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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



聖衡金控

**SUNHIGH**

FINANCIAL HOLDINGS

**Sunhigh Financial Holdings Limited**

### **THE PLACING**

On 25 June 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place, on a best effort basis, up to 270,918,016 Placing Shares to not less than six Placees at the Placing Price of HK\$0.7 per Placing Share. The Placees and (where appropriate) their respective ultimate beneficial owner(s) shall be Independent Third Parties. The Placing Shares will be issued under the General Mandate and is not subject to additional approval of the Shareholders.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full.

The Placing Price of HK\$0.7 per Placing Share represents (i) a discount of approximately 18.60% to the closing price of HK\$0.86 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and (ii) a discount of approximately 19.91% to the average closing price of HK\$0.874 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

**As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

On 25 June 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place, on a best effort basis, up to 270,918,016 Placing Shares to not less than six Placees at the Placing Price of HK\$0.7 per Placing Share. Details of the Placing Agreement are as follows:

### **Date**

25 June 2024 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

Sunhigh Financial Holdings Limited

The Placing Agent has conditionally agreed to place, on a best effort basis, up to 270,918,016 new Shares to not less than six Placees at the Placing Price of HK\$0.7 per Placing Share.

The Placing Agent will receive a placing commission of 0.1% of the aggregate Placing Price of the Placing Shares being placed. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent. Having considered the size and the terms of the Placing and the recent market sentiment, the Board is of the view that the placing commission for the Placing is fair and reasonable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners (where appropriate) shall be Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the Placing.

## **Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the maximum number of 270,918,016 Placing Shares represent:

- i. 20% of the existing issued share capital of the Company as at the date of this announcement; and
- ii. approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full.

Based on the closing price of the Shares of HK\$0.86 per Share on 25 June 2024, being the date of the Placing Agreement, the maximum number of 270,918,016 Placing Shares have a market value of approximately HK\$233.0 million. The maximum number of 270,918,016 Placing Shares have an aggregate nominal value of USD\$135,459.01.

## **Placing Price**

The Placing Price of HK\$0.7 per Placing Share represents:

- i. a discount of 18.60% to the closing price of HK\$0.86 per Share as quoted on the Stock Exchange on 25 June 2024, being the date of the Placing Agreement; and
- ii. a discount of approximately 19.91% to the average closing price of HK\$0.874 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market price of the Shares and the recent market condition. The Board considers that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares will rank, upon issue, pari passu in all respects with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **Condition of the Placing Agreement**

Completion of the Placing under the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange. Such condition cannot be waived by the Company nor the Placing Agent.

If the above condition is not satisfied on or before 18 July 2024 (or such later date as the Company and the Placing Agent may agree), all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other in relation to the Placing Agreement.

## **Application for the listing of the Placing Shares**

An application will be made to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **Completion of the Placing**

Completion shall take place on the fifth Business Day after the fulfillment of the condition set out in the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be issued and allotted pursuant to the General Mandate. Under the General Mandate, the Company is authorised to allot and issue up to 270,918,016 Shares. As at the date of this announcement, the General Mandate has not been utilised and is sufficient for the allotment and issue of all the Placing Shares. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

The 270,918,016 Placing Shares constitute 100% of the General Mandate and, upon completion of the Placing, the General Mandate would have been fully utilised.

## **Termination**

Under the Placing Agreement, the Placing Agent may terminate the Placing Agreement by giving notice to the Company at any time between the date of the Placing Agreement and at or before 8:00 a.m. on the Completion Date, if:

- (a) in the absolute opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in international financial, political or economic conditions, existing laws, currency exchange rates or exchange controls, as would be likely to materially adverse to the Company or its subsidiaries or would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient;
- (b) there is any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;
- (c) there is any adverse change in the financial condition of the Company and its subsidiaries as a whole whether or not arising in the ordinary course of business which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (d) it develops, occurs, or comes into effect the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient

Upon termination of the Placing Agreement pursuant to the above paragraphs, all liabilities of the Company and the Placing Agent under the Placing Agreement shall cease and determine and neither the Company nor the Placing Agent shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholdings in the Company (i) as at the date of this announcement and (ii) immediately after Completion (subject to Completion and assuming all the Placing Shares are fully placed and there will be no other change in the issued share capital of the Company between the date of this announcement and Completion) are set out as follows:

