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If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Chunlizhengda Medical Instruments Co., Ltd.*** (北京市春立正達醫療器械股份有限公司), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED CHANGE OF BUSINESS SCOPE AND AMENDMENT TO
THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR THE
INDEPENDENT DIRECTORS
AND
NOTICE OF THE EGM**

The EGM will be held at 2:00 p.m. on Tuesday, 28 November 2023 at No. 10 Xinmi Xi Er Road, Southern District of Tongzhou Economic Development Zone, Tongzhou District, Beijing, the PRC.

The proxy form for use at the EGM have been published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.clzd.com>) on 7 November 2023. If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“A Share(s)”	the ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in RMB and are listed for trading on the STAR Market of Shanghai Stock Exchange;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“Board”	the board of Directors;
“Company”	Beijing Chunlizhengda Medical Instruments Co., Ltd.*, a joint stock limited company incorporated in the PRC with limited liability, with A shares listed on the Science and Technology Innovation Board of Shanghai Stock Exchange and H Shares listed on the Main Board of the Hong Kong Stock Exchange;
“Director(s)”	the director(s) of the Company;
“EGM” or “Extraordinary General Meeting”	the 2023 second extraordinary general meeting of the Company to be held at to be held at 2:00 p.m. on Tuesday, 28 November 2023 at No. 10 Xinmi Xi Er Road, Southern District of Tongzhou Economic Development Zone, Tongzhou District, Beijing, the PRC;
“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 are listed on the Main Board of the Hong Kong Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Latest Practicable Date”	7 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as may be amended, modified or otherwise supplemented from time to time);
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region, and Taiwan;
“RMB”	Renminbi, the lawful currency of PRC;
“Shanghai Stock Exchange”	the Shanghai Stock Exchange;
“Share(s)”	the A Share(s) and/or the H Share(s);
“Shareholder(s)”	the holder(s) of the Share(s);
“Working System for the Independent Directors”	the Working System for the Independent Directors of the Company as amended from time to time.

If there is any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

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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)

Executive Directors:

Ms. Shi Wenling (*Chairman*)

Mr. Shi Chunbao

Ms. Yue Shujun

Mr. Xie Feng Bao

Registered office in the PRC:

No. 10 Xinmi Xi Er Road

Southern District of Tongzhou

Economic Development Zone

Tongzhou District

Beijing

the PRC

Postal Code: 101112

Non-executive Director:

Mr. Wang Xin

Independent non-executive Directors:

Ms. Yao Lijie

Mr. Wong Tak Shing

Mr. Weng Jie

Principal place of business in Hong Kong:

20th Floor, Winbase Centre

208 Queen's Road Central

Sheung Wan

Hong Kong

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE OF BUSINESS SCOPE AND AMENDMENT TO
THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR THE
INDEPENDENT DIRECTORS
AND
NOTICE OF THE EGM**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 30 October 2023 in relation to the proposed change of business scope, the proposed amendment to the Articles of Association and the proposed amendments to the Working System for the Independent Directors.

The purposes of this circular are to provide you with the information regarding the resolutions relating to the (1) proposed change of business scope and amendment to the Articles of Association; and (2) proposed amendments to the Working System for the Independent Directors, and enable you to make informed decisions on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

2. PROPOSED CHANGE OF BUSINESS SCOPE AND AMENDMENT TO THE ARTICLES OF ASSOCIATION

In view of the actual situation of the operation and production of the Company and to satisfy the business needs of the Company, the Board proposes to expand the business scope of the Company as follows:

Existing Business Scope: The production of Class III medical devices such as III-6846-1 implants, III-6846-2 artificial organ implants (joint prosthesis, custom joint prosthesis and stabler in spine), the sale of Class III medical devices such as implants materials and artificial organs, medical knitwear and adhesive; sales of Class II medical devices such as physiotherapy and rehabilitation equipment and orthopedics surgery devices, as well as the sales of Class I medical devices such as basic surgery devices, preparation system for producing platelet-rich plasma, medical centrifuge, repairment and reconstruction of ligament damaged from exercise and replacement of implants, medical endoscope system, production of non-medical masks (strictly for the safeguard of lives during the epidemic), imports and exports and technology promotion and sales of non-medical masks.

Amended Business Scope: The production of Class I medical devices; the sales of Class I medical devices; the production of Class II medical devices; the sales of Class II medical devices; the production of Class III medical devices (the operating activities of which can only be commenced under permission and approval); the operation of Class III medical devices (the operating activities of which can only be commenced under permission and approval); imports and exports of goods; the services, development, consultancy, communication, transference and promotion of technology; the research and experimental development of projects and technology; the additive manufacturing; the technology development of new materials; manufacturing of synthetic materials (excluding hazardous chemicals); 3D printing services; the production of cosmetics; sale of hygiene products and disposable medical supplies; non-residential property leasing.

