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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)

**PRELIMINARY PRICE CONSULTATION PERIOD
FOR THE A SHARE OFFERING
AND
SUMMARY OF PRINCIPAL PROVISIONS OF
THE A SHARE PROSPECTUS**

This announcement is made by Beijing Chunlizhengda Medical Instruments Co., Ltd.* (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements of the Company dated 3 November 2015, 22 April 2020, 5 June 2020, 22 December 2020, 22 June 2021, 28 June 2021, 7 July 2021, 19 July 2021, 6 August 2021, 12 August 2021, 20 August 2021, 2 September 2021, 18 October 2021, 24 November 2021 and 7 December 2021 in relation to, among others, the A Share Offering, 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 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 and 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. Unless the context requires otherwise, terms and expressions used in this announcement shall have the same meanings as those defined in the aforementioned announcements and circulars.

I. PRELIMINARY PRICE CONSULTATION PERIOD FOR THE A SHARE OFFERING

As disclosed in the announcement of the Company dated 24 November 2021, the CSRC has approved the registration of the A Share Offering of the Company on 23 November 2021. As required by the applicable PRC laws and regulations, the Company and the underwriter will conduct preliminary price consultations among inquiry targets who meet the requirements of the PRC laws and regulations on the preliminary price consultation day, being 16 December 2021 (from 9:30 to 15:00), in the PRC to determine the issue price. The Company will make further announcement(s) once the final offering size and issue price of the A Share Offering are determined.

II. PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”) and the relevant appendices were published by the Company in Chinese only on the website of the Shanghai Stock Exchange (the “**SSE**”) (www.sse.com.cn), the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.clzd.com) on 14 December 2021.

A summary of the principal provisions of the A Share Prospectus is as follows:

1. Summary of the A Share Offering

- | | | |
|-------|------------------------------------|--|
| (i) | Type of Shares: | Renminbi ordinary shares (A Shares) |
| (ii) | Par value per Share: | RMB1.00 |
| (iii) | Number of Shares to be issued: | No more than 38,428,000 A Shares, i.e. no more than 10% of the total share capital of the Company after the A Share Offering. After the A Share Offering, the newly issued A Shares and the issued H Shares together account for 34.94% of the total issued share capital of the Company which is more than 25%. All shares under the A Share Offering are new issued shares, the existing shareholders will not offer their shares for sale under the A Share Offering. |
| (iv) | Issue price per Share: | RMB[•••] |
| (v) | Price earnings ratio of the issue: | [•••] times (earnings per Share is calculated by according to the lower of the net profit before and after deducting non recurring profits and losses and the full dilution of the total share capital after the A Share Offering) |

(vi)	Net asset per Share before the issue:	RMB3.57 per Share (calculated by dividing the net asset attributable to the shareholders of the parent company as at 30 June 2021 by the total share capital before the A Share Offering)
(vii)	Net asset per Share after the issue:	RMB[••] per Share (calculated by dividing the sum of the net asset attributable to the parent company as at 30 June 2021 and the net proceeds from the issue by the total share capital after the A Share Offering)
(viii)	Price-to-book ratio:	[••] times (calculated by dividing the issue price per Share by the net asset per Share after the issue)
(ix)	Method of issuance:	Shares will be issued in a combination of placement to strategic investors, offline placement through price consultations to qualified investors and online issuance at fixed price to public investors who hold the market value of non-restricted A shares and non-restricted depositary receipts circulated in the Shanghai market
(x)	Target subscribers:	Qualified strategic investors, price consultation participants and domestic natural persons, legal persons and other investors in the Sci-Tech Innovation Board that have set up stock accounts on the SSE and opened trading on the Sci-Tech Innovation Board, except for those prohibited by laws, regulations and business guidelines of the Shanghai Stock Exchange.
(xi)	Underwriting method:	Standby underwriting
(xii)	Total and net proceeds raised:	RMB[•••] and RMB[••]

- (xiii) Estimated issue expenses: Total cost of the issue amounts to RMB[•••], including underwriting and sponsor fees not exceeding [••]% of total proceeds to be raised plus RMB1.5 million, auditing fees of approximately RMB5.7 million, legal expenses of approximately RMB1.0 million, information disclosure fees of approximately RMB4.5 million, other costs such as handling fees for the issue and listing of approximately RMB0.2 million.

Note: The above handling fees for the A Share Offering do not include stamp duty to be levied for the A Share Offering, which will be calculated at a tax rate of 0.025% on net proceeds to be raised, before stamp duty. Such amount will be calculated based on the final details about the A Share Offering, and will be included in the handling fees for the A Share Offering. Value-added tax is not included in the issue expenses. Expenses might be subject to adjustment based on the results of the A Share Offering.

- (xiv) The stock exchange for The SSE
application for listing:

2. Use of proceeds

As considered and approved at the Company's 2020 second extraordinary general meeting, 2020 second Domestic Shareholders' class meeting, 2020 second H Shareholders' class meeting, 2021 first extraordinary general meeting, 2021 first Domestic Shareholders' class meeting and 2021 first H Shareholders' class meeting, after deducting the issue expenses, the proceeds raised from the A Share Offering (net of related expenses) will be used for the integrated construction project of orthopedic implant and ancillary materials, the construction project of research and development centre, the construction project of marketing networks and supplementary liquidity.

3. Share capital before and after the A Share Offering

The total share capital of the Company before the A Share Offering is 345,852,000 Shares. After the A Share Offering, the total share capital of the Company will be no more than 384,280,000 Shares, of which no more than 288,428,000 Shares will be A Shares. Below is the shareholding structure of the Shareholders of Company before and after the A Share Offering (assuming the issue of 38,428,000 A Shares with no trading of Domestic Shares in issue):

Name of Shareholder	Before the A Share Offering		After the A Share Offering	
	Number of Shares	Proportion of Shareholding	Number of Shares	Proportion of Shareholding
Mr. Shi Chunbao	113,685,435	32.87%	113,685,435	29.58%
Ms. Yue Shujun	95,447,900	27.60%	95,447,900	24.84%
Panmao (Shanghai) Investment Center (Limited Partnership)	17,250,000	4.99%	17,250,000	4.49%
Lin Yiming	5,800,000	1.68%	5,800,000	1.51%
Sun Weiqi	4,416,665	1.28%	4,416,665	1.15%
Jin Jie	4,166,665	1.20%	4,166,665	1.08%
Huang Dong	2,533,335	0.73%	2,533,335	0.66%
Panxin (Shanghai) Investment Center (Limited Partnership)	2,500,000	0.72%	2,500,000	0.65%
Wang Haiya	2,333,335	0.67%	2,333,335	0.61%
Zhang Chaohui	1,333,330	0.39%	1,333,330	0.35%
Chen Xusheng	533,335	0.15%	533,335	0.14%
Shareholders under the A Share Offering	–	–	38,428,000	10.0%
Other Shareholders of H Shares	95,852,000	27.7%	95,852,000	24.9%
Total	345,852,000	100.00%	384,280,000	100.00%

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company will make further announcement(s) for any material update and development in relation to the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations.

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

Beijing, the PRC, 14 December 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 purposes only*