Shareholders	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	%	Number of Shares	%
<i>Substantial Shareholder</i>				
Huatuo International Development Co., Limited	443,654,371	32.75	443,654,371	27.29
Leung King Sun	11,047,766	0.82	11,047,766	0.68
King Sun Limited	175,517,429	12.96	175,517,429	10.80
<i>Directors and their associate(s)</i>				
Ho Kuk Sing	16,192,322	1.20	16,192,322	1.00
KS&KL Investment Co. Limited	175,517,429	12.96	175,517,429	10.80
Lin Xianya	10,584,463	0.78	10,584,463	0.65
Lucan Investment Limited	112,664,041	8.32	112,664,041	6.93
<i>Public Shareholders</i>				
Placees	–	–	270,918,016	16.67
Other public	409,412,259	30.21	409,412,259	25.18
<b>Total</b>	<b>1,354,590,080</b>	<b>100</b>	<b>1,625,508,096</b>	<b>100</b>

*Note:*

- 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.
- Mr. Leung King Sun 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.
- Mr. Ho Kuk Sing, the executive Director, 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.
- Mr. Lin Xianya, the executive Director, 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.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **USE OF PROCEEDS FROM THE PLACING**

The maximum gross proceeds and the maximum net proceeds (after deducting the placing commission and other related expenses incurred in the Placing) from the Placing will be approximately HK\$89.6 million and approximately HK\$189.1 million, respectively. The maximum net price per Placing Share will be approximately HK\$0.7 per Share.

It is expected that (a) approximately HK\$170.2 million, representing approximately 90% of the maximum net proceeds will be used for the medical related business development of the Group through, among others, internal development, external business cooperation or merger and acquisitions, in which (i) approximately HK\$151.3 million, representing approximately 80% of the maximum net proceeds, will be used for acquisition of and/or investment in business(es) or cooperation with other companies in the same industry which create synergies with the Company's business. As at the date of the announcement, the Company has not confirmed any specific target for such acquisitions or cooperations, and no allocation plan of such net proceeds among potential future mergers and acquisitions, expansion of the Company's business and working capital has been formulated. The Company will closely monitor the business of the Group and the market conditions for any such acquisitions and will make announcement(s) in respect of any such acquisition(s) or cooperation(s) in compliance with the requirements of the Listing Rules where appropriate, and (ii) approximately HK\$18.9 million, representing approximately 10% of the maximum net proceeds, will be used for support the research and development of biologic project products so as to improve the product spectrum and structure of the Company or to enhance its own sales channels to promote biologic project products and to strive to expand commercial channels; and (b) approximately HK\$18.9 million, representing approximately 10% of the maximum net proceeds, will be used for general working capital of the Company.

The proceeds are expected to be utilised within two years from the Completion Date.

## **REASONS FOR THE PLACING**

The Group has been constantly looking for business opportunities to enhance shareholders' value.

The estimated maximum net proceeds from the Placing, after deduction of the relevant expenses, will amount to approximately HK\$189.1 million. The net proceeds are intended to be used to (i) acquisition of and/or investment in business(es) or cooperation with other companies in the same industry which create synergies with the Company's business; (ii) support the research and development of biologic project products, so as to improve the products structure of the Company; and (iii) enhance its own sales channels to promote its biologic project products after considering market development trend of in vitro diagnostics (IVD), and to strive to expand commercial channels promptly and achieve the Company's performance growth.

The Board is of the view that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

**As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Company”	IVD Medical Holding Limited, an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange (Stock Code: 1931);
“Completion”	completion of the Placing;
“Completion Date”	the date of Completion of the Placing;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting to the Directors pursuant to the resolution passed on 19 May 2023 to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company then existing, which was 270,918,016 Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Parties”	third parties who are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules);
“Listing”	the listing of the shares of the Company on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any person or entity whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the offer by way of placing by the Company, the placing of up to 270,918,016 Placing Shares, through the Placing Agent, pursuant to the Placing Agreement;

“Placing Agent”	Sunhigh Financial Holdings Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 25 June 2024 in relation to the Placing;
“Placing Price”	HK\$0.7 per Placing Share;
“Placing Shares”	a maximum of 270,918,016 new Shares to be allotted and issued by the Company pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) with nominal value of USD0.0005 each in the share capital of the Company which are listed and traded on the Stock Exchange (stock code: 1931);
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“USD”	United States dollar, the lawful currency of the United States of America;
“%”	per cent.

By order of the Board  
**IVD Medical Holding Limited**  
**Ho Kuk Sing**  
*Chairman and Executive Director*

Hong Kong, 25 June 2024

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Ho Kuk Sing, Mr. Lin Xianya, Mr. Chan Siu Kei Ken and Mr. Law Kim Fai, two non-executive directors, namely, Ms. Yao Haiyun and Mr. Liu Fei and three independent non-executive directors, namely, Mr. Zhong Renqian, Dr. Leung Ka Sing and Mr. Wong Sze Lok.*