LETTER FROM THE BOARD

The proposed change of business scope is subject to the satisfaction of the following conditions:

- (a) the proposed change of the business scope and proposed amendment to the Articles of Association being approved by the Shareholders at the EGM by way of special resolution; and
- (b) obtaining all the necessary approvals from the Market Supervision and Regulation Bureau of Tongzhou District of Beijing Municipality for the change of the business scope.

The application for and filing of change and registration with the Market Supervision and Regulation Bureau of Tongzhou District of Beijing Municipality will be made by the Company after the passing of the relevant special resolutions at the EGM. The proposed change of the business scope will take effect from the date on which the business licence in relation to the amended business scope is issued by the Market Supervision and Regulation Bureau of Tongzhou District of Beijing Municipality.

The Board proposes to make the following amendments to the Articles of Association (deleted texts are presented in strikethrough and added texts are presented in underline), in relation to the change of the business scope:

LETTER FROM THE BOARD

Original provision	Amended provision
<p>Article 12 The scope of business operations of the Company shall fall within the scope authorised by the company approving authorities and approved by the relevant administrative authorities for industry and commerce.</p> <p>The scope of business operations of the Company includes: the production of Class III medical devices such as III-6846-1 implants, III-6846-2 artificial organ implants (joint prosthesis, custom joint prosthesis and stabler in spine), the sale of Class III medical devices such as implants materials and artificial organs, medical knitwear and adhesive; sales of Class II medical devices such as physiotherapy and rehabilitation equipment and orthopedics surgery devices, as well as the sales of Class I medical devices such as basic surgery devices, preparation system for producing platelet-rich plasma, medical centrifuge, repairment and reconstruction of ligament damaged from exercise and replacement of implants, medical endoscope system, production of non-medical masks (strictly for the safeguard of lives during the epidemic), imports and exports and technology promotion and sales of non-medical masks. (The Company has the right to select the business scope and conduct operations according to laws. For projects which can only be operated under permission by laws, the Company conducts such business and operations with permission of relevant departments for permitted aspects and shall not engage in operations prohibited or restricted by the regional industrial policies.)</p> <p>The Company may change its scope of business operations according to the laws, in line with domestic and international market demands, its development capability and business requirements.</p>	<p>Article 12 The scope of business operations of the Company shall fall within the scope authorised by the company approving authorities and approved by the relevant administrative authorities for industry and commerce.</p> <p>The scope of business operations of the Company includes: <u>the production of Class I medical devices; the sales of Class I medical devices; the production of Class II medical devices; the sales of Class II medical devices; the production of Class III medical devices (the operating activities of which can only be commenced under permission and approval); the operation of Class III medical devices (the operating activities of which can only be commenced under permission and approval); imports and exports of goods; the services, development, consultancy, communication, transference and promotion of technology; the research and experimental development of projects and technology; the additive manufacturing; the technology development of new materials; manufacturing of synthetic materials (excluding hazardous chemicals); 3D printing services; the production of cosmetics; sale of hygiene products and disposable medical supplies; non-residential property leasing;</u> (The Company has the right to select the business scope and conduct operations according to laws. For projects which can only be operated under permission by laws, the Company conducts such business and operations with permission of relevant departments for permitted aspects and shall not engage in operations prohibited or restricted by the regional industrial policies).</p> <p>The Company may change its scope of business operations according to the laws, in line with domestic and international market demands, its development capability and business requirements.</p>

LETTER FROM THE BOARD

The business scope as referred to above shall be subject to the approval of registration by the Market Supervision and Regulation Bureau of Tongzhou District of Beijing Municipality.

Save for the aforementioned article, the contents of other articles in the Articles of Association remain unchanged.

The Articles of Association are prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

At the EGM, a special resolution will be proposed to consider and, if thought fit, approve the change of business scope and amendment to the Articles of Association.

3. PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR THE INDEPENDENT DIRECTORS

According to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Rules for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the China Securities Regulatory Commission, the Rules Governing the Listing of Shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Guideline No. 1 on the Application of Self-Regulatory Rules for Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange – Regulated Operation (《上海證券交易所科創板上市公司自律監管指引第1號—規範運作》), and the Articles of Association, and combined with the actual situation of the Company, the Board proposes to make the amendments to the Working System for the Independent Directors. The full text of the amended Working System for the Independent Directors is set out in Appendix of this circular.

The Working System for the Independent Directors is prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

At the EGM, an ordinary resolution will be proposed to consider and, if thought fit, approve the amendments to the Working System for the Independent Directors.

4. EGM

Notice convening the EGM to be held at 2:00 p.m. on Tuesday, 28 November 2023 at No. 10 Xinmi Xi Er Road, Southern District of Tongzhou Economic Development Zone, Tongzhou District, Beijing, the PRC are set out on pages 23 to 24 of this circular and, together with the proxy form, have been published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.clzd.com>) on 7 November 2023.

In order to be qualified to attend and vote at the EGM, holders of H shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the office of the H Share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Monday, 27 November 2023.

