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

If you have sold or transferred all your shares in IVD Medical Holding Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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IVD MEDICAL HOLDING LIMITED

華檢醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1931)

PROPOSED RE-ELECTION OF DIRECTORS, PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES, GRANT OF SHARE OPTIONS AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting of IVD Medical Holding Limited to be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 3 June 2020 at 10:00 a.m. is set out on pages 29 to 34 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Monday, 1 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.ivdholding.com>). References to time and dates in this circular are to Hong Kong time and dates.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 34 of this circular for measures being taken to prevent and control the spread of the novel coronavirus disease (the "COVID-19") at the Annual General Meeting, including:

- compulsory body temperature checks and health declarations
- recommended wearing of a surgical face mask for each attendee
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company reminds shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting as an alternative to attending the meeting in person.

28 April 2020

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 3 June 2020 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 29 to 34 of this circular, or any adjournment thereof
“Articles” or “Articles of Association”	the second amended and restated articles of association of the Company (as amended from time to time)
“associate(s)”, “connected person(s)”, “close associate(s)”, “controlling shareholder(s)”, “core connected person(s)”, “subsidiary(ies)” and “substantial shareholder(s)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of China and Taiwan
“Common Control Confirmation”	the common control confirmation executed by Mr. Ho, Mr. Leung and Mr. Lin on 27 May 2016, whereby they confirmed the existence of their common control arrangement
“Company”	IVD Medical Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1931)
“Date of Grant”	22 November 2019, being the date on which the Share Options were granted to the Share Option Grantees
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Proposed Grantees and their respective associates and all core connected persons of the Company
“Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 29 to 34 of this circular
“Latest Practicable Date”	20 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	12 July 2019, the date of the Listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Mr. Ho”	Mr. Ho Kuk Sing, the chairman and chief executive officer of the Company, an executive Director and a substantial shareholder of the Company
“Mr. Leung”	Mr. Leung King Sun, an executive Director and a substantial shareholder of the Company
“Mr. Lin”	Mr. Lin Xianya, an executive Director and a substantial shareholder of the Company
“Proposed Grant”	the conditional grant of an aggregate of 23,334,500 Share Options to the Proposed Grantees under the Share Option Scheme

DEFINITIONS

“Proposed Grantee(s)”	collectively, Mr. Ho, Mr. Leung and Mr. Lin, and each of them a “Proposed Grantee”
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 29 to 34 of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0005 each in the issued capital of the Company
“Share Options”	share options to subscribe for Shares under the Share Option Scheme
“Share Option Grantee(s)”	the eligible participants, who are entitled to the Share Options granted or to be granted by the Company under the Share Option Scheme, including the Proposed Grantees
“Share Option Scheme”	the share option scheme conditionally adopted by the written resolutions of the Shareholders passed on 21 June 2019
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



IVD MEDICAL HOLDING LIMITED

華檢醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1931)

Executive Directors:

Mr. Ho Kuk Sing (*Chairman of the Board
and Chief Executive Officer*)
Mr. Leung King Sun
Mr. Lin Xianya

Registered Office:

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Non-executive Directors:

Mr. Chen Xingang
Mr. Yang Zhaoxu
Mr. Chan Kwok King, Kingsley

*Headquarters and Principal Place
of Business in China:*

Room 602, Building 6
Lane 299, Bisheng Road
Zhangjiang Hi-Tech Park
Pudong New Area District
Shanghai
China

Independent Non-executive Directors:

Mr. Lau Siu Ki
Mr. Zhong Renqian
Mr. Leung Ka Sing

*Principal Place of Business
in Hong Kong:*

Room 1703,
Grandtech Centre
8 On Ping Street, Sha Tin
Hong Kong

28 April 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
GRANT OF SHARE OPTIONS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 3 June 2020.

LETTER FROM THE BOARD

2. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS

The annual report incorporating the audited consolidated financial statements of the Company and the reports of the Directors and the auditors of the Company for the year ended 31 December 2019 will be sent to the Shareholders on 28 April 2020. The audited consolidated financial statements of the Company have been reviewed by the audit committee of the Company.

3. RE-APPOINTMENT OF AUDITORS

The Board recommended that, subject to the approval of the Shareholders at the Annual General Meeting, Ernst & Young be re-appointed as auditors of the Company.

4. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Articles 83 and 84 of the Articles of Association, Mr. Ho, Mr. Leung and Mr. Lin shall retire by rotation at the Annual General Meeting, and are eligible to offer themselves for re-election at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

5. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

Pursuant to the written resolution passed by the then Shareholders on 21 June 2019, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 133,340,000 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). As at the Latest Practicable Date, the issued share capital of the Company comprised 1,333,400,000 Shares. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

6. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

Pursuant to the written resolution passed by the then Shareholders on 21 June 2019, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting (i.e. a total of 266,680,000 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). As at the Latest Practicable Date, the issued share capital of the Company comprised 1,333,400,000 Shares. An ordinary resolution to extend the Issue Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issue Mandate.

7. GRANT OF SHARE OPTIONS

Introduction

Reference is made to the announcement of the Company dated 22 November 2019 in relation to the grant of the Share Options (the “**Share Options Announcement**”).

On 22 November 2019, the Board resolved to grant an aggregate of up to 26,668,000 Share Options, representing approximately 2.00% of the issued share capital of the Company as at the Latest Practicable Date, to certain Share Option Grantees (including the Proposed Grantees) to subscribe for Shares under the Share Option Scheme, subject to acceptance of the Share Option Grantees and if applicable, the approval of the Independent Shareholders.

