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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)

2023 FIRST QUARTERLY REPORT

This announcement is made by Beijing Chunlizhengda Medical Instruments Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) to provide shareholders of the Company and the public with the updated financial information of the Company. This announcement is also published on the website of the Shanghai Stock Exchange simultaneously.

The unaudited results (the “**First Quarterly Report**”) of the Group for the three months ended 31 March 2023 (the “**Reporting Period**”) are provided. The financial information contained in the First Quarterly Report was prepared in accordance with the Chinese Accounting Standards for Business Enterprises (“**CASs**”), and consists accounting data which has not been audited. Potential investors and shareholders of the Company are advised to pay attention to the underlying investment risks.

The First Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the First Quarterly Report shall prevail.

By order of the Board

Beijing Chunlizhengda Medical Instruments Co., Ltd.*

Shi Wenling

Chairman

Beijing, the PRC, 27 April 2023

As at the date of this announcement, 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 Mr. Ge Changyin, Mr. Wong Tak Shing and Mr. Weng Jie.

* *For identification purposes only*

Stock Code: 688236

Stock Short Name: Chunli Medical

Chunli Medical

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The Board of Directors of the Company and all Directors undertake that this announcement contains no false record, misleading statement or material omission, and assume legal responsibility for the truthfulness, accuracy and completeness of its contents in accordance with law.

Important Notice:

The Board of Directors of the Company, the Board of Supervisors, the Directors, Supervisors, senior management warrant that the content of this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and jointly and severally assume legal responsibility for the content of this report.

The person in charge of the Company, the person in charge for accounting affairs of the Company and the person in charge of the accounting department (financial controller) warrant the truthfulness, accuracy and completeness of the financial information contained in this quarterly report.

Whether the financial statements for the first quarter are audited?

Yes No

1. Key financial data

(A) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	Current Reporting Period	Percentage change of the Current Reporting Period as compared to the corresponding period of last year (%)
Revenue	246,355,024.32	-4.18
Net profit attributable to the shareholders of the listed company	55,861,404.05	-24.53
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	49,607,213.75	-33.36
Net cash flows generated from operating activities	-120,197,574.28	N/A
Basic earnings per share (yuan/share)	0.15	-21.05
Diluted earnings per share (yuan/share)	0.15	-21.05
Weighted average RONA (%)	2.03	Decrease by 0.92 percentage points
Total investments in research and development	33,270,315.66	0.47
Percentage of research and development investment to revenue (%)	13.51	Increase by 0.63 percentage points

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	At the Current Reporting Period	At the end of last year	Percentage change at the end of this Reporting Period as compared to the end of last year (%)
Total assets	3,391,412,670.08	3,409,766,690.91	-0.54
Owners' equity attributable to the shareholders of the listed company	2,775,561,183.72	2,719,699,779.72	2.05

(B) Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the Current Period	Description
Gain and loss from disposal of non-current assets		
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally		
Government grants included in profit or loss for the current period other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	2,408,882.86	
Capital utilization fee received from non-financial enterprises included in current profit or loss		
Investments of subsidiaries, associates and joint ventures in which the investment cost was less than the profit at fair value of identifiable net assets of the investees at the time of acquisition		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring costs, such as staff resettlement expenses, consolidated charges, etc.		

Gain or loss on transactions at unfair trading prices over their fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of consolidation arising from business consolidation under common control		
Gain or loss from other contingencies which are not related to the Company' s normal operations		
Gain or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, except for effective hedging transactions that are related to the Company' s normal operation	5,148,256.98	
Reversal of the impairment provision for receivables and contract assets under independent impairment test		
Gain or loss on entrusted loans		
Gain or loss arising from changes in fair value of investment properties under fair value method on subsequent measurement		
Effect of one-off adjustment to current profit or loss according to the requirements of laws and regulations on tax and accounting on current profit or loss		
Custody fee income from custody operations		
Other non-operating income and expenses apart from the aforesaid items	-200,028.67	
Other gain or loss items conforming to the definition of non-recurring gains or losses		
Less: Effect of income tax	1,102,920.87	
Impact of minority interests (after tax)		
Total	6,254,190.30	

Explanations on defining the non-recurring gain or loss items set out in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-Recurring Gains or Losses as recurring gain or loss items