Holders of H Shares whose names appear on the Company's register of members for H Shares at the close of business on Monday, 27 November 2023 are entitled to attend and vote at the EGM.

LETTER FROM THE BOARD

The form of proxy for use at the EGM have been published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.clzd.com>) on 7 November 2023. If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the proposed resolutions at the EGM.

None of the Directors has any material interest in the resolutions to be proposed at the EGM.

5. PROCEDURES FOR VOTING AT THE EGM

According to Rule 13.39(4) of the Listing Rules, the vote of Shareholders at the EGM will be taken by poll. Accordingly, all the resolutions could be taken by poll at the EGM pursuant to the Articles of Association.

6. RECOMMENDATION

The Directors believe that the resolutions mentioned above is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM as set out in the notice of the EGM.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

Beijing, the PRC
10 November 2023

* For identification purposes only

**BEIJING CHUNLIZHENGDA MEDICAL INSTRUMENTS CO., LTD.*
WORKING SYSTEM FOR INDEPENDENT DIRECTORS****Chapter 1 General Rules**

Rule 1 This working system is formulated in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》) (hereinafter as the "Company Law"), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Opinions of the General Office of the State Council on the Reform of the Independent Director System of Listed Companies (《國務院辦公廳關於上市公司獨立董事制度改革意見》), the Rules Governing Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Articles of Association of Beijing Chunlizhengda Medical Instruments Co., Ltd.* (hereinafter as the "Company") (《北京市春立正達醫療器械股份有限公司章程》) (hereinafter as the "Articles of Association"), other relevant requirements and other laws and regulations of stock exchange in the place of listing, with reference to the actual conditions of the Company, in order to further optimize the governance structure of the Company and standardize the behavior of Independent Directors, while facilitating the regulatory operation of the Company and fully capitalizing on the role of Independent Directors in corporate governance.

Rule 2 Independent Directors refer to those directors who perform duties other than directorships out of the Company and have no direct or indirect interest in the Company, its substantial shareholders and actual controllers nor have other relationship that may affect their exercise of independent and objective judgment.

Rule 3 Independent Directors shall assume their obligations of loyalty and diligence towards the Company and all shareholders.

Independent Directors shall duly perform their duties, give full play to their role of decision-making, supervision, check and balance, and professional consultation on the Board, while safeguarding the overall interests of the Company, particularly to be attentive to prevent the legal interests of small and medium shareholders from being infringed, in accordance with relevant laws, regulations, regulatory documents, and the related requirements of stock exchange of the place of listing, as well as the requirements within the Articles of Association and this System.

Rule 4 In principle, Independent Directors can take their roles as Independent Directors in up to three domestic listed companies concurrently, and shall ensure their effective performance of duties as Independent Directors with sufficient time and efforts devoted.

Rule 5 The Board shall comprise of at least one-third of Independent Directors, and at least one professional in accounting among them.

The Audit Committee shall be established under the Board of the Company, and the members of the Audit Committee shall be directors who do not serve as senior management in the Company, of whom a majority shall be Independent Directors and the role of convener shall be taken by Independent Director with accounting professional qualifications.

The Remuneration Committee and Nomination Committee are established and subordinated to the Board of the Company, more than half of the members of these committees shall be Independent Directors and the role of convener shall be taken by Independent Director.

Rule 6 Independent Directors and any persons as intended Independent Directors shall participate in the trainings organized by the China Securities Regulatory Commission (hereinafter as “CSRC”) and its authorized associations in accordance with the requirements by CSRC.

Independent Directors shall continue to enhance their learning of securities laws, regulations and rules to continuously improve their ability to perform the duties.

Chapter 2 Conditions for the Appointment of Independent Directors

Rule 7 Persons who act as Independent Directors shall meet the basic conditions as follows:

- (1) being qualified for acting as directors of the Company in accordance with the laws, administrative regulations and other related requirements;
- (2) having independence as required by this System;
- (3) possessing basic knowledge regarding the operation of listed companies, as well as familiarity with relevant laws, administrative regulations, charters and rules;
- (4) having at least five years of working experiences in law and accounting or those experiences necessary for performing the duties as Independent Directors;
- (5) possessing good personal integrity and have no adverse records such as major breach of trust;
- (6) other conditions required by laws, administrative regulations, the provisions of CSRC, the business rules of stock exchange and the Articles of Association.