Among the 26,668,000 Share Options granted, 23,334,500 Share Options were conditionally granted to Mr. Ho, Mr. Leung and Mr. Lin (i.e. the Proposed Grantees). The remaining 3,333,500 Share Options were granted to seven employees of the Company and its subsidiaries (other than the Proposed Grantees) (the “**Other Grantees**”).

As mentioned in the Share Options Announcement, the grant of Share Options to each of the Proposed Grantees is conditional upon Independent Shareholders’ approval to be obtained at an extraordinary general meeting (the “**EGM**”) to be convened by the Company. The Company has commenced preparation of the relevant circular and EGM notice since publication of the Share Options Announcement in late 2019. However, due to the outbreak of COVID-19 in the PRC which has spread worldwide starting from the beginning of 2020, the Company has experienced difficulties and delayed in deciding the appropriate time and venue to convene the EGM since the Board considers the health and well-being of all Shareholders,

LETTER FROM THE BOARD

Directors and/or other attendees who may attend the EGM is of utmost importance. As the time for holding the Annual General Meeting is approaching, the Board considers it is most appropriate for the Independent Shareholders' approval to be obtained at the Annual General Meeting instead of convening an EGM beforehand, against the background of general discouragement on social gathering amid efforts to contain COVID-19. A summary of the Proposed Grant is set out below:

Date of Grant	:	22 November 2019
Exercise price of the Share Options granted	:	HK\$3.042 per Share ^(Note 1) , representing the higher of: <ul style="list-style-type: none">(i) the closing price of HK\$3.04 per Share as stated in the daily quotation sheet of the Stock Exchange on the Date of Grant;(ii) the average closing price of HK\$3.042 per Share as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Date of Grant, namely, 15 November 2019 to 21 November 2019; and(iii) the nominal value of US\$0.0005 per Share
Total number of Share Options granted	:	<ul style="list-style-type: none">(i) 8,000,400 Share Options conditionally granted to Mr. Ho;(ii) 8,000,400 Share Options conditionally granted to Mr. Leung; and(iii) 7,333,700 Share Options conditionally granted to Mr. Lin; each Share Option shall entitle the holder to subscribe for one Share upon exercise of such Share Option
Closing price of the Shares on the Date of Grant	:	HK\$3.04 per Share

(Note 1) For reference only, the closing price per Share as stated in the daily quotation sheet of the Stock Exchange as at the Latest Practicable Date was HK\$3.05, and the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Latest Practicable Date, namely, 9 April 2020 to 17 April 2020, was HK\$3.124.

LETTER FROM THE BOARD

Average closing price of the Shares for the five business days immediately preceding the Date of Grant, namely, 15 November 2019 to 21 November 2019	:	HK\$3.042 per Share
Validity period of the Share Options	:	5 years from the date upon obtaining the approval of the Independent Shareholders at the Annual General Meeting, with Mr. Ho, Mr. Leung and Mr. Lin, their respective associates and all core connected persons of the Company abstaining from voting at the Annual General Meeting
Exercise period	:	subject to the validity period as aforementioned, the Share Options are exercisable at any time during the period commencing from the date upon obtaining the approval of the Independent Shareholders at the Annual General Meeting, with Mr. Ho, Mr. Leung and Mr. Lin, their respective associates and all core connected persons of the Company abstaining from voting at the Annual General Meeting
Holding period	:	no minimum holding period for which the Share Options must be held before they can be exercised
Performance targets	:	no performance targets have been set as a condition to the exercise of the Share Options

The Shares to be allotted and issued upon the exercise of the Share Options shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue as at the date on which the new Shares are issued. The Share Options themselves, however, do not carry any right to voting, dividend, distribution, transfer or other rights (including those arising on the liquidation of the Company) prior to their being exercised and the underlying Shares being issued.

Save as disclosed above, the Board confirms that none of the Share Options Grantees (other than the Proposed Grantees) is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or their associate (as defined in the Listing Rules).

LETTER FROM THE BOARD

The consideration payable on acceptance of the options by each of the Share Option Grantees is HK\$1.00.

The Share Option Scheme does not have a trustee.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Share Options by the Company to a Director, chief executive or substantial shareholder of the Company or any of their associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the Share Option Grantee of the Share Options concerned). On 22 November 2019, the independent non-executive Directors approved the grant of Share Options to the Proposed Grantees.

On 22 November 2019, the remuneration committee of the Company (the “**Remuneration Committee**”) approved the grant of Share Options to the Proposed Grantees.

As at the Latest Practicable Date, the Company does not have any immediate plan to grant any further Share Options to Share Option Grantee(s) under the Share Option Scheme.

Shareholdings Structure

The following table shows the change in the shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company assuming (i) the Shares Options granted to the Proposed Grantees are exercised in full by them and (ii) the Share Options granted to the Other Grantees are not exercised:

	As at the Latest Practicable Date		Assuming full exercise of the Share Options	
	<i>Number of Shares in issue</i>	<i>% of shareholdings (Approximately)</i>	<i>Number of Shares in issue</i>	<i>% of shareholdings (Approximately)</i>
Mr. Ho (Chairman of the Board, chief executive officer and executive Director)	– Notes (1) and (7)	–	8,000,400	0.59%
KS&KL Investment Co. Limited	175,517,429 Notes (2) and (7)	13.16%	175,517,429	12.94%
Mr. Leung (Executive Director)	– Notes (3) and (7)	–	8,000,400	0.59%
King Sun Limited	175,517,429 Notes (4) and (7)	13.16%	175,517,429	12.94%

