and approved by the Board resolutions passed on 18 October 2021. Pursuant to the Strategic Allotment Plan, the Company may allot not more than 10% of the proposed issue number under the A Share Offering to the Collective Assets Management Plan under the A Share Offering.

Certain Participants of the Collective Assets Management Plan (being the directors and/or chief executives of the Company) are connected persons of the Company. The Collective Assets Management Plan is a connected person of the Company and the Strategic Allotment to the Collective Assets Management Plan constitutes a connected transaction of the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

2. The Strategic Allotment

Details of the Strategic Allotment are set out as follows:

(i) Participants

To be eligible to participate in the Collective Assets Management Plan, Participants should be senior management and core employees who are essential to the achievement of the Company's strategic targets. In particular, the Company has established the following criteria for the Participants:

1. serving as the core management, technical and business backbone of the Company who have direct impacts on the operating results and future development of the Company to a certain extent; and
2. complying with the criteria for eligible investors as stipulated in the Guiding Opinions on Regulating the Assets Management Business of Financial Institutions (《關於規範金融機構資產管理業務的指導意見》) (Yin Fa [2018] No. 106), the Rules Governing the Private Assets Management Business of Securities and Futures Commissions (《證券期貨經營機構私募資產管理業務管理辦法》) (CSRC Order No. 151) and the Provisions on the Administration of Operation of Private Assets Management Plans of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理計劃運作管理規定》) (CSRC Announcement [2018] No. 31).

Set out below is the list of the Participants of the Collective Assets Management Plan:

Name	Designation	Maximum contribution amount (in RMB'000)	Approximate percentage of the maximum contribution amount in the Collective Assets Management Plan	Maximum number of Shares calculated based on the approximate percentage of the maximum contribution amount in the Collective Assets Management Plan	Approximate percentage of the number of Shares under the A Share Offering
Xie Fengbao	Executive Director and Deputy Chief Engineer	5,300	4.6%	175,319	0.5%
Wang Jianliang	Deputy General Manager	3,750	3.2%	124,047	0.3%
Zhai Zhiyong	Deputy General Manager	3,500	3.0%	115,777	0.3%
Shi Chunbao	Chairman of the Board, General Manager and Chief Engineer	32,000	27.6%	1,058,531	2.8%
Yue Shujun	Executive Director and Deputy General Manager	28,000	24.1%	926,215	2.4%
Sub-total		72,550	62.5%	2,399,889	6.3%
Other senior management and core employees of the Group		43,620	37.5%	1,442,911	3.7%
Total		116,170	100%	3,842,800	10%

The list of Participants and their contribution amount and percentage of interests in the Collective Assets Management Plan will be considered and approved by the Board of Directors of the Company.

(ii) *Source of Funding*

The Participants shall undertake that their contributions to the Collective Assets Management Plan shall be sourced from their own capitals or self-raised funds.

(iii) *Source of Shares*

The Shares under the Strategic Allotment to the Collective Assets Management Plan shall be the A Shares to be issued by the Company pursuant to the A Share Offering, with nominal value of RMB1.00 each. Such A Shares shall be listed on the SSE STAR Market.

(iv) *Number of Shares*

The total number for Shares subscribed by the Collective Assets Management Plan under the Strategic Allotment shall not exceed 10% of the total number of A shares to be issued under the A Share Offering, i.e. not more than 3,842,800 A shares.

(v) *Issue Price, Pricing Principles and Payment Methods*

The subscription price of the A shares to be allotted under the Strategic Allotment shall be identical to the issue price under the A Share Offering.

The issue price will be determined by making enquiries with offline investors or by such other methods as permitted by the CSRC and other relevant regulatory authorities.

The Collective Assets Management Plan shall, at the request of the lead underwriter(s), transfer the subscription funds to the account designated by the lead underwriter(s) in one lump sum, and thereafter, together with the proceeds from the A Share Offering, after deduction of expenses such as sponsorship and underwriting fees, to the designated account for proceeds set up by the Company for the A Share Offering.

(vi) *Lock-up Period*

The A Shares subscribed by the Collective Assets Management Plan are subject to a lock-up period of 12 months from the date of listing of A Shares. The Participants shall not withdraw from the Collective Assets Management Plan or transfer their entitlements of the Collective Assets Management Plan in any form during the lock-up period. After the expiry of the lock-up period, the manager of the Collective Assets Management Plan will arrange the disposal of Shares in due course in accordance with the relevant agreements or rules.

