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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED DECEMBER 31, 2021**

Reference is made to the section headed “Use of Proceeds from the Global Offering” in the annual report for the year ended December 31, 2021 published by Shanghai Kindly Medical Instruments Co., Ltd.* (the “**Company**”) on April 11, 2022 (the “**2021 Annual Report**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2021 Annual Report.

In addition to the information disclosed in the 2021 Annual Report, the board of directors of the Company (the “**Board**”) would like to provide supplemental information regarding the actual and intended use of proceeds from the Global Offering pursuant to paragraph 11(8) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Use of Proceeds from the Global Offering

As disclosed in the 2021 Annual Report, the Company raised net proceeds of approximately RMB797.62 million (after deducting the listing fees and other expenses) from the Global Offering. Details of the actual and intended use of proceeds respectively during the financial year ended December 31, 2021 are as follows:

	Revised allocation of net proceeds (RMB million)	Utilized net proceeds during the year ended December 31, 2021 (RMB million)	Utilized net proceeds up to December 31, 2021 (RMB million)	Unutilized net proceeds up to December 31, 2021 (RMB million)	Expected timeline of full utilization of the unutilized net proceeds
Set up a research and development center and an additional production facility in Jiading, Shanghai	271.99	138.04	198.14	73.85	December 2022
Purchase additional and replacement of existing production equipment and automate production lines	110.07	25.21	31.18	78.89	December 2022
Expand our distribution network and coverage, collaborate with local distributors and intensify our marketing efforts	69.39	13.00	13.00	56.39	December 2022
General corporate purposes and fund our working capital	79.84	0.00	79.84	–	Not applicable
Zhuhai Derui New Factory Project	110.00	61.35	89.13	20.87	September 2022
Construction of the Shandong INT Innovative Medical Instruments Industrial Park	156.33	6.85	6.85	149.48	December 2023
Total	<u><u>797.62</u></u>	<u><u>244.45</u></u>	<u><u>418.14</u></u>	<u><u>379.48</u></u>	

The Board confirmed that the above supplemental information does not affect other information contained in the 2021 Annual Report. Save as disclosed in this announcement, the content of the 2021 Annual Report 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
September 29, 2022

As at the date of this announcement, the Board comprises Dr. Liang Dongke and Mr. Lin Sen as executive Directors, Mr. Zhang Weixin, Ms. Chen Hongqin, Dr. Song Yuan and Mr. Wang Ruiqin as non-executive Directors, and Mr. Jian Xigao, Mr. Hui Hung Kwan and Mr. Xu Congli as independent non-executive Directors.

* *For identification purposes only*