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Assuming full exercise of the Share Options	
	<i>Number of Shares in issue</i>	<i>% of shareholdings (Approximately)</i>	<i>Number of Shares in issue</i>	<i>% of shareholdings (Approximately)</i>
Mr. Lin (Executive Director)	– Notes (5) and (7)	–	7,333,700	0.54%
Lucan Investment Limited	112,664,041 Notes (6) and (7)	8.45%	112,664,041	8.30%
Huatuo International Development Co., Limited	443,654,371 Note (8)	33.27%	443,654,371	32.70%
Public Shareholders				
North Haven Private Equity Asia IVD Company Limited	92,646,730 Note (9)	6.95%	92,646,730	6.82%
Morgan Stanley & Co. International plc	638,033 Note (10)	0.05%	638,033	0.05%
Other public Shareholders	332,761,967	24.96%	332,761,967	24.53%
Total:	1,333,400,000	100%	1,356,734,500	100%

Notes:

- (1) Mr. Ho is conditionally entitled to a total of 16,383,844 Shares pursuant to the options under the pre-IPO share option scheme (“ESOP”) where none of such options that were vested have been exercised.
- (2) Mr. Ho is the sole shareholder of KS&KL Investment Co. Limited, which holds 175,517,429 Shares. Therefore, Mr. Ho is deemed to be interested in KS&KL Investment Co. Limited’s interest in the Shares pursuant to the SFO.
- (3) Mr. Leung is conditionally entitled to a total of 3,120,732 Shares pursuant to the options under the ESOP where none of such options that were vested have been exercised.
- (4) Mr. Leung is the sole shareholder of King Sun Limited, which holds 175,517,429 Shares. Therefore, Mr. Leung is deemed to be interested in King Sun Limited’s interest in the Shares pursuant to the SFO.
- (5) Mr. Lin is conditionally entitled to a total of 6,501,525 Shares pursuant to the options under the ESOP where none of options that were vested have been exercised.
- (6) Mr. Lin is the sole shareholder of Lucan Investment Limited, which holds 112,664,041 Shares. Therefore, Mr. Lin is deemed to be interested in Lucan Investment Limited’s interest in the Shares pursuant to the SFO.
- (7) By virtue of the Common Control Confirmation, Mr. Ho, Mr. Leung and Mr. Lin and their respective wholly-owned investment holding companies, namely KS&KL Investment Co. Limited, King Sun Limited and Lucan Investment Limited, collectively hold 463,698,899 Shares.

LETTER FROM THE BOARD

- (8) These 443,654,371 Shares are beneficially owned by Huatuo International Development Co., Limited, which is a company incorporated under the laws of Hong Kong on 28 March 2011 and wholly owned by Shinva Medical Instrument Co., Ltd (山東新華醫療器械股份有限公司). Therefore, Shinva Medical Instrument Co., Ltd is deemed to be interested in Huatuo International Development Co., Limited's interest in the Shares pursuant to the SFO.
- (9) These Shares are beneficially owned by North Haven Private Equity Asia IVD Company Limited, which is an investment holding company incorporated with limited liability under the laws of the Cayman Islands on 21 January 2016 and beneficially owned by North Haven Private Equity Asia IVD Holding Limited. The ultimate beneficial owner of North Haven Private Equity Asia IVD Holding Limited is Morgan Stanley. Therefore, North Haven Private Equity Asia IVD Holding Limited and its intermediate holders (including Morgan Stanley) are deemed to be interested in North Haven Private Equity Asia IVD Company Limited's interest in the Shares pursuant to the SFO. These Shares will be counted as public float within the meaning of Rules 8.08(1)(a) and 8.24 of the Listing Rules.
- (10) These Shares are beneficially owned by Morgan Stanley & Co. International plc., which is beneficially owned by Morgan Stanley Investments (UK). The ultimate beneficial owner of Morgan Stanley Investments (UK) is Morgan Stanley. Therefore, Morgan Stanley Investments (UK) and its intermediate holders (including Morgan Stanley) are deemed to be interested in Morgan Stanley & Co. International plc.'s interest in the Shares pursuant to the SFO. These Shares will be counted as public float within the meaning of Rules 8.08(1)(a) and 8.24 of the Listing Rules.

Reasons for the Proposed Grant

The Proposed Grantees are founders and executive Directors of the Company. Please refer to Appendix I to this circular for their respective biographies and background information. The purpose of the Proposed Grant is to provide rewards to the Proposed Grantees for their contribution to the Group and incentives to retain the Proposed Grantees that are considered to be valuable to the Group.

In determining the number of Share Options proposed to be granted to each of the Proposed Grantees, the Remuneration Committee considered factors such as time commitment and responsibilities of the Proposed Grantees, the past contributions made by each of the Proposed Grantees and their desirability of performance-based remuneration. The Remuneration Committee would also take into account the financial performance of the Company during the relevant financial year, and in particular, the contributions and efforts made by the Proposed Grantees in enhancing the overall financial performance of the Group. Furthermore, the Company's remuneration policies for the executive Directors are that: (i) the amount of remuneration payable to the executive Directors will be determined on a case-by-case basis depending on the experience, responsibility, workload and the time devoted to the Group by the relevant Director; and (ii) the executive Directors may be granted, at the discretion of the Board, share options of the Company, as part of the remuneration package.

LETTER FROM THE BOARD

The Proposed Grant serves as an appreciation of the dedication and efforts of the Proposed Grantees. Mr. Ho is the Group's chairman, executive Director and chief executive officer, responsible for the strategic planning and development of the Group. Mr. Ho has been assuming the day-to-day responsibilities of the Group since 1993 and is instrumental to the Group's growth and business expansion. Mr. Leung is the Group's executive Director and chief operating officer, responsible for the overall management and operations including management of capital, finance and logistics, customer services, human resources and administrative matters of the Group. Mr. Lin is the Group's executive Director and general manager, responsible for overseeing the business development of the Group. Each of Mr. Ho, Mr. Leung and Mr. Lin has made tremendous efforts in expanding the business operation of the Group whereby Mr. Ho and Mr. Leung have served the Group for more than 25 years and Mr. Lin has served the Group for around 20 years, and because of their effort, the Shares of the Company have been listed on the Stock Exchange since mid-2019.