(vii) *Term*

The term (management period) of the Collective Assets Management Plan shall be 2 years, commencing from the date of establishment of the Collective Assets Management Plan. The term may be extended by mutual consent of the manager of the Collective Assets Management Plan and the Participants and in accordance with the relevant agreements or rules.

(viii) Means of implementation

The Participants will participate in the Strategic Allotment under the A Share Offering through the establishment of the Collective Assets Management Plan. The Participants shall make the payment in full in a timely manner with their own or self-raised funds based on the arrangement under the Collective Assets Management Plan, otherwise shall be deemed to voluntarily abstain from the entitlement. The abstained contribution amount by any Participant may be adjusted accordingly to other Participants who are not connected persons of the Company. The final list of Participants with their actual contribution amount in the Collective Assets Management Plan will be prepared for review and approval by the Board before implementation.

The Collective Assets Management Plan will be formulated as broker collective assets management plan for the implementation of Strategic Allotment by entering a collective asset management agreement among the Participants (as the principal), broker (as the manager) and bank (as the custodian), in accordance with the Company Law, the Implementation Rules, the Guidelines and the provisions of other relevant laws, regulations and regulatory documents.

The manager will realize the assets held under the Collective Assets Management Plan in accordance with the scope of investment stipulated in the collective asset management agreement, and will realize the A Shares of the Company after the expiration of the 12-month lock-up period from the listing of A Shares. Upon the expiration of the lock-up period, the Collective Assets Management Plan will be opened for Participants to realize their interests, and the opening arrangement will be subject to the announcement of the manager, unless otherwise stipulated by the CSRC. During the opening period, the Collective Assets Management Plan will only be available for Participants to withdraw from the Collective Assets Management Plan by realizing their interests in the Collective Assets Management Plan until the expiry of the term of the Collective Assets Management Plan, and the cash received after the withdrawal will be deposited into the account set up by the Participants with the custodian bank. Upon expiry of the Collective Assets Management Plan's term (management period), the assets of the Collective Assets Management Plan will be sold, and the manager will distribute the realized cash to the Participants (after making deductions according to the terms of the Collective Assets Management Plan).

The manager of the Collective Assets Management Plan has voting rights of the A Shares of the Company held under the Collective Assets Management Plan in accordance with the Guiding Opinions on Regulating the Assets Management Business of Financial Institutions (《關於規範金融機構資產管理業務的指導意見》) (Yin Fa [2018] No. 106) on behalf of the Collective Assets Management Plan, without any requirement of seeking direction or consent from the Participants. To comply with the requirements of Listing Rules, the manager of the Collective Assets Management Plan should not exercise the voting rights at the general meeting of the Company if the Participant has material interests in any resolutions proposed in general meeting of the Company.

(ix) *Implementation Conditions*

The Strategic Allotment Plan has come into force after being considered and approved by the Board resolutions passed on 18 October 2021, and shall be implemented at the time of the A Share Offering. If the Company's application of the A Share Offering fails to obtain the approval from relevant regulatory authorities, the Strategic Allotment Plan shall be terminated according to law. The A Share Offering is not conditional on the Strategic Allotment taking place.

(x) *Model Code*

The Participants and the manager of the Collective Assets Management Plan shall undertake to comply with the Model Code during the term of the Collective Assets Management Plan and shall not deal with any A Share or withdraw from the Collective Assets Management Plan or transfer their entitlements of the Collective Assets Management Plan in any form during the applicable black-out periods under the Model Code.

II. OTHER INFORMATION RELATING TO THE STRATEGIC ALLOTMENT TO COLLECTIVE ASSETS MANAGEMENT PLAN

(i) Impact of the A Share Offering and Strategic Allotment on the shareholding structure of the Company

The Company's 250,000,000 Domestic Shares currently in issue will be converted into A Shares on the date of completion of the A Share Offering. For reference and illustration purposes only, assuming that all of the 38,428,000 A Shares under the A Share Offering are approved to be issued, among which no more than 3,842,800 A Shares are issued to the Collective Assets Management Plan, and no less than 34,585,200 A Shares are issued to the public, and the share capital of the Company remains unchanged before the completion of the A Share Offering, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the A Share Offering is as follows:

	As at the Date of this Announcement		Immediately after the completion of the A Share Offering (assuming no over-allotment option is exercised)		Immediately after the completion of the A Share Offering (assuming over-allotment option is fully exercised)	
	Number of Shares	Approximate percentage of issued share capital of the Company	Number of Shares	Approximate percentage of issued share capital of the Company	Number of Shares	Approximate percentage of issued share capital of the Company
Domestic Shares	250,000,000	72.3%	–	–	–	–
A Shares to be converted from Domestic Shares in issue ⁽¹⁾	–	–	250,000,000	65.1%	250,000,000	64.1%
– A Shares held by core connected persons	–	–	209,133,335	54.5%	209,133,335	53.6%
– A Shares held by the public	–	–	40,866,665	10.6%	40,866,665	10.5%

