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Shanghai Kindly Medical Instruments Co., Ltd.*
上海康德萊醫療器械股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1501)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual results announcement for the year ended December 31, 2020 of the Company dated March 19, 2021 (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company would like to clarify clerical errors on page 27 of the Announcement as follows (with the changes underlined for easy reference):

"**USE OF PROCEEDS FROM THE GLOBAL OFFERING**

Upon completion of the Global Offering, the Company raised net proceeds of approximately RMB797.62 million (after deducting the listing fees and other expenses). As at the date of this announcement (i.e. 19 March 2021), the Company has utilized approximately RMB200.66 million of the net proceeds. As disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 28 October 2019 and the announcement of the Company dated 7 July 2020, the details of intended application of net proceeds are set out as follows:

	Revised allocation of net proceed *(RMB million)*	**Utilized net proceeds up to the date of this announcement** *(RMB million)*	**Unutilized net proceeds up to the date of this announcement** *(RMB million)*	**Expected timeline of full utilisation of the unutilized proceeds**
Set up a research and development center and an additional production facility in Jiading, Shanghai	271.99	73.77	198.22	December 2022
Purchase additional and replacement of existing production equipment and automate production lines	110.07	6.43	103.64	December 2022
Expand our distribution network and coverage, collaborate with local distributors and intensify our marketing efforts	69.39	—	69.39	December 2022
Fund potential strategic investments including acquisition, partnership and license-in	156.33	—	156.33	December 2021
General corporate purposes and fund our working capital	79.84	79.84	—	December 2020
Zhuhai Derui New Factory Project	110.00	40.62	69.38	December 2021
Total	797.62	200.66	596.96	

As at the date of this announcement, the net proceeds from the Global Offering had not yet been fully utilized and all of the unutilized net proceeds has been deposited into short-term deposits in the bank account maintained by the Group."

Save for the above clarification, all the information in the Announcement remains unchanged.

By order of the Board
Shanghai Kindly Medical Instruments Co., Ltd.*
上海康德萊醫療器械股份有限公司
Dr. Liang Dongke
Chairman

Shanghai, the PRC
March 31, 2021

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Liang Dongke and Mr. Wang Cailiang as executive Directors, Mr. Zhang Weixin, Ms. Chen Hongqin and Mr. Fang Shengshi as non-executive Directors, and Mr. Dai Kerong, Mr. Jian Xigao, Dr. Ge Junbo and Mr. Hui Hung Kwan as independent non-executive Directors.

* *For identification purposes only*