Furthermore, under the leadership of Mr. Ho, Mr. Leung and Mr. Lin, the financial performance of the Group has been rapidly improving. For the year ended 31 December 2019, the revenue of the Group has reached approximately RMB2,332.7 million, representing a significant increase of approximately 464.0% compared to the year ended 31 December 2018. In addition, for the year ended 31 December 2019, the profit of the Group was approximately RMB254.8 million, representing a significant increase of approximately 156.1% compared to the year ended 31 December 2018. This improving financial performance testifies Mr. Ho, Mr. Leung and Mr. Lin's long term dedication to the Group.

In addition, as a result of Mr. Ho, Mr. Leung and Mr. Lin's endeavours in expanding the scale of business of the Group with a view to further enhancing the performance of the Group in the long run, the Group successfully acquired 60% shareholding interest in Vastec Medical Limited ("**Vastec**") and thereafter Vastec became a wholly owned subsidiary of the Group. Such acquisition was primarily organised by Mr. Ho, Mr. Leung and Mr. Lin at the relevant time and it is anticipated that this acquisition could integrate the distribution value chain, diversify the product portfolio and create new sales opportunities of the Group.

Vastec was the fourth largest tier 1 In Vitro Diagnostic ("**IVD**") distributor in the PRC in 2018 and primarily engaged in the distribution of Sysmex' haemostasis and immunoassay products in the PRC. It has been the sole national distributor of haemostasis products manufactured by Sysmex Corporation ("**Sysmex**") with exclusive distribution rights in the PRC since 1997 consecutively for the past 22 years. On 1 April 2019, Mr. Ho, Mr. Leung and Mr. Lin have successfully procured the entering of a new distribution agreement between Vastec and Sysmex which extended the term until 2022. This newly signed agreement will further stabilise the relationship between Vastec and Sysmex.

LETTER FROM THE BOARD

Taking into account that (i) the contribution of Mr. Ho, Mr. Leung and Mr. Lin to the Group was significant and the Listing of the Company would not be achieved without their dedication and efforts; (ii) the stability of key personnel is crucial to the further development of the Group; and (iii) the dilution effect of the Proposed Grant is insignificant being less than 2% of the entire issued share capital of the Company, the Remuneration Committee is of the view that the Proposed Grant is part of the remuneration packages and an incentive for the Proposed Grantees' continued investments and contributions to the Group in the future, and is in line with the Company's remuneration policies. Therefore, the Remuneration Committee has recommended the Board to approve the Proposed Grant, to which the Board is agreeable.

Despite the lack of performance targets and vesting conditions, the Board takes the view that first of all, the Proposed Grant primarily serves as a reward in recognition of the past contribution and dedication made by the Proposed Grantees to the Group, for which purpose performance targets and vesting conditions are not necessary. Secondly, even without a performance target, the economic benefits of share options depend on the increase in share price to be driven by improving the overall management business synergies and operational performances of the Group at which time all Shareholders will stand to benefit. The Proposed Grant therefore aligns the interests of the Proposed Grantees with the interests of the Company and the Shareholders and provides an incentive for the Proposed Grantees to optimise their performance efficiency for the benefit of the Group, thereby raising share price and share value for the Group and the Shareholders. In addition, since the Proposed Grantees are existing controlling shareholders of the Company, they will be incentivised and motivated to strengthen the operational and financial performance of the Group even if there is no performance target or vesting condition associated with the Share Options. As such, the Board believes the Proposed Grant will serve to achieve the purposes of the Share Option Scheme, namely, to attract and retain the best quality personnel for the development of the Group's businesses and to promote long term success of the Group by offering such personnel an opportunity to obtain further ownership interest in the Company.

The Board has taken into consideration the practice of other listed companies on the Stock Exchange in respect of the granting of share options, with the relevant circulars published within two years prior to the Date of Grant, and in particular, whether such share options shall be subject to vesting conditions and/or performance targets. Based on these observations, the Board is of the view that such conditions vary on a case-by-case basis and would verily depend on the factual background of each case, and for instance, whether such share options granted are intended to be an inducement to achieve a certain future performance target or a reward for past contribution and performance. Particularly, the Board has noted the practice adopted by other listed companies on the Stock Exchange in respect of granting of share options with similar scenario to the Proposed Grant (the "**Comparables**"). The table below sets out the details of such Comparables:

LETTER FROM THE BOARD

Company name (Stock code)	Date of circular for the grant of share options	Principal business of the company	Name and position of the grantee	Reason(s) of the proposed grant	Approximate percentage of share options granted to the number of issued shares of the respective companies	Terms of the share options	Validity period of the share options
Asia Energy Logistics Group Limited (351)	26 July 2019	Shipping and logistics business	Mr. Liang Jun, executive director of the company	To give recognition for the contributions of the grantee to the overall development of the group and provide incentives to align interest of the grantee with financial and business performance of the group	0.85%	No vesting period of the share options and absence of performance target	10 years
Asia Energy Logistics Group Limited (351)	26 July 2019	Shipping and logistics business	Mr. Fu Yongyuan, executive director of the company	To give recognition for the contributions of the grantee to the overall development of the group and provide incentives to align interest of the grantee with financial and business performance of the group	2.86%	No vesting period of the share options and absence of performance target	10 years