	As at the Date of this Announcement		Immediately after the completion of the A Share Offering (assuming no over-allotment option is exercised)		Immediately after the completion of the A Share Offering (assuming over-allotment option is fully exercised)	
	Number of Shares	Approximate percentage of issued share capital of the Company	Number of Shares	Approximate percentage of issued share capital of the Company	Number of Shares	Approximate percentage of issued share capital of the Company
A Shares proposed to be issued under the A Share Offering ⁽²⁾	–	–	38,428,000	10.0%	44,192,200	11.3%
– A Shares held by the Collective Assets Management Plan (at maximum)	–	–	3,842,800	1.0%	–	0%
– A Shares held by the public (at minimum)	–	–	34,585,200	9.0%	44,192,200	11.3%
H Shares⁽³⁾	<u>95,852,000</u>	<u>27.7%</u>	<u>95,852,000</u>	<u>24.9%</u>	<u>95,852,000</u>	<u>24.6%</u>
Total	<u>345,852,000</u>	<u>100.00%</u>	<u>384,280,000</u>	<u>100.00%</u>	<u>390,044,200</u>	<u>100.00%</u>

Notes:

- (1) As at the date of this announcement, according to the information publicly available to the Company, and to the knowledge of the Directors, Mr. Shi Chunbao and Ms. Yue Shujun, the controlling shareholders of the Company, held 209,133,335 Domestic Shares of the Company, representing approximately 83.7% of the issued Domestic Shares of the Company. All of such Domestic Shares will be converted into A Shares upon completion of the A Share Offering;
- (2) The Shares allotted to the Collective Assets Management Plan pursuant to the Strategic Allotment are not counted towards the Company's public float under the Listing Rules. As at the date of this announcement, according to the information publicly available to the Company, and to the knowledge of the Directors, no more than 3,842,800 newly issued A Shares under the A Share Offering will be held by the Collective Assets Management Plan, and no less than 34,585,200 A Shares will be held by the public;
- (3) As at the date of this announcement, according to the information publicly available to the Company, and to the knowledge of the Directors, all of the H Shares are held by the public.

As at the date of this announcement, based on the publicly available information and to the Directors' knowledge, all the H Shares are held by the public and the Company has maintained a public float above 25% which satisfies the requirements under the Listing Rules. The Shares allotted to the Collective Assets Management Plan pursuant to the Strategic Allotment are not counted towards the Company's public float under the Listing Rules. Assuming that all of the 38,428,000 A Shares under the A Share Offering (assuming no over-allotment option is exercised) are approved to be issued, among which no more than 3,842,800 A Shares will be issued to the Collective Assets Management Plan, and no less than 34,585,200 A Shares will be issued to the public, it is expected that the percentage of minimum number of newly issued A Shares under the A Share Offering held by the public in the total number of Shares after the A Share Offering will be 9%, the percentage of number of H Shares to be held by the public in the total number of Shares after the A Share Offering will be 24.9%, and the percentage of minimum number of Shares held by the public (both A Shares and H Shares in aggregate) will be 44.5% of the total number of the Shares after the A Share Offering. The Company's public float will still be able to comply with the requirements of Rule 8.08 of the Listing Rules. The Company will closely monitor its public float to ensure its compliance, at all times, with relevant public float requirements.

(ii) Reasons for Strategic Allotment and Use of Proceeds

The senior management and core employees of the Company will be able to participate in the subscription under the A Share Offering through the Collective Assets Management Plan, which will be beneficial to mobilising their initiative and establishing and improving the benefit and risk sharing mechanism between them and all of the shareholders, so as to closely tie their interests and that of the Company together and unite as one to develop the Company, thus enhancing the sustainability and competitiveness of the Company. Meanwhile, the senior management and core employees may participate in the shareholding structure of the Company in the form of the Collective Assets Management Plan, benefitting to the diversification of the Company's shareholding structure and enhancing the level of corporate governance.

(iii) Fund Raising Activities in the Past Twelve Months

The Company has not conducted any fund raising activities involving the issuance of share capital within 12 months immediately preceding the date of this announcement.

(iv) Implications of the Listing Rules

Certain Participants of the Collective Assets Management Plan are the directors and/or chief executives of the Company and therefore the Collective Assets Management Plan is a connected person of the Company under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, the Strategic Allotment to the Collective Assets Management Plan constitutes a connected transaction of the Company and is subject to the requirements of reporting, announcement and the Independent Shareholders' approval under the Listing Rules.

