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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Scheme in which all Employees of the Group will be eligible to participate. Pursuant to the Scheme Rules, Shares will be acquired by the independent Trustee at the cost of the Company and/or Individual Controlling Shareholders and be held in trust for the Selected Employees until the end of each vesting period.

The number of Shares to be awarded under the Scheme throughout its duration is limited to 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company. The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Board is pleased to announce that it has adopted the Scheme on the Adoption Date. A summary of the principal Scheme Rules is set out below.

Purposes and Objectives

To recognise the contributions by certain Employees and to provide incentives thereto to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination determined by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

Maximum Limit

The Board shall not make any further Award which will result in the aggregate number of Shares awarded by the Board under the Scheme to be in excess of 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Restrictions

No Award shall be made by the Board and no instructions to acquire Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any Code or requirement of the Listing Rules and all applicable laws from time to time.

Operation

Pursuant to the Scheme Rules, the Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any of the Individual Controlling Shareholders, or any party designated by the Company or any of the Individual Controlling Shareholders as directed by the Board which shall constitute part of the trust fund, for the purchase or subscription (as the case may be) of the Shares.

Subject to prior written direction and/or consent of the Board, the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any of the Individual Controlling Shareholders or any party designated by the Company or any of the Individual Controlling Shareholders (as the case may be) from time to time in such number as such Individual Controlling Shareholder or such party designated by the Company or any of the Individual Controlling Shareholders (as the case may be) may at their sole discretion determine, which shall constitute part of the trust fund.

In the event that the Awarded Shares are to be allotted and issued as new Shares under the General Mandate for the purpose of the Trust, the Board shall cause an amount equal to the total subscription price of such new Shares to be allotted and issued be transferred from the Company's resources to the Trustee as soon as practicable but in any event not later than 5 Business Days prior to the allotment and issuance of such Shares as subscription monies for the new Shares and cause to issue and allot to the Trustee such number of new Shares corresponding to the aforesaid total subscription price, which shall be held upon trust for the relevant Selected Employee subject to the terms and conditions set out in the Scheme Rules and the Trust Deed. The Company shall issue and allot such new Shares no less than its nominal value to the Trustee. The Company shall comply with the relevant Listing Rules and the Articles of Association of the Company when allotting and issuing any new Shares under General Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued to the Trustee.

The Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange or accept and receive a specified number of Shares from any of the Individual Controlling Shareholders or any party designated by the Company or any of the Individual Controlling Shareholders. When the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee shall apply such amount of Residual Cash towards the purchase of such maximum board lot of Shares at the prevailing market price according