LETTER FROM THE BOARD

Company name (Stock code)	Date of circular for the grant of share options	Principal business of the company	Name and position of the grantee	Reason(s) of the proposed grant	Approximate percentage of share options granted to the number of issued shares of the respective companies	Terms of the share options	Validity period of the share options
Sunshine Oilsands Ltd. (2012)	5 October 2018	Development of Athabasca region oil sands resources	Mr. Kwok Ping Sun, executive chairman and executive director of the company	To recognise the grantee's contribution and support to the growth and business expansion of the group	4.99%	No vesting period of the share options and absence of performance target	5 years
Fortunet e-Commerce Group Limited (1039)	15 June 2018	Development of electronic trading platform and digital assets operation and management business	Mr. Cheng Jerome, chairman and executive director of the company	To recognise the grantee's past contributions and provide incentive for the grantee's continued commitment and contribution to the group	3.97%	No vesting period of the share options and absence of performance target	5 years

LETTER FROM THE BOARD

Company name (Stock code)	Date of circular for the grant of share options	Principal business of the company	Name and position of the grantee	Reason(s) of the proposed grant	Approximate percentage of share options granted to the number of issued shares of the respective companies	Terms of the share options	Validity period of the share options
China Cloud Copper Company Limited (formerly known as Asia Investment Finance Group Limited) (00033)	28 February 2018	Securities brokerage and asset management, money lending business, credit guarantee and investment business, trading of party products, and trading of security products and provision of security services	Ms. Cheung Kwan, chairperson and executive director of the company	To recognise the grantee's past and continuous contribution, and to motivate and provide incentive to the grantee to promote the business development of the group	2.68%	No vesting period of the share options and absence of performance target	3 years

LETTER FROM THE BOARD

The table above shows that (i) it is not uncommon that share options granted to grantees are not subject to vesting condition or performance target taking into account the underlying reason(s) of the proposed grant in which, among others, being the past contributions made by the respective grantees to the Comparables as set forth above; (ii) in respect of the share options granted to each grantee, the percentage of the share options granted to the total number of issued shares of the aforesaid Comparables ranges from 0.85% to 4.99%, where such range of percentage is, in fact, higher than the Proposed Grant (among which Mr. Ho, Mr. Leung and Mr. Lin were conditionally entitled to 0.59%, 0.59% and 0.54%, respectively, of the share options granted to the issued share capital of the Company as of the Latest Practicable Date); and (iii) the validity period of the Proposed Grant, being five years, is within the range of the validity period of the Comparables, i.e. ranging from three to 10 years.

After due and careful deliberation, having taking into account the above factors, the market practice engaged by other listed companies on the Stock Exchange (in particular, the Comparables) and the Proposed Grantees' respective position, expertise, management skills and contribution to the Group, and given that the terms of the Proposed Grant are subject to the Share Option Scheme and Chapter 17 of the Listing Rules, the Board is of the view that the Proposed Grant is justified and in line with the market practice in the scenario where grantees were awarded for their past contribution to the listed group.

The Board has considered other means to incentivise the Proposed Grantees, such as fixing a higher monetary remuneration. However, these other means will increase the Group's expenditure and impose financial burden on the Group. Also, unlike Share Options, they do not serve the purpose of retaining the Proposed Grantees for long term. On the other hand, unlike monetary remuneration which will increase the Group's expenditure, the exercise of the Share Options by Proposed Grantees will lead to an increase of the Company's share capital of up to HK\$70,983,549 and provides additional working capital to the Group. The Proposed Grant enables the Group to preserve its cash resources for business expansion while serving the purpose to reward and incentivise the Proposed Grantees by complementing their remuneration packages. The Board has also considered other impact the Proposed Grant may have on the Group's financial results and concluded that the Proposed Grant would not have any material adverse impact on the Group's financial results.

Based on the reasons aforesaid and taking into account that (i) the potential dilution effect of the exercise of the Share Options is insignificant, being less than 2% of the entire issued share capital of the Company; (ii) the percentage of the Share Options granted to the number of issued Shares, for each grantee under the Proposed Grant, is lower than the range of market practice; (iii) the validity period of 5 years is within the range of market practice; and (iv) the absence of vesting conditions/performance targets are in line with market practice for the reasons above-mentioned and will still serve the purposes of the Share Option Scheme, the Board and the Remuneration Committee believe that the Proposed Grant is an appropriate way to incentivise and encourage the ongoing service of the Proposed Grantees in achieving improvement of the Group's operational and financial performance, which is fair and reasonable and in the interests of the Company and Shareholders as a whole.

LETTER FROM THE BOARD

Listing Rules Implications

Pursuant to Rule 17.04(1) of the Listing Rules, where any grant of Share Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000, such grant of Share Options must be approved by the shareholders in a general meeting at which the Proposed Grantees, their associates and all core connected persons of the Company must abstain from voting.

To the extent that it is aware by the Board having made all reasonable enquires, the following Shareholders are Proposed Grantees, their associates and/or core connected persons of the Company and are thus required to abstain from voting at the Annual General Meeting:

Name of Shareholders	Number of issued Shares held as at the Latest Practicable Date	Approximate percentage shareholding
KS&KL Investment Co. Limited		
Notes (a) and (d)	175,517,429	13.16%
King Sun Limited		
Notes (b) and (d)	175,517,429	13.16%
Lucan Investment Limited		
Notes (c) and (d)	112,664,041	8.45%
Huatuo International Development Co., Limited		
Note (e)	443,654,371	33.27%
Total:	907,353,270	68.04%

Notes:

- (a) Mr. Ho is the sole shareholder of KS&KL Investment Co. Limited, which holds 175,517,429 Shares. Therefore, Mr. Ho is deemed to be interested in KS&KL Investment Co. Limited's interest in the Shares pursuant to the SFO.
- (b) Mr. Leung is the sole shareholder of King Sun Limited, which holds 175,517,429 Shares. Therefore, Mr. Leung is deemed to be interested in King Sun Limited's interest in the Shares pursuant to the SFO.
- (c) Mr. Lin is the sole shareholder of Lucan Investment Limited, which holds 112,664,041 Shares. Therefore, Mr. Lin is deemed to be interested in Lucan Investment Limited's interest in the Shares pursuant to the SFO.
- (d) By virtue of the Common Control Confirmation, Mr. Ho, Mr. Leung and Mr. Lin and their respective wholly-owned investment holding companies, namely KS&KL Investment Co. Limited, King Sun Limited and Lucan Investment Limited, collectively hold 463,698,899 Shares.