(v) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee (consisting of all independent non-executive Directors, Mr. Ge Changyin, Mr. Wong Tak Shing and Mr. Weng Jie) has been established to advise the Independent Shareholders on the Strategic Allotment to the Collective Assets Management Plan. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Strategic Allotment to the Collective Assets Management Plan.

(vi) Opinions of the Board

As Mr. Shi Chunbao, Ms. Yue Shujun and Mr. Xie Feng Bao, being Directors of the Company, will participate in the Collective Assets Management Plan, they have abstained from voting on the relevant Board resolution. Save as mentioned above, none of the other Directors has a material interest in the Strategic Allotment to the Collective Assets Management Plan under the A Share Offering. As such, none of the other Directors has abstained from voting on the such Board resolution.

The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular by reference to the advice of Gram Capital in this regard) consider that the terms of the Strategic Allotment to the Collective Assets Management Plan are on normal commercial terms and fair and reasonable, and the Strategic Allotment to the Collective Assets Management Plan is in the interests of the Company and the Shareholders as a whole, although it is not in the usual and ordinary course of business of the Company due to its nature of transaction.

(vii) EGM

The Company will convene the EGM to consider and approve the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan.

As at the date of this announcement, each of Mr. Shi Chunbao and Ms. Yue Shujun directly or indirectly holds the Shares of the Company, and they will, if applicable, abstain from voting on the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan under the A Share Offering at the EGM. Save as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders is required to abstain from voting on such resolution at the EGM pursuant to the Listing Rules.

The circular of the EGM containing, among other things, (i) details of the Strategic Allotment to the Collective Assets Management Plan; (ii) a letter to the independent Board committee from Gram Capital, which contains its advice on the details of the Strategic Allotment to the Collective Assets Management Plan; and (iii) a letter from the independent Board committee, which contains its recommendation on the details of the Strategic Allotment to the Collective Assets Management Plan, is expected to be despatched to the Shareholders on or before 1 November 2021.

(viii) General Information

The Company is engaged primarily in the research and development, production and sales of implantable orthopedic medical devices which include joint prosthesis products and spinal products.

There is no assurance that the A Share Offering will proceed, and relevant senior management and core employees may or may not participate in the Strategic Allotment to the Collective Assets Management Plan under the A Share Offering. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the A Share Offering and the Strategic Allotment to the Collective Assets Management Plan will be disclosed by the Company in due course.

III. DEFINITION

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

“A Share(s)”	the ordinary share(s) to be subscribed for in RMB which are proposed to be issued by the Company in accordance with the A Share Offering
“A Share Offering”	the Company’s proposed initial public offering of no more than 38,428,000 A Shares, which will be listed on SSE STAR Market
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of directors of the Company
“Collective Assets Management Plan”	the broker collective assets management plan to be formulated for the purpose of the Strategic Allotment
“Company”	Beijing Chunlizhengda Medical Instruments Co., Ltd.* (北京市春立正達醫療器械股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》) (as amended from time to time)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares of nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for in RMB by Chinese citizens or entities incorporated in the PRC and are credited as fully paid up
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan
“Group”	the Company and/or its subsidiaries
“Guidelines”	the Guidelines for Issue and Underwriting of Shares on the Sci-Tech Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》)
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which listed on the main board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Rules”	the Implementation Rules for the Offering and Underwriting of Stocks on the SSE STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》)
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors who are independent from related matters to advise Independent Shareholders in respect of the Strategic Allotment to the Collective Assets Management Plan

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser of the Company appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Strategic Allotment to the Collective Assets Management Plan
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolution in relation to the Strategic Allotment to the Collective Assets Management Plan to be considered and approved
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Model Code”	the Model Code for Securities Transactions by Directors of Listing Issuers as set out in Appendix 10 to the Listing Rules
“Participant(s)”	the participant(s) of the Strategic Allotment through the Collective Assets Management Plan
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“SSE”	the Shanghai Stock Exchange
“SSE STAR Market”	Sci-tech Innovation Board of the SSE
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Allotment”	the allotment of no more than 10% of A Shares proposed to be issued under the A Share Offering to the Participants via the Collective Assets Management Plan by the Company in accordance with the Strategic Allotment Plan

“Strategic Allotment Plan”	the strategic allotment plan formulated by the Company for its senior management and core employees, which has come into force after being considered and approved by the Board resolutions passed on 18 October 2021
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Beijing, the PRC, 18 October 2021

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