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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)

INSIDE INFORMATION

POSITIVE PROFIT ALERT FOR THE YEAR ENDED 31 DECEMBER 2019

This announcement is made by IVD Medical Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest available information and a preliminary assessment of the Group’s unaudited consolidated management accounts, it is expected that the Group will record a significant increase in revenue by more than 400%, a significant increase in profit attributable to owners of the parent of the Group by more than 100%, and a significant increase in adjusted profit attributable to owners of the parent of the Group (Note 1) by more than 100%, respectively, for the year ended 31 December 2019 as compared to the revenue, profit attributable to owners of the parent of the Group and adjusted profit attributable to owners of the parent of the Group, respectively, for the year ended 31 December 2018.

The Board considers that the significant increase in revenue and adjusted profit attributable to owners of the parent of the Group for the year ended 31 December 2019 was primarily attributable to the consolidation of the financial results of Vastec Medical Limited (“**Vastec**”) together with its subsidiaries (“**Vastec Group**”) after the completion of the Company’s acquisition of 60% shareholding interest in Vastec in January 2019 (the “**Acquisition**”).

The significant increase in profit attributable to owners of the parent of the Group for the year ended 31 December 2019 was primarily attributable to (i) the consolidation of the financial results of Vastec Group after the completion of the Acquisition, and (ii) a one-off, non-operating gain on remeasurement of previously held interest in Vastec relating to the Acquisition. Factor (ii) above was offset by (a) a one-off, non-operating fair value loss on financial liabilities which was triggered by the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in July 2019 and (b) one-off, non-operating expenses on inventory fair value adjustment. In addition, the results of Vastec Group were consolidated into the results of the Group since the completion of the Acquisition whereas the Group only shared 40% of the results of Vastec Group prior to the completion of the Acquisition. As such, the growth rate of profit attributable to owners of the parent of the Group is lower than that of revenue.

As at the date of this announcement, the Group is still in the process of preparing its unaudited consolidated results for the year ended 31 December 2019 and is not able at this time to disclose any further details on the above factors. The information contained in this announcement is only based on the Board's preliminary assessment with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and information currently available to the Board, which has not been audited or confirmed by the Company's auditors and/or the audit committee of the Company and is subject to changes. Shareholders and potential investors should refer to and review the audited consolidated results for the year ended 2019, which will be published by the Company pursuant to the requirements of the Listing Rules.

Note 1: Adjusted profit attributable to owners of the parent of the Group is calculated by profit attributable to owners of the parent of the Group deducting gain on remeasurement of previously held interest in Vastec, excluding fair value loss on financial liabilities, expenses on inventory fair value adjustment, amortisation of intangible assets and depreciation of property, plant and equipment relating to the Acquisition, initial public offering expenses and expenses in relation to share options.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 March 2020

As at the date of this announcement, the Board comprises of three executive directors, namely, Mr. Ho Kuk Sing, Mr. Leung King Sun and Mr. Lin Xianya, three non-executive directors, namely, Mr. Chen Xingang, Mr. Yang Zhaoxu, and Mr. Chan Kwok King, Kingsley and three independent non-executive directors, namely, Mr. Lau Siu Ki, Mr. Zhong Renqian and Mr. Leung Ka Sing.