Rule 8 Independent Directors must be independent, and the below shall not act as Independent Directors:

- (1) the staff employed by the Company or its subsidiary enterprises, and their spouses, parents, children or primary social relationships;
- (2) any shareholders being natural person and their spouses, parents or children who are, directly or indirectly, interested in more than 1% of the shares in issue of the Company or among the top ten shareholders of the Company;
- (3) the staff and their spouses, children or parents who are employed by the shareholder’s organization which is, directly or indirectly, interested in more than 5% of the shares in issue of the Company or in the organizations owned by the top five shareholders of the Company;

- (4) the staff and their spouses, parents or children who are employed by subsidiary enterprise owned by the controlling shareholders or actual controllers of the Company;
- (5) the staff who provide financial, legal, consultancy, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective subsidiary enterprises, including but not limited to all staff of project team from intermediaries for service provision, verifiers of various rankings, signatories for various reports, partners, directors, senior management and principal persons-in-charge;
- (6) those who have material business transactions with the Company and its controlling shareholders, actual controllers or their respective subsidiary enterprises, or those who are employed by an organization and its controlling shareholders and actual controllers that have such material business transactions;
- (7) those who in the most recent twelve months have fallen into any of (1) to (6) circumstances mentioned above;
- (8) other personnel identified as having no independence by the laws, administrative regulations, the provisions of CSRC, the business rules of stock exchange and the Articles of Association.

Independent Directors shall conduct a self-examination of their independence on an annual basis and submit the self-examination to the Board of the Company. The Board of the Company shall evaluate the independence of the incumbent Independent Directors annually and issue a special opinion, which shall be disclosed concurrently in the annual report.

Rule 9 Independent Directors shall perform his/her duties independently and fairly, while being free from any influence by the Company and the substantial shareholders, actual controllers or other organizations or individuals with an interest in the Company.

Rule 10 In the event that any matters for consideration are found by Independent Directors to be likely to affect his/her independence, he/she shall duly declare the matters to the Company and abstain from that. Timely notification to the Company and resignation shall be made under any circumstances where his/her independence is significantly affected during his/her tenure.

Chapter 3 Nomination, election and replacement of Independent Directors

Rule 11 The Board and the Supervisory Committee of the Company, and shareholders who severally or jointly hold more than 1% of the issued shares of the Company are entitled to nominate candidates for Independent Directors, subject to the determination by election at the general meetings.

Investor protection organizations established pursuant to laws may publicly request shareholders to appoint them to exercise the right to nominate Independent Directors on their behalf.

A nominator as provided in the first article shall not nominate any person with whom he or she has an interest or other close relationship that may affect the independent performance of his or her duties as a candidate for Independent Director.

Rule 12 The nominators of Independent Directors shall seek the consent of the nominees before any nomination to be made. Nominators shall have sufficient understanding of the profile of the nominees, such as occupation, academic background, title of position, detailed working experiences and all part-time engagements of the nominees, whether there is any major breach of trust and other adverse records, with expressed views related to the fulfilment of the independence and other criteria for acting as Independent Directors. Public declaration shall be made by nominees in relation to his/her fulfilment of the independence and other criteria for acting as Independent Directors.

The Board of the Company shall announce the abovementioned details as required by the rules and regulations before convening the general meetings for the purpose of election of Independent Directors.

Rule 13 Where the Nomination Committee has been established by the Company under the Board, the Nomination Committee shall examine the qualifications of the nominees for appointment and form a clear opinion on the examination.

Prior to the convening of a general meeting to consider the appointment of Independent Directors, the Company shall disclose the relevant contents in accordance with the provisions of Article 12 and the preceding paragraph of this System and submit the relevant materials of all candidates for appointment of Independent Directors to the stock exchange. The relevant materials submitted shall be true, accurate and complete.

In case the stock exchange raises objection to the qualifications of the candidate for Independent Director, the Company shall not propose the election to the shareholders' meeting.

Rule 14 Nominators of and candidates for Independent Directors shall undertake that the materials submitted to the Company about the candidates for Independent Directors are true, accurate and complete, without any misrepresentation, misstatement or material omission.

Rule 15 The nominators of Independent Directors shall verify whether any of the following circumstances apply to the candidates for Independent Directors, and provide explanations:

- (1) Being constantly absent from Board meetings or failure to attend the meetings in person during his/her past tenure as Independent Director;

- (2) Failure to express any opinions of Independent Director as required or the expressed independent opinions to be significantly untrue upon verification during his/her past tenure as Independent Director;
- (3) Being subject to any administrative punishments imposed by CSRC in the past three years;
- (4) Being liable for any public condemnations or reported criticism lodged by any stock exchange in the past three years;
- (5) Being responsible for significant duties as directors (Independent Directors), supervisors or senior management for more than three companies concurrently;
- (6) Being aged 70 above, and simultaneously employed in various companies, institutions or social organizations;
- (7) Being inconsistent with the qualification requirements for the appointment of directors and Independent Directors as specified by other related departments;
- (8) The circumstances related as specified in Declaration by Nominators of Independent Directors (《獨立董事提名人聲明》) and Declaration by Candidates for Independent Directors (《獨立董事候選人聲明》);
- (9) Other circumstances which would affect the integrity, diligence and independent performance of duties as Independent Directors.

Rule 16 Where over two Independent Directors will be elected at the general meeting of the Company, a cumulative voting system shall be implemented.

The votes of small and medium shareholders shall be counted and disclosed separately.