Applicable Not applicable

(C) Description and reasons for the changes in key accounting data and financial indicators

√Applicable Not applicable

Items	Percentage change (%)	Main cause
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	-33.36	The Company was mainly affected by the “volume-based procurement”, the terminal sale prices of relevant products decreased, in the meantime, in consideration of the development strategy planning for the medium to long term, the Company focuses on the research and development of new products, technology and craftsmanship, and continuously expanding the investment in research and development, thus promoting the technological innovation and the iteration of products, resulting a decrease in net profit.
Net cash flows from operating activities	N/A	The expansion in the investment in research and development by the Company, the influence of “volume-based procurement”, and the expenditure on cash payments for issues like procuring raw materials increases, are all main causes for this item.

2. Information of shareholders

(A) Total number of ordinary shareholders, preferred shareholders whose voting rights have been reinstated, and the shareholding of top ten shareholders

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period		5,766	Total number of shareholders of preferred shares with voting rights reinstated (if any)		0			
Shareholding of top ten shareholders								
Name of shareholder	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading restrictions	Number of Shares subject to trading restrictions that include lending shares for securities financing	Shares charged, tagged or frozen	Status of shares	Number of shares
Shi Chunbao	Domestic natural person	114,840,685	29.88	113,685,435	113,685,435	None	0	0
Yue Shujun	Domestic natural person	95,447,900	24.84	95,447,900	95,447,900	None	0	0
HKSCC NOMINEES LIMITED Note 1	Foreign legal person	94,696,750	24.64	0	0	Unknown	-	-
Panmao (Shanghai) Investment Center (LLP) (磐茂(上海)投資中心(有限合夥))	Domestic non-state-owned legal person	17,250,000	4.49	0	0	Unknown	-	-
Industrial and Commercial Bank of China Limited - China-Europe Medical and Health Hybrid Securities Investment Fund	Domestic non-state-owned legal person	10,204,136	2.66	0	0	Unknown	-	-

Huatai Securities (Shanghai) Asset Management Co., Ltd. - Huatai Chunli Medical Family No. 1 the collective asset management plan for the shareholding of staff on Technology Innovation Board	Others	3,058,020	0.8	0	0	None	0
Jin Jie	Domestic natural person	3,013,781	0.78	0	0	Unkn own	-
Lin Yiming	Domestic natural person	2,851,732	0.74	0	0	Unkn own	-
Huang Dong	Domestic natural person	2,533,335	0.66	0	0	Unkn own	-
Panxin (Shanghai) Investment Center (LLP) (磐信(上海)投資中心(有限合夥))	Domestic non-state-owned legal person	2,500,000	0.65	0	0	Unkn own	-
Shareholding of top ten shareholders not subject to trading restrictions							
Name of shareholder	Number of tradable shares held not subject to trading restrictions	Share class and number					
		Share class	Number				
HKSCC NOMINEES LIMITED Note	94,696,750	Overseas listed foreign shares					
Panmao (Shanghai) Investment Center (LLP) (磐茂(上海)投資中心(有限合夥))	17,250,000	RMB-denominated ordinary shares	17,250,000				
Industrial and Commercial Bank of China Limited - China-Europe Medical and Health Hybrid Securities Investment Fund	10,204,136	RMB-denominated ordinary shares	10,204,136				
Huatai Securities (Shanghai) Asset Management Co., Ltd. - Huatai Chunli Medical Family No. 1 the collective asset management plan for the shareholding of staff on Technology Innovation Board	3,058,020	RMB-denominated ordinary shares	3,058,020				
Jin Jie	3,013,781	RMB-denominated ordinary shares	3,013,781				
Lin Yiming	2,851,732	RMB-denominated ordinary shares	2,851,732				

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Huang Dong	2,533,335	RMB-denominated ordinary shares	2,533,335
Panxin (Shanghai) Investment Center (LLP) (磐信(上海)投資中心(有限合夥))	2,500,000	RMB-denominated ordinary shares	2,500,000
NSSF Portfolio #404	1,636,069	RMB-denominated ordinary shares	1,636,069
Wang Haiya	1,539,203	RMB-denominated ordinary shares	1,539,203
Description of connected relationship or acting in concert of the above shareholders	<p>1. As of the date of disclosure by this announcement, Shi Chunbao and Yue Shujun are couple, Panmao and Panxin are the same controlling party. Apart from the above, the Company does not receive any statement from the top ten shareholders regarding the existence of connected relationship or agreement of acting-in-concert;</p> <p>2. The Company is not aware of the existence of connected relationship among shareholders of tradable shares, or if they are the concerted parties under the stipulation of Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies.</p>		
Description on participation in margin financing and securities lending and lending shares for securities financing by top ten shareholders and top ten shareholders not subject to trading restrictions (if any)	None		

