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HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8622)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO A POTENTIAL COOPERATION IN SALE AND DISTRIBUTION

The Board is pleased to announce that Huakang HK, a direct wholly-owned subsidiary of the Company, entered into a memorandum of understanding with QianZhu on 20 February 2024 (“MOU”) after trading hours in relation to a potential cooperation in sale and distribution in the PRC for, among other things, the sale and distribution of the Company’s biological reagents and Point-Of-Care (POC) biomedical testing products through the platforms and channels of QianZhu in the PRC. The MOU is not intended to be legally binding save for certain provisions including those relating to due diligence, validity period and exclusivity, confidentiality and governing laws and jurisdiction.

Shareholders and potential investors of the Shares should be aware that the transactions contemplated under the MOU may or may not materialize. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made in accordance with the GEM Listing Rules as and when appropriate. This announcement is made by the Company on a voluntary basis for the purpose of keeping Shareholders and potential investors informed of the latest development of the Group.

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POTENTIAL COOPERATION

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THE MEMORANDUM OF UNDERSTANDING

Date

20 February 2024

Parties

- (A) Huakang HK; and
- (B) QianZhu

SUBJECT MATTER OF THE MEMORANDUM OF UNDERSTANDING

The MOU sets out the Parties' intention to cooperate in sale and distribution in the PRC for, among other things, the sale and distribution of the Company's Product Series through the platforms and channels of QianZhu in the PRC.

Subject to the terms to be further discussed and finalized in a formal cooperation agreement ("**Formal Agreement(s)**"), the Parties intend to make the following contributions to the potential cooperation:

<u>Parties</u>	<u>Contributions</u>
Huakang HK	(1) Providing of the Products Series; (2) assisting in the application of the necessary statutory registration in the PRC for the Products Series; and (3) the marketing and promotion of the Products Series.
QianZhu	(1) Provide its vending machine in the PRC to sales and distribution of the Company's Product Series; and (2) management of the sales of the Product Series through QianZhu's platforms and channels.

Huakang HK intends to pay a 10% commission on sales of the Product Series thorough QianZhu to QianZhu, subject to further discussion between the Parties and be determined in the Formal Agreement(s).

VALIDITY PERIOD & EXLCUSIVITY

The MOU shall be valid for a period of six months from the date of signing this MOU or such later date that the Parties may otherwise agree in writing (the "**Validity Period**"). Within the Validity Period, neither the Parties (and/or their respective affiliates) nor any of their respective agents and representatives shall directly or indirectly, enter or agree to enter into any (or continue any existing) discussions, negotiations or agreements with any other person(s) for any same, similar or otherwise in conflict with the business(es) and/or transaction(s) as contemplated under the MOU.

During the Validity Period, the Parties shall negotiate in good faith and on sound commercial basis with a view to executing the Formal Agreement(s).

DUE DILIGENCE

Within the Validity Period, Huakang HK (and its officers, employees and advisers) shall be entitled to conduct due diligence and to assess and review including but not limited to the legal and financial records and affairs of QianZhu (and/or its group companies). QianZhu (and/or its group companies) shall procure its officers, employees and advisers to provide all necessary assistance in Huakang HK's due diligence exercise.

LEGAL EFFECT

The MOU is not intended to be legally binding save for certain provisions including due diligence, validity period and exclusivity, confidentiality and governing laws and jurisdiction. The specific terms and conditions of MOU shall be subject to negotiation between the Parties and shall be further agreed and set out in the Formal Agreement. None of the Parties and/or their designated persons is obliged to proceed with any business cooperation unless expressly set forth in the Formal Agreements.

BACKGROUND OF THE QIANZHU

QianZhu is principally engaged in operation of sale and leasing of vending machine within the PRC. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, save as disclosed herein, QianZhu and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

REASONS FOR ENTERING INTO THE MEMORANDUM OF UNDERSTANDING

The Directors are of the view that collaborating with QianZhu, if materialized, presents a good opportunity to expand the sales and distribution channels of the Company's Product Series in the PRC as well as to broaden its source of income. The Directors consider that it is in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the Board of Directors
“Company”	Huakang Biomedical Holdings Company Limited (華康生物醫學控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (Stock code: 08622)
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huakang HK”	Huakang Biomedical Company Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly owned subsidiary of the Company
“Parties”	Parties to the MOU, namely Huakang HK and QianZhu
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Product Series”	The Company’s biological reagents and Point-Of-Care (POC) biomedical testing products (including but not limited to fertility diagnostic reagents and healthcare products and supplements)
“QianZhu”	Guangdong QianZhu Machine Technology Limited* (廣東愷豬娃娃機科技有限公司), a company incorporated in PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Huakang Biomedical Holdings Company Limited
Zhang Shuguang
Chairman and Executive Director

Hong Kong, 20 February 2024

** for identification purposes only*

As at the date of this announcement, the executive Directors are Mr. Zhang Shuguang, Mr. Zhang Chunguang, Mr. Poon Lai Yin Michael and Mr. He Jiaming; and the independent non-executive Directors are Dr. Chow Kwok Fai Joseph, Dr. Cheng Faat Ting Gary, Mr. Chan Kin Sang and Ms. Chow Ching Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of publication and on the Company’s website at www.huakangbiomedical.com.