Rule 17 The length of each tenure of Independent Directors shall be the same as that of other directors of the Company, and subject to re-election upon the expiry of tenure, provided that the length of tenure upon re-election shall not be more than six years.

Rule 18 The Company may dismiss an Independent Director before the expiration of his/her term of office in accordance with statutory procedures. Where the directorship of an Independent Director is terminated before expiration, the Company shall disclose the specific reasons and basis in a timely manner. The Company shall disclose any objections raised by Independent Directors in a timely manner.

If an Independent Director fails to attend in person or appoint another Independent Director to attend the meeting of the Board for two consecutive times, the Board shall propose to convene a general meeting to dismiss such Independent Director within 30 days from the date of the occurrence of such fact.

Where the Independent Director fails to comply with the first or second provisions of Rule 7 hereof, he/she shall immediately cease to perform his/her duties and resign from his/her position. If he/she fails to resign, the Board shall immediately remove him/her from office as required after becoming aware of or should be aware of the fact.

Where an Independent Director resigns or is dismissed from office due to the circumstances specified in the preceding paragraph, the proportion of Independent Directors in the Board or its special committees does not comply with the provisions of this System or the Articles of Association, or there is a lack of accounting professionals among the Independent Directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid circumstances.

Rule 19 Shareholders who severally or jointly hold more than 1% in aggregate of the shares of the Company may propose to the Board of the Company for any challenges or removals against Independent Director who is unqualified or incompetent for his/her directorship, or failed to perform his/her duties independently or to safeguard the legal interests of the Company as well as the small and medium investors. Independent Director so challenged shall provide timely explanation to the challenged matters with disclosures to be made.

The Board of the Company shall convene a special-purpose meeting in a timely manner for discussion upon receipt of proposals for relevant challenges or removals, and disclose any results of discussion.

Rule 20 Independent Director can resign before the expiry of his/her term of office.

Independent Director shall submit a written resignation report to the Board upon resignation, together with explanation about any circumstances related to his/her resignation or the matters he/she considered necessary to be brought to the attention of shareholders and creditors of the Company.

The Company shall disclose the reasons for and concerns about the resignation of an Independent Director.

Where the resignation of an Independent Director will result in the proportion of Independent Directors on the Board or its special committees failing to comply with the provisions of this System or the Articles of Association, or there is a lack of accounting professionals among the Independent Directors, the Independent Director who intends to resign shall continue to perform his/her duties until the date on which a new Independent Director is elected. The Company shall complete the by-election to fill the vacancy within 60 days from the date on which the Independent Director tendered his/her resignation.

Chapter 4 Duties of Independent Directors and Method of Duties Performance

Rule 21 Those requirements regarding the rights and obligations of directors as specified in laws, regulations, the Articles of Association, this System and other relevant requirements apply to Independent Directors.

Independent Directors shall perform the following duties:

- (1) To participate in the decision-making of the Board and express clear opinions on the matters discussed;
- (2) To supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controllers, directors and senior management as set out in Rules 27, 30, 31 and 32 of this System, facilitating the Board to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of small and medium shareholders;
- (3) To provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the Board;
- (4) To perform other duties as required by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

Rule 22 In addition to the authorities conferred to directors by the Company Law and other relevant laws and regulations, Independent Directors shall also fully exercise the special authorities as follows:

- (1) To independently engage intermediaries to audit, consult or verify specific matters of the Company;
- (2) To propose to the Board for convening extraordinary general meetings;
- (3) To propose the convening of board meetings;
- (4) To solicit shareholders' rights publicly according to laws;
- (5) To express independent opinions on matters that may prejudice the interests of the Company or small and medium shareholders;
- (6) To exercise other authorities specified by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

Where the Independent Directors exercise the authorities specified in (1) to (3) of the preceding rule, the consent from more than half of all the Independent Directors shall be obtained.

Where the Independent Directors exercise the authority specified in (1), the Company shall make timely disclosure. Where the above authorities cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Rule 23 Before convening a board meeting, Independent Directors may communicate with the secretary to the Board to enquire about the matters to be considered, request for supplementary materials and provide opinions and suggestions. The Board and relevant personnel shall carefully study the questions, requests and opinions raised by the Independent Directors, and timely report to the Independent Directors on the implementation of the amendments to the proposals and other matters.

Rule 24 Independent Directors shall attend board meetings in person. If he/she is unable to attend the meeting in person for any reason, the Independent Director shall review the meeting materials in advance, form clear opinions, and authorize other Independent Directors in writing to attend the meeting on his/her behalf.

Rule 25 Independent Directors who vote against or abstain from voting on resolutions of the Board shall explain the specific reasons and basis, the legality and compliance of the matters concerned, the possible risks and impact on the interests of the Company as well as the small and medium shareholders. When disclosing the resolutions of the Board, the Company shall also disclose the dissenting opinions of Independent Directors, which shall be stated in the resolutions of the Board and the minutes of the meeting.