As at the end of the Reporting Period, the number of ordinary shareholders of the Company' s was 5,766, among which 5,748 were ordinary shareholders of A shares, and 18 were the ordinary shareholders of H shares;

Note: Shares held by HKSCC Nominees Limited are held on behalf of its clients. As the relevant rules of the Hong Kong Stock Exchange do not require clients to report whether the shares that they hold are pledged or frozen, HKSCC Nominees Limited is therefore unable to calculate or provide the number of shares that have been pledged or frozen.

3. Other notice

Other important information related to the operational conditions of the Company during the Reporting Period which requires the attention of the investors

Applicable Not applicable

4. Quarterly financial statements

(A) Type of auditor' s opinion

Applicable Not applicable

(B) Financial statements

CONSOLIDATED BALANCE SHEET

31 March 2023

Prepared by: Chunli Medical

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2023	31 December 2022
Current assets:		
Monetary funds	838,344,639.97	957,193,661.02
Settlement reserve		
Placements with banks and non-bank financial institutions		
Held-for-trading financial assets	760,694,309.59	767,727,534.25
Derivative financial assets		
Notes receivable	243,368,447.20	278,639,012.00
Accounts receivable	560,327,512.48	488,746,494.02
Accounts receivable financing		
Prepayment	12,456,038.97	12,699,528.18
Premium receivable		
Reinsurance premium receivables		
Reserves for reinsurance contract receivables		
Other receivables	1,213,487.53	675,810.93
Including: Interests receivables		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	315,675,097.22	259,789,488.85
Contract assets		
Assets held-for-sale		
Non-current assets due within		

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one year		
Other current assets	13,242,057.13	13,617,453.61
Total current assets	2,745,321,590.09	2,779,088,982.86
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other investments in equity instruments		
Other non-current financial assets		
Investment property		
Fixed assets	274,402,712.81	278,294,518.06
Construction in progress	190,153,617.48	185,101,678.99
Productive biological assets		
Oil & gas assets		
Right-of-use assets	1,512,176.17	1,875,408.53
Intangible assets	135,969,765.63	138,167,738.59
Development expenditures		
Goodwill	16,486,138.56	
Long-term prepayments		
Deferred income tax assets	26,090,114.50	25,761,809.04
Other non-current assets	1,476,554.84	1,476,554.84
Total non-current assets	646,091,079.99	630,677,708.05
Total assets	3,391,412,670.08	3,409,766,690.91
Current liabilities:		
Short-term borrowings		
Borrowings from central banks		
Placements from banks and non-bank financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	211,699,053.72	237,786,563.39
Advances received		
Contract liabilities	93,399,513.54	85,681,592.64

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Financial assets sold under repurchase agreement		
Deposits and placements from peers		
Brokerage for trading securities		
Brokerage for underwriting securities		
Employee remuneration payable	36,932,322.83	69,723,670.57
Taxes payable	35,600,862.00	53,550,224.66
Other payables	74,991,657.62	72,509,089.96
Including: Interests payable		
Dividends payable		
Handling fee and commission payables		
Reinsurance premium payables		
Held-for-sale liabilities		
Non-current liabilities due within one year	688,285.72	688,285.72
Other current liabilities	69,245,020.57	75,865,112.99
Total current liabilities	522,556,716.00	595,804,539.93
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	453,788.76	625,860.19
Long-term payables		
Long-term employee remuneration payable		
Estimated liabilities		
Deferred income	84,527,178.03	85,757,219.55
Deferred income tax liabilities	7,879,291.52	7,879,291.52
Other non-current liabilities		
Total non-current liabilities	92,860,258.31	94,262,371.26
Total liabilities	615,416,974.31	690,066,911.19

