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## **Jinhai Medical Technology Limited**

**今海醫療科技股份有限公司**

*(Incorporated in the Cayman Islands with members' limited liability)*

**(Stock Code: 2225)**

### **MAJOR TRANSACTION ACQUISITION OF PROPERTY**

The Board announces that on 17 May 2023, the Purchaser, a wholly owned subsidiary of the Company, entered into the Purchase Agreement with the Vendor in relation to the acquisition of the Property by the Purchaser for an aggregate consideration of S\$10,180,000 (equivalent to approximately HK\$59,172,411)(excluding the goods and services tax payable). The Acquisition was subject to, amongst others, the satisfaction of the conditions as set out in the paragraph headed "Conditions Precedent" below.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeded 25% but were less than 100%, the Acquisition constituted a major transaction of the Company under Chapter 14 of the Listing Rules and were subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing further details of the Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 April 2024.

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#### **THE PURCHASE AGREEMENT**

**Date:** 17 May 2023

**Parties:**

- (1) Eng Lee Engineering Pte Ltd (the "Vendor")
- (2) KT&T Engineers and Constructors Pte. Ltd., and indirect wholly-owned subsidiary of the Company (the "Purchaser")

**Asset to be acquired:**

Pursuant to the Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property.

The Property is located at 5 Neythal Road Singapore 628572, which was approved to be used for “construction of building and engineering parts and related marine engineering works only”, with a total gross area of approximately 8,624.8 square metre.

The Property was sold on an “as is, where is” basis.

**Consideration and Payment Terms:**

The total consideration for the Acquisition is S\$10,180,000 (equivalent to approximately HK\$59,172,411)(excluding the goods and services tax payable), which was satisfied by the Purchaser in the following manner:

- (a) a sum of S\$1,018,000 (the “Deposit”) was paid to Vendor’s solicitor as stakeholder within 2 weeks from the date of signing of the Purchase Agreement;
- (b) the remaining balance of S\$9,162,000 was paid by the Purchaser to Vendor’s solicitor as stakeholder on Completion.

The consideration was determined after arm’s length negotiations between the parties to the Purchase Agreement with reference to the property market information of the property of similar nature in Singapore when the Purchase Agreement was entered into. The Directors (including the independent non-executive Directors) consider the consideration of the Acquisition were fair and reasonable and on normal commercial terms and were in the interests of the Company and the Shareholders as a whole.

**Conditions Precedent**

Completion is conditional upon the following conditions being fulfilled by the Purchaser, amongst other, the obtaining of the written consent and/or approval from JTC Corporation (the “JTC”) to the sale and purchase of the Property and all clearances from the relevant authorities required by the Purchaser to complete the sale and purchase of the Property and to such terms and conditions as JTC and such relevant authorities may impose from time to time in their absolute discretion.

If the JTC rejects the Purchaser’s application to purchase the Property or fails to respond and does not grant the approval by the date falling twelve weeks from the date of the Purchase Agreement, the Vendor shall be entitled as follows:

- (i) to treat the Purchase Agreement as null and void and of no further effect whatsoever in which event the Vendor shall refund the Deposit to the Purchaser without interest and thereafter neither party shall have any claim or demand against the other party, except in respect of any antecedent breach; and
- (ii) the Vendor may in its absolute discretion (but shall not be obliged to) make an appeal against the JTC’s non-approval or continue to engage JTC to obtain the approval.

## **Completion**

Completion took place on 31 January 2024.

## **INFORMATION ON THE PROPERTY**

The Property is located at 5 Neythal Road Singapore 628572, which was approved to be used for “construction of building and engineering parts and related marine engineering works only”, with a total gross area of approximately 8,624.8 square metre.

## **INFORMATION OF THE PARTIES**

The Purchaser is a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in providing integrated manpower, logistics, and accommodation needs for the building and construction industry in Singapore.

The Group is principally engaged in the provision of manpower outsourcing and ancillary services, provision of dormitory services, and provision of IT services and construction ancillary services for the building and construction industry and provision of minimally invasive surgery solution and medical products and related services. The Group also generated revenue from sales of medical equipment in China.

The Vendor is a company incorporated in Singapore with limited liability. As at the date of the Purchase Agreement, the Vendor, by way of a creditor’s voluntary winding up, has entered into liquidation. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Vendor and its liquidators are an Independent Third Party.

## **REASONS FOR THE ACQUISITION**

The Property to be acquired will be used as for the Group’s business operation for the expansion of business of the Group.

In view of the above, the Directors were of the view that the terms of the Purchase Agreement (including the consideration) were fair and reasonable and the entering into of the Purchase Agreement was in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeded 25% but were less than 100%, the Acquisition constituted a major transaction of the Company under Chapter 14 of the Listing Rules and were subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules. The Company had omitted to comply with the above requirements and failed to obtain shareholders’ approval when the same was conducted in May 2023.

As no Shareholder had a material interest in the Acquisition, none of the Shareholders was required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition.

A circular containing further details of the Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 April 2024.

The Company understands that it should have informed the Stock Exchange and published an announcement as soon as possible in accordance with Rule 14.34 of the Listing Rules as and when the obligations in relation to the Acquisition arose. The Company deeply regrets its delay in compliance with the Listing Rules but would like to stress that Company's failure to make timely disclosure of the Acquisition was unintentional and inadvertent.

## **REMEDIAL MEASURES**

Regrettably, the Company failed to comply with the Listing Rules requirements due to its oversight. To prevent the occurrence of similar non-compliance incident in the future, the Company will implement the following measures:

1. its internal control policy and system on notifiable transaction will be further enhanced to strengthen its supervision on compliance with Chapter 14 of the Listing Rules, in particular in relation to the calculation of applicable percentage ratios at the time of each transaction;
2. an internal training session will be conducted as soon as practicable to explain the relevant Listing Rules requirements for notifiable transactions, and to emphasize the importance of working out accurately the size tests of each transaction prior to its execution;
3. it is in the process of hiring a staff with professional qualification to oversee the transactions and the calculation of the relevant size tests in the future; and
4. it will seek external legal and other professional advice as to any transaction which proposes to enter into in the future, in particular to those relating to property acquisitions.

## **DEFINITIONS**

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

“Acquisition”	the acquisition by the Purchaser of the Property subject to and upon the terms and conditions of the Purchase Agreement
“Board”	the board of Directors
“Company”	Jinhai Medical Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the Purchase Agreement

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries for the time being
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JTC”	JTC Corporation (JTC), formerly known as the Jurong Town Corporation, is a statutory board under Singapore’s Ministry of Trade and Industry that champions sustainable industrial development.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	5 Neythal Road Singapore 628572
“Purchase Agreement”	the agreement titled “Option to Purchase” dated 17 May 2023 and entered into between the Vendor and the Purchaser for the purchase of the Property
“Purchaser”	KT&T Engineers and Constructors Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly owned subsidiary of the Company
“S\$”	Singapore Dollar, the lawful currency of Singapore
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Eng Lee Engineering Pte Ltd, a company incorporated in Singapore, which was under liquidation
“%”	per cent.

By Order of the Board  
**Jinhai Medical Technology Limited**  
**Chen Guobao**  
*Chairman of the Board and Executive Director*

Hong Kong, 9 April 2024

*As at the date of this announcement, the Board comprises eight Directors, of which three are executive Directors, namely Mr. Chen Guobao, Mr. Wang Zhenfei and Mr. Li Yunping; two are non-executive Directors, namely Mr. Wang Huasheng and Mr. Yu Mingyang; and three are independent non-executive Directors, namely Mr. Yan Jianjun, Mr. Fan Yimin and Ms. Yang Meihua.*