Rule 26 Independent Directors shall pay continuous attention to the implementation of the resolutions of the Board in relation to the matters set out in Rules 27, 30, 31 and 32 of this System. In case of any violation of laws, administrative regulations, the provisions of the CSRC, the business rules of stock exchange and the Articles of Association, or violation of the resolutions of the general meeting and the Board, Independent Directors shall report to the Board in a timely manner and may require the Company to make written explanations. Where the disclosure is involved, the Company shall disclose it in a timely manner.

Where the Company fails to make explanations or make timely disclosure in accordance with the preceding paragraph, the Independent Directors may report to the CSRC and the stock exchange.

Rule 27 The following matters shall be put forward to the Board for consideration upon consent of more than half of all the Independent Directors of the Company:

- (1) related party transactions that shall be disclosed;
- (2) plan for change or waiver of undertakings by the Company and related parties;
- (3) the decision-making by the Board and the measures taken thereupon in the event of a takeover of the Company;
- (4) other matters stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

Rule 28 The Company shall hold all meetings attended by Independent Directors on a regular or irregular basis (hereinafter referred to as the “Special Meetings of Independent Directors”). The matters set out in Items (1) to (3), the first paragraph of Rule 22 as well as Rule 27 shall be considered at the Special Meetings of Independent Directors.

The Special Meetings of Independent Directors may consider and discuss other matters of the Company when necessary.

The Special Meetings of Independent Directors shall be convened and presided over by an Independent Director jointly elected by more than half of the Independent Directors. Where the convener fails to or is unable to perform his/her duties, two or more Independent Directors may convene and elect a representative to preside over the meeting.

The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

Rule 29 Independent Directors shall perform their duties and responsibilities in the special committees of the Board of the Company in accordance with the laws, administrative regulations, the provisions of the CSRC, the business rules of stock exchange and the Articles of Association. Independent Directors shall attend the meetings of the special committees in person. If they are unable to attend the meetings in person for any reason, they shall review the meeting materials in advance to form clear opinions and authorize other Independent Directors in writing to attend the meetings on their behalf. Independent Directors who are concerned about the major issues of the Company which are within the scope of the duties of the special committees when performing their duties may timely put forward to the special committees for discussion and consideration in accordance with the procedures.

Rule 30 The Audit Committee of the Board of the Company shall be responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating the internal and external audit work and internal control. The following matters shall be put forward to the Board for consideration upon consent from more than half of all members of the Audit Committee:

- (1) disclosure of financial information in financial and accounting reports and regular reports and evaluation report on internal control;
- (2) appointment or dismissal of accounting firms which are responsible for auditing matters of the Company;
- (3) appointment or dismissal of financial controller of the Company;
- (4) changes in accounting policies and accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

The Audit Committee shall hold at least one meeting every quarter. Upon proposal by two or more members, or in circumstances where the convener considers necessary, an extraordinary meeting may be convened. Meetings of the Audit Committee shall be held only if more than two-thirds of the members are present.

Rule 31 The Nomination Committee of the Board of the Company is responsible for formulating the selection criteria and procedures for Directors and senior management, selecting and reviewing candidates for Directors and senior management and their qualifications, and making recommendations to the Board on the following matters:

- (1) nomination or appointment and removal of Directors;
- (2) appointment or dismissal of senior management;
- (3) other matters stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

Where the recommendations of the Nomination Committee are not adopted or are not fully adopted by the Board, the opinions of the Nomination Committee and the specific reasons thereof shall be recorded in the resolutions of the Board and disclosed.

Rule 32 The Remuneration Committee under the Board of the Company is responsible for formulating appraisal criteria, conducting appraisal, and establishing and examining the remuneration policies and proposals for the directors and senior management of the Company, and making recommendations to the Board on the following matters:

- (1) remuneration of Directors and senior management;
- (2) formulating or changing the share incentive plans and employee share ownership plans, and the interests granted to the participants and the conditions and performance for exercising the rights;
- (3) arrangement of shareholding plan for Directors and senior management in the proposed spin-off subsidiary;
- (4) other matters stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

Where the recommendations of the Remuneration Committee are not adopted or not fully adopted by the Board, the opinions of the Remuneration Committee and the specific reasons thereof shall be recorded in the resolutions of the Board and disclosed.

Rule 33 Where the Nomination Committee and The Remuneration and Appraisal Committee have not yet been established by the Company under the Board, the Special Meetings of Independent Directors shall review the qualifications of the nominees in accordance with Rule 13 of this System, and make recommendations to the Board on the matters set out in the Item (1) of Rule 31 and the Item (1) of Rule 32 of this System.

Rule 34 Independent Directors may communicate with investors by publishing their correspondence address or e-mail, accept investors' inquiries and complaints, timely verify the questions raised by investors to the listed company, proactively investigate the situations that may prejudice the legitimate rights and interests of the Company as well as the small and medium investors, and respond to the investors about the outcome of the investigation in a timely manner.