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Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	384,280,000.00	384,280,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,051,228,272.24	1,051,228,272.24
Less: treasury shares	7,140,352.41	7,140,352.41
Other comprehensive income		
Specific reserve		
Surplus reserve	154,599,501.79	154,599,501.79
General reserve		
Undistributed profits	1,192,593,762.10	1,136,732,358.10
Total equity attributable to owners (or equity attributable to shareholders) of the parent company	2,775,561,183.72	2,719,699,779.72
Minority interests	434,512.05	
Total owners' equity (or shareholders' equity)	2,775,995,695.77	2,719,699,779.72
Total liabilities and owners' equity (or shareholders' equity)	3,391,412,670.08	3,409,766,690.91

Person in charge of the Company: Shi Wenling Person in charge for accounting affairs of the Company: Li Yumei Person in charge of the accounting department: Li Yumei

Consolidated income statement

January to March 2023

Prepared by: Chunli Medical

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
1. Total operating revenue	246,355,024.32	257,113,202.13
Including: Operating revenue	246,355,024.32	257,113,202.13
Interest income		
Premiums gained		
Income from handling fee and commission		
2. Total operating cost	183,535,965.29	170,342,269.72
Including: Operating cost	77,916,277.20	50,214,509.64
Interest expense		
Handling fee and commission expense		

Surrender value		
Net amount of compensation payout		
Net amount of insurance contracts reserves withdrew		
Policy dividend payment		
Reinsurance Expenses		
Taxes and surcharge	1,531,930.76	2,511,625.14
Selling expenses	64,965,051.80	79,897,136.99
Administrative expenses	7,051,031.67	6,012,015.72
Research and development expenses	33,270,315.66	33,114,231.75
Financial expenses	-1,198,641.80	-1,407,249.52
Including: Interest expenses		
Interest income	1,376,795.09	1,718,558.19
Add: Other gains	2,325,447.30	816,849.34
Investment income (losses are presented as “-”)	3,125,700.82	
Including: Investment income from associates and joint ventures		
Gains from derecognition of financial assets measured at amortised cost		
Foreign exchange gains (losses are presented as “-”)		
Net profit on hedging exposure (losses are presented as “-”)		
Gains on changes of fair value (losses are presented as “-”)	2,022,556.16	1,695,561.64
Loss on credit impairment (losses are presented as “-”)	-7,825,220.59	-5,021,306.34
Loss on asset impairment (losses are presented as “-”)	-125,870.82	-8,251.50
Gains on disposal of assets (losses are presented as “-”)		25,305.66
3. Operating profit (losses are presented as “-”)	62,341,671.90	84,279,091.21
Add: Non-operating income	83,435.56	23,882.11
Less: Non-operating expenses	200,028.67	1,352,747.88
4. Gross profit (total losses are presented as “-”)	62,225,078.79	82,950,225.44
Less: income tax expenses	6,363,674.74	8,928,858.91
5. Net profit (net losses are presented	55,861,404.05	74,021,366.53

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as “ - ”)		
(A) Classified by continuity of operation:		
1. Net profit for continuing operation (net losses are presented as “ - ”)	55,861,404.05	74,021,366.53
2. Net profit for ceased operation (net losses are presented as “ - ”)		
(B) Classified by ownership:		
1. Net profit attributable to the shareholders of the parent company (net losses are presented as “ - ”)	55,861,404.05	74,021,366.53
2. Non-controlling shareholders' profit or loss (net losses are presented as “ - ”)		
6. Net other comprehensive income after tax	55,861,404.05	74,021,366.53
(I) Net other comprehensive income after tax attributable to the owners of the parent company	55,861,404.05	74,021,366.53
1·Other comprehensive income that cannot be reclassified into profit or loss		
(1) Changes in remeasurement on defined benefit plan		
(2) Other comprehensive income that cannot be transferred to profit and loss under equity method		
(3) Fair value change on other investments in equity instruments		
(4) Fair value change on credit risk of the enterprise		
2·Other comprehensive income that will be reclassified into profit or loss		
(1) Other comprehensive income that can be transferred to profit and loss under equity method		
(2) Fair value change on other debt investments		
(3) Amounts of financial assets reclassified into other comprehensive income		
(4) Provision on credit impairment		

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on other debt investments		
(5) Reserves of cash flow hedging		
(6) Translation difference on financial statements denominated in foreign currencies		
(7) Others		
(II) Net other comprehensive income after tax attributable to non-controlling shareholders		
7. Total comprehensive income		
(A) Total comprehensive income attributable to the owners of the parent company		
(B) Total comprehensive income attributable to non-controlling shareholders		
8. Earnings per share:		
(A) Basic earnings per share (yuan/share)	0.15	0.19
(B) Diluted earnings per share (yuan/share)	0.15	0.19

For business combination under common control conducted during the current period, the acquiree achieved a net profit of RMB 0.00 before the combination; the acquiree achieved a net profit of RMB 0.00 during the previous period.