LETTER FROM THE BOARD

- (e) These 443,654,371 Shares are beneficially owned by Huatuo International Development Co., Limited, which is a company incorporated under the laws of Hong Kong on 28 March 2011 and wholly owned by Shinva Medical Instrument Co., Ltd (山東新華醫療器械股份有限公司). Therefore, Shinva Medical Instrument Co., Ltd is deemed to be interested in Huatuo International Development Co., Limited's interest in the Shares pursuant to the SFO.

As the total number of Shares to be issued upon exercise of the Share Options granted to each of the Proposed Grantees (all being substantial shareholders pursuant to the Common Control Confirmation) in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5,000,000, based on the closing price of the Shares of HK\$3.04 on the Date of Grant, pursuant to Rule 17.04(1) of the Listing Rules, the Proposed Grant is therefore subject to the Independent Shareholders' approval at the Annual General Meeting at which the Proposed Grantees and their associates and all core connected persons of the Company must abstain from voting in favour at the Annual General Meeting.

As at the Latest Practicable Date, the (i) Proposed Grantees and their associates and (ii) other core connected person of the Company, namely Huatuo International Development Co., Limited, are interested in a total of 463,698,899 Shares and 443,654,371 Shares, representing 34.77% and 33.27%, respectively, of the issued share capital of the Company. Pursuant to Rule 17.04(1) of the Listing Rules, the Proposed Grantees and their respective associates and Huatuo International Development Co., Limited must abstain from voting on the relevant resolution approving the Proposed Grant.

As at the Latest Practicable Date, apart from the Shares held by the Proposed Grantees and their associates and Huatuo International Development Co., Limited, no other core connected persons of the Company are interested in the Shares who shall abstain from voting in favour at the Annual General Meeting to be convened to approve the Proposed Grant. As at the Latest Practicable Date, none of the Shareholders who are required to abstain from voting in favour has given the Company notice of his/her/its intention to vote against the relevant resolution at the Annual General Meeting.

The Share Option Scheme Limit

Under the Share Option Scheme, the Board may grant Share Options to eligible participants to subscribe a maximum of 133,340,000 Shares, being 10% of the Shares in issue on the Listing Date (the "**Scheme Limit**").

As at the Latest Practicable Date, Share Options (including Share Options granted to Share Option Grantees on 22 November 2019 other than the conditional Share Options granted to each of the Proposed Grantees) carrying the rights to subscribe for up to a total of 3,333,500 Shares have been granted under the Share Option Scheme since the approval of the Scheme Limit, of which no Shares were lapsed, cancelled or exercised, and 3,333,500 Shares remain outstanding. Accordingly, there are sufficient unissued Share Options for the purpose of granting an aggregate of 23,334,500 Share Options to the Proposed Grantees.

LETTER FROM THE BOARD

8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 29 to 34 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by way of a poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.ivdholding.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Monday, 1 June 2020) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

9. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting of the Company to be held on 3 June 2020, the register of members of the Company will be closed from Friday, 29 May 2020 to Wednesday, 3 June 2020 (both days inclusive), during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 28 May 2020.

10. 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.

LETTER FROM THE BOARD

11. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Repurchase Mandate and the Issue Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

In addition, having considered the terms of the Proposed Grant, all the independent non-executive Directors consider such grant is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Directors (including the independent non-executive Directors but excluding Mr. Ho, Mr. Leung and Mr. Lin) recommend the Independent Shareholders to vote in favour of the ordinary resolutions approving the Proposed Grant as set out in the notice of Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
IVD Medical Holding Limited
Ho Kuk Sing
*Chairman, Chief Executive Officer
and Executive Director*

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Ho Kuk Sing

Mr. Ho Kuk Sing (何鞠誠), aged 61, is the Chairman, the Chief Executive Officer of the Company and an executive Director primarily responsible for the overall strategic planning and development of the Group. He was appointed as a Director on 27 May 2016 and was designated as the Chairman, the Chief Executive Officer of the Company and an executive Director on 21 June 2019.

Mr. Ho is one of the founders of the Group and has over 33 years of experience in the IVD industry. He is currently a director of various subsidiaries of the Company. He founded Vastec in August 1993 and has been the chief executive officer of Vastec since May 1995. Prior to joining the Group, Mr. Ho worked as a technical specialist, a technology and marketing manager and a marketing and business manager in Instrumentation Laboratory (Far East) Ltd. (merged with Coulter Electronics (Hong Kong) Ltd in November 1992), a company principally engaged in the development, manufacturing and distribution of IVD products, from January 1985 to December 1987, from December 1987 to January 1992 and from January 1992 to October 1992, respectively. He served in various positions including a marketing manager and a regional business manager in Coulter Electronics (Hong Kong) Ltd from November 1992 to February 1995.

Mr. Ho obtained a master's degree in Philosophy from The University of Hong Kong in 1988. He obtained a bachelor's degree in Science from The University of Hong Kong in 1982.