Rule 35 Independent Directors shall actively perform their due diligence obligations when coming to their knowledge that the following circumstances exist, and shall engage intermediaries to conduct special investigations when necessary:

- (1) failure to submit significant matters to the Board for consideration as required;
- (2) failure to perform information disclosure obligations in a timely manner;
- (3) misrepresentations, misstatements or material omissions in publicly available information;
- (4) other circumstances for alleged non-compliance and violations or infringement on the legal interests of small and medium shareholders.

Rule 36 Independent Directors shall work in the office of the Company for at least 15 days every year. In addition to attending the general meetings, the meetings of the Board and its special committees, and the Special Meetings of Independent Directors as required, Independent Directors may perform their duties by obtaining information on the Company's operation on a regular basis, listening to reports from the management, communicating with intermediaries such as the person in charge of the internal audit department and the accounting firm undertaking the Company's audit affair, conducting on-site visits and communicating with small and medium shareholders.

Rule 37 Minutes shall be prepared for the meetings of the Board of the Company and its special committees and the Special Meetings of Independent Directors as required, and the opinions of Independent Directors shall be stated in the minutes. The minutes shall be signed by Independent Directors for confirmation.

Independent Directors shall prepare work records and record in detail the performance of their duties. The information obtained by Independent Directors during their performance of duties, relevant meeting minutes, communication records with the staff of the Company and intermediaries form an integral part of the working records. For important contents in the working records, Independent Directors may request the secretary to the Board and other relevant personnel to sign for confirmation, and the Company and relevant personnel shall cooperate.

The working records of Independent Directors and the information provided by the Company to Independent Directors shall be kept for at least ten years.

Rule 38 Independent Directors shall submit their annual work report to the annual general meeting of the Company and explain their performance of duties. The annual work report shall include the following:

- (1) the number, method and voting of the Board meetings attended, and the number of general meetings attended;
- (2) participation in work of the special committees under the Board and the Special Meetings of Independent Directors;
- (3) consideration of the matters set out in Rules 27, 30, 31 and 32 of this System and the exercise of the special authorities of Independent Directors set out in the first paragraph of Rule 22 of this System;
- (4) significant matters, methods and results of communication with the internal audit department and the accounting firm undertaking the audit affairs of the Company in relation to the financial and business conditions of the Company;
- (5) communication with the small and medium shareholders;
- (6) the time spent and details of the on-site work in the Company;
- (7) other performance of duties.

The annual work report of Independent Directors shall be disclosed no later than the date when the Company issues the notice of the annual general meeting.

Chapter 5 Working Conditions of Independent Directors

Rule 39 The Company shall undertake that Independent Directors will enjoy the same right to information as other Directors. In order to ensure the effective performance of duties by the Independent Directors, the Company shall regularly report the operation of the Company to the Independent Directors, provide information, and organize or cooperate with the Independent Directors to carry out on-site inspections.

Before considering the major and complicated matters by the Board, the Company may organize Independent Directors to participate in the study and discussion, fully listen to the opinions of Independent Directors, and give feedback to Independent Directors on the adoption of such opinions in a timely manner.

Rule 40 The Company shall provide the working conditions and personnel support necessary for Independent Directors to perform their duties, and designate the office of the Board, the secretary to the Board and other specialized departments and personnel to assist the Independent Directors in performing their duties.

The secretary to the Board shall ensure good information flow between the Independent Directors and other Directors, senior management and other relevant personnels, and ensure that the Independent Directors can obtain sufficient resources and necessary professional opinions when performing their duties.

Rule 41 The Company shall issue a notice of board meeting to Independent Directors in a timely manner, provide the relevant meeting materials no later than the notice period of board meeting stipulated by laws, administrative regulations, the provisions of CSRC or the Articles of Association, and provide effective communication channels for Independent Directors. In principle, the Company shall provide the relevant materials and information no later than three days prior to the convening of the meetings of the special committees. The Company shall keep the meeting materials for at least ten years.

If two or more Independent Directors consider that the meeting materials are incomplete, the argumentation is insufficient or the materials provided is not in a suitable time, they may propose in writing to the Board to postpone the convening of the meeting or postpone the consideration of the matter, and the Board shall adopt such proposal.

Meetings of the Board and special committees shall be convened on site in principle. On the condition that all participating Directors can fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures if necessary.

Rule 42 When the Independent Directors exercise their functions and powers, the Directors, senior management and other relevant personnels of the Company shall actively cooperate, and shall not refuse, hinder or conceal relevant information, or interfere with their independent exercise of functions and powers.

Independent Directors may explain to the Board if they encounter obstacles in exercising their functions and powers according to laws, and require the Directors, senior management and the relevant personnels to cooperate and record the specific situation and resolution of the obstruction in the working record. If the obstacles cannot be eliminated, they can report to the CSRC and the stock exchange.