Person in charge of the Company: Shi Wenling Person in charge for accounting affairs of the Company: Li Yumei Person in charge of the accounting department: Li Yumei

Consolidated cash flow statement

January to March 2023

Prepared by: Chunli Medical

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
1. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	210,243,130.70	207,473,118.87
Net increase in the amounts of deposits from customers and placements from peers		
Net increase in amounts due to central banks		
Net increase in placements from other financial institutions		

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Cash received from the premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in policyholder deposits and amount for investment		
Cash received from interest, handling fee and commission		
Net increase in placements from banks and non-bank financial institutions		
Net increase in capital on business repurchased		
Net cash received on securities dealing agency services		
Receipts of tax refund		
Other cash receipts related to operating activities	2, 559, 428. 25	1, 682, 586. 34
Subtotal of cash inflow from operating activities	212, 802, 558. 95	209, 155, 705. 21
Cash payments for goods purchased and services received	95, 171, 085. 14	41, 482, 848. 98
Net increase in loans and advances from customers		
Net increase in amounts deposited in central bank and peers		
Cash payment on compensation payout in original insurance contract		
Net increase in placements with banks and non-bank financial institutions		
Cash payment on interest, handling fee and commission		
Cash payment for policy dividend		
Cash paid to and on behalf of employees	72, 383, 883. 08	57, 005, 972. 12
Taxes paid	39, 103, 604. 16	23, 933, 733. 08
Other cash payments related to operating activities	126, 341, 560. 85	106, 853, 967. 03
Subtotal cash outflow from operating activities	333, 000, 133. 23	229, 276, 521. 21
Net cash flows from	-120, 197, 574. 28	-20, 120, 816. 00

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operating activities		
2. Cash flows from investing activities:		
Cash received from disinvestments	765,000,000.00	
Cash received from return on investments	6,181,481.64	
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		63,500.00
Net cash received from the disposal of subsidiaries and other business units		
Other cash receipts related to investing activities		840,715.33
Subtotal of cash inflow from investing activities	771,181,481.64	904,215.33
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	1,025,917.03	21,232,408.43
Cash payments for investments	759,000,000.00	670,000,000.00
Net increase in pledged loans		
Net cash payments for acquisitions of subsidiaries and other business units	9,604,318.34	
Other cash payments related to investing activities		
Subtotal of cash outflow from investing activities	769,630,235.37	691,232,408.43
Net cash flows from investing activities	1,551,246.27	-690,328,193.10
3. Cash flows from financing activities:		
Cash received from investments		
Including: cash received by subsidiaries from non-controlling shareholders' investments		
Cash received from borrowings		
Other cash receipts related to financing activities		
Subtotal of cash inflow from financing activities		
Cash repayment of debts		
Cash paid for distribution of		

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dividends, profits or for interest expenses		
Including: dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash payments related to financing activities	202,693.04	
Subtotal of cash outflow from financing activities	202,693.04	
Net cash flows from financing activities	-202,693.04	
4. Effect of foreign exchange rate changes on cash and cash equivalents		-218,020.84
5. Net increase in cash and cash equivalents	-118,849,021.05	-710,667,029.94
Add: Opening balance of cash and cash equivalents	957,193,661.02	1,736,493,995.38
6. Closing balance of cash and cash equivalents	838,344,639.97	1,025,826,965.44

Person in charge of the Company: Shi Wenling Person in charge for accounting affairs of the Company: Li Yumei Person in charge of the accounting department: Li Yumei

Adjustments to the financial statements at the beginning of the year of the first implementation due to the first implementation of the new accounting standards or interpretation of accounting standards since 2023

Applicable Non applicable

The Board of Directors of Chunli Medical
27 April 2023