Save as disclosed above, Mr. Ho has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Ho has entered into a service agreement with the Company under which he agreed to act as an executive Director for a period of three years commencing from 12 July 2019 until terminated by not less than three months' notice in writing served by either party on the other. He is also subject to retirement and re-election at the Annual General Meeting of the Company in accordance with the Articles of Association.

As at the Latest Practical Date, Mr. Ho was deemed to be interested in 191,901,273 Shares representing 14.39% of the issued share capital of the Company within the meaning of Part XV of the SFO. Mr. Ho is the sole shareholder of KS&KL Investment Co. Limited, which holds 175,517,429 Shares and thus Mr. Ho is deemed to be interested in KS&KL Investment Co. Limited's interest in the Shares under the SFO. In addition, Mr. Ho is conditionally entitled to a total of 16,383,844 Shares pursuant to the options granted under the ESOP where none of such options that were vested have been exercised.

Mr. Ho received a total remuneration of RMB15,141,000 for the year ended 31 December 2019, among which RMB11,399,000 was share-based payment taking into account the apportioned fair value of the share options granted under the ESOP (excluding, if any, share options which have lapsed). The above emoluments of Mr. Ho have been determined with reference to his role and duties, experience and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Remuneration Committee.

Leung King Sun

Mr. Leung King Sun (梁景新), aged 62, is the Chief Operating Officer of the Company and an executive Director primarily responsible for the overall management and operations of the Group, including management of capital, finance and logistics, customer services, human resources and administrative matters of the Group. He was appointed as a Director on 27 May 2016 and was designated as the Chief Operating Officer of the Company and an executive Director on 21 June 2019.

Mr. Leung is one of the founders of the Group and has over 25 years of experience in the IVD industry. He is currently a director of various subsidiaries of the Company. He founded Vastec in August 1993 and has been the chief operating officer of Vastec since May 1995.

Mr. Leung obtained a Master of Business Administration (MBA) from Oklahoma City University in 1992. He obtained a bachelor's degree in Science from The University of Hong Kong in 1981.

Save as disclosed above, Mr. Leung has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Leung has entered into a service agreement with the Company under which he agreed to act as an executive Director for a period of three years commencing from 12 July 2019 until terminated by not less than three months' notice in writing served by either party on the other. He is also subject to retirement and re-election at the Annual General Meeting of the Company in accordance with the Articles of Association.

As at the Latest Practical Date, Mr. Leung was deemed to be interested in 178,638,161 Shares representing 13.40% of the issued share capital of the Company within the meaning of Part XV of the SFO. Mr. Leung is the sole shareholder of King Sun Limited, which holds 175,517,429 Shares and thus Mr. Leung is deemed to be interested in King Sun Limited's interest in the Shares under the SFO. In addition, Mr. Leung is conditionally entitled to a total of 3,120,732 Shares pursuant to the options granted under the ESOP where none of such options that were vested have been exercised.

Mr. Leung received a total remuneration of RMB5,053,000 for the year ended 31 December 2019, among which RMB2,171,000 was share-based payment taking into account the apportioned fair value of the share options granted under the ESOP (excluding, if any, share options which have lapsed). The above emoluments of Mr. Leung have been determined with reference to his role and duties, experience and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Remuneration Committee.

Lin Xianya

Mr. Lin Xianya (林賢雅), aged 44, is the General Manager of the Company and an executive Director primarily responsible for overseeing the business development of the Group. He was appointed as a Director on 15 January 2016 and was designated as the General Manager of the Company and an executive Director on 21 June 2019.

Mr. Lin has over 19 years of experience in the IVD industry. He founded Dacheng Medical Equipment (Shanghai) Co., Ltd (“**Dacheng (Shanghai)**”) in February 2011 and has been the general manager of Dacheng (Shanghai) since April 2011. He also serves as a director of IVD International Limited. Prior to establishing Dacheng (Shanghai) in February 2011, Mr. Lin worked in Vastec Medical Equipment (Shanghai) Co., Ltd as a sales manager from February 2000 to January 2008 and as a sales director from January 2008 to March 2011, during which time he was primarily responsible for sales management.

Mr. Lin obtained a Master of Business Administration (MBA) specialising in sales and management from Fudan University in 2009. He obtained a bachelor’s degree in Medical Laboratory from the School of Medicine of Shanghai Jiao Tong University (formerly known as Shanghai Second Medical University (上海第二醫科大學)) in September 1999.

Save as disclosed above, Mr. Lin has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Lin has entered into a service agreement with the Company under which he agreed to act as an executive Director for a period of three years commencing from 12 July 2019 until terminated by not less than three months’ notice in writing served by either party on the other. He is also subject to retirement and re-election at the Annual General Meeting of the Company in accordance with the Articles of Association.

As at the Latest Practical Date, Mr. Lin was deemed to be interested in 119,165,566 Shares representing 8.94% of the issued share capital of the Company within the meaning of Part XV of the SFO. Mr. Lin is the sole shareholder of Lucan Investment Limited, which holds 112,664,041 Shares and thus Mr. Lin is deemed to be interested in Lucan Investment Limited’s interest in the Shares under the SFO. In addition, Mr. Lin is conditionally entitled to a total of 6,501,525 Shares pursuant to the options granted under the ESOP where none of such options that were vested have been exercised.

Mr. Lin received a total remuneration of RMB6,804,000 for the year ended 31 December 2019, among which RMB4,523,000 was share-based payment taking into account the apportioned fair value of the share options granted under the ESOP (excluding, if any, share options which have lapsed). The above emoluments of Mr. Lin have been determined with reference to his role and duties, experience and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Remuneration Committee.