Where the performance of duties by Independent Directors involves information to be disclosed, the Company shall handle the disclosure matters in a timely manner. If the Company fails to disclose, the Independent Directors may directly apply for disclosure or report to the CSRC and the stock exchange.

Rule 43 The Company shall pay all expenses for the professional institutions engaged by Independent Directors and other necessary expenses they incur in the exercise of their rights.

Rule 44 The Company shall provide Independent Directors with allowance appropriate to their duties and responsibilities. Proposals on the level of allowances shall be prepared by the Board, approved by a shareholders' general meeting, and to be disclosed in the Company's annual report.

Apart from the above-mentioned allowances, the Independent Directors shall not obtain other benefits from the Company, its substantial shareholders, actual controllers or any organisation or personnel in which it has an interest.

Rule 45 The Company may establish a liability insurance policy for Independent Directors to lower the risks of Independent Directors when performing their duties and responsibilities under normal circumstances.

Chapter 6 Supplementary Provisions

Rule 46 The phrases “more than” and “at least” as mentioned in this System are inclusive while “exceeding” is exclusive.

Rule 47 The following expressions in this System have the meaning:

- (1) Substantial shareholders refer to the shareholders holding more than five per cent of the Company’s shares or holding less than five per cent of the Company’s shares but having significant influence over the Company;
- (2) Small and medium shareholders refer to the shareholders severally or jointly holding not more than five per cent of the Company’s shares and do not serve as the Directors, supervisors and senior management of the Company;
- (3) Subsidiary enterprises refer to the enterprises directly or indirectly controlled by the related undertakings;
- (4) Primary social relationships refer to the siblings, spouses of siblings, fathers-in-law, mothers-in-law and siblings of spouses, daughters-in-law and sons-in-law, the parents of the children’s spouses, etc.

Rule 48 This System will come into effect upon approval at the general meeting.

Rule 49 This System shall be subject to the interpretation of the Board of the Company.

Rule 50 Where any matters are not covered in this System or where this System is inconsistent with the laws, administrative rules, regulatory documents and relevant provisions of the stock exchange where the shares of the Company are listed or the Articles of Association, those national laws, administrative rules, regulatory documents, relevant provisions of the stock exchange where the shares of the Company are listed and the Articles of Association shall prevail.

* *For identification purposes only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the extraordinary general meeting (the “EGM”) of Beijing Chunlizhengda Medical Instruments Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Tuesday, 28 November 2023 at No. 10 Xinmi Xi Er Road, Southern District of Tongzhou Economic Development Zone, Tongzhou District, Beijing, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the circular (the “Circular”) of the Company dated 10 November 2023.

SPECIAL RESOLUTION

1. To consider and approve the proposed change of business scope and amendment to the Articles of Association.

ORDINARY RESOLUTION

2. To consider and approve the proposed amendments to the Working System for the Independent Directors.

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

Beijing, the PRC
7 November 2023

* *For identification purposes only.*

As at the date of this notice, the executive Directors of the Company are Mr. Shi Chunbao, Ms. Yue Shujun, Ms. Shi Wenling 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 Ms. Yao Lijie, Mr. Wong Tak Shing and Mr. Weng Jie.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. REGISTRATION OF MEMBERS

In order to be qualified to attend and vote at the EGM, holders of H Shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the office of the H Share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Monday, 27 November 2023.

Holders of H Shares whose names appear on the Company's register of members for H Shares at the close of business on Monday, 27 November 2023 are entitled to attend and vote at the EGM.

2. APPOINTMENT OF PROXY

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting instead of him/her. A proxy need not be a Shareholder of the Company.

The instrument to appoint a proxy shall be in writing and signed by the Shareholder or of his/her attorney duly authorised in writing or, if the Shareholder is a corporate body, either executed under its common seal or signed by its legal representative, director or duly authorised attorney. If the proxy form is signed by the attorney of the Shareholder, the power of attorney or other authorisation document authorising the attorney to sign the proxy form must be notarised.

To be valid, the proxy form, together with the power of attorney or other authority (if any), shall be lodged by hand or post, to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for holding the EGM or its adjourned meeting (as the case may be). Completion and return of the proxy form shall not preclude Shareholders from attending and voting in person at the EGM.

3. CONTACT INFORMATION OF THE COMPANY

Contact Person: Ms. Zhang Lili
Contact Tel: (8610) 8736 1998

4. PROCEDURES OF VOTING AT THE EGM

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of Shareholders at the EGM must be taken by poll.

5. OTHERS

The EGM is expected to take half a day. Shareholders attending the EGM (in person or by proxy) are responsible for their own transportation and accommodation fees. Identification documents must be shown by Shareholder(s) or proxies to attend the EGM.

Further details of the resolutions will be included in the circular to be despatched to the holders of H Shares by the Company in due course.

This notice of EGM is despatched to the holders of H Shares only. The notice of EGM to the holders of A Shares is separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>).