Save as disclosed above, there is no information which is discloseable nor any of the above Directors is involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning the above Directors that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,333,400,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 1,333,400,000 Shares, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 133,340,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with the second amended and restated Memorandum of Association of the Company, the Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange from the Listing Date, being 12 July 2019, up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2019		
July (<i>from the Listing Date</i>)	3.27	2.85
August	3.31	2.95
September	3.23	2.93
October	3.36	2.99
November	3.26	3.04
December	3.24	3.08
2020		
January	3.28	3.05
February	4.01	3.27
March	4.00	2.75
April (<i>up to the Latest Practicable Date</i>)	3.24	2.96

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, (i) by virtue of the Common Control Confirmation, Mr. Ho, Mr. Leung and Mr. Lin and their respective wholly-owned investment holding companies (the "**Founding Group**"), namely KS&KL Investment Co. Limited, King Sun Limited and Lucan Investment Limited, collectively were interested in 463,698,899 Shares representing approximately 34.77% of the total issued share capital of the Company, and (ii) Huatuo International Development Co., Limited ("**Huatuo International**") was interested in 443,654,371 Shares representing approximately 33.27% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, the aggregate shareholding of the Founding Group and Huatuo International would be increased to approximately 38.64% and 36.97%, respectively, of the issued share capital of the Company and thus each of the Founding Group and Huatuo International would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such increase. The Directors have no intention to exercise the Repurchase Mandate to such extent that would give rise to an obligation on the part of the Founding Group and Huatuo International to make a mandatory general offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent as may result in the public shareholding falling below the minimum public float requirement and will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



IVD MEDICAL HOLDING LIMITED

華檢醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1931)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of IVD Medical Holding Limited (the “**Company**”) will be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 3 June 2020 at 10:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2019.
2. To declare a final dividend of HK5.366 cents per ordinary share for the year ended 31 December 2019.
- 3(a). To re-elect Mr. Ho Kuk Sing as executive director of the Company.
- 3(b). To re-elect Mr. Leung King Sun as executive director of the Company.
- 3(c). To re-elect Mr. Lin Xianya as executive director of the Company.
- 3(d). To authorise the board of directors to fix the respective directors’ remuneration.
4. To re-appoint Ernst & Young as auditors and to authorise the board of directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the **“Notice”**), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

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8. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

- (a) “**THAT** the grant of 8,000,400 share options to Mr. Ho Kuk Sing (“**Mr. Ho**”) to subscribe for 8,000,400 ordinary shares of US\$0.0005 each in the share capital of the Company (the “**Shares**”) at the exercise price of HK\$3.042 per Share under the share option scheme adopted by the Company on 21 June 2019 (the “**Share Option Scheme**”) on the terms set out in the circular issued by the Company on 28 April 2020 (the “**Circular**”) be and is hereby approved and that any one Director (or any two directors of the Company or one director and the company secretary of the Company, in the case of execution of documents under seal) be and is/are hereby authorised to do all such acts and/or execute all such documents as may be necessary, desirable or expedient to give full effect to the grant of such share options to Mr. Ho and the issue of the new Shares upon exercise of such share options by Mr. Ho.”
- (b) “**THAT** the grant of 8,000,400 share options to Mr. Leung King Sun (“**Mr. Leung**”) to subscribe for 8,000,400 Shares at the exercise price of HK\$3.042 per Share under the Share Option Scheme on the terms set out in the Circular be and is hereby approved and that any one Director (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is/are hereby authorised to do all such acts and/or execute all such documents as may be necessary, desirable or expedient to give full effect to the grant of such share options to Mr. Leung and the issue of the new Shares upon exercise of such share options by Mr. Leung.”
- (c) “**THAT** the grant of 7,333,700 share options to Mr. Lin Xianya (“**Mr. Lin**”) to subscribe for 7,333,700 Shares at the exercise price of HK\$3.042 per Share under the Share Option Scheme on the terms set out in the Circular be and is hereby approved and that any one Director (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is/are hereby authorised to do all such acts and/or execute all such documents as may be necessary, desirable or expedient to give full effect to the grant of such share options to Mr. Lin and the issue of the new Shares upon exercise of such share options by Mr. Lin.”

By Order of the Board
IVD Medical Holding Limited
Ho Kuk Sing
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 28 April 2020

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Notes:

1. A form of proxy for the meeting is enclosed.
2. All resolutions at the meeting will be taken by way of a poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
3. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each fully paid share held by him.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 10:00 a.m. on Monday, 1 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Friday, 29 May 2020 to Wednesday, 3 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 May 2020.
6. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Tuesday, 9 June 2020 to Thursday, 11 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on Monday, 8 June 2020.
7. If a black rainstorm warning, a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon is hoisted or announced by the HKSAR Government after 7:00 a.m. on 3 June 2020, the Annual General Meeting will not be held on 3 June 2020 but will be postponed to a later date. The Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company to notify the Shareholders of the date, time and place of the adjourned meeting.

If a black rainstorm warning, a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon is lowered or cancelled by the HKSAR Government at or before 7:00 a.m. on 3 June 2020 and where conditions permit, the Annual General Meeting will be held as scheduled.

“**Extreme conditions**” herein include but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons.

The Annual General Meeting will be held as scheduled when an “amber” or “red” rainstorm warning signal is in force.

Shareholders may contact Customer Service Hotline of Tricor Investor Services Limited at (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.

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8. References to time and dates in this notice are to Hong Kong time and dates.
9. The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:
- (i) compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
 - (ii) the Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
 - (iii) No refreshment will be served, and there will be no corporate gift.
 - (iv) Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the Annual General Meeting; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our head office and principal place of business in Hong Kong.

If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's share registrar as follows:

Tricor Investor Services Limited
Level 17, Hopewell Centre
183 Queen's Road East, Hong Kong
Tel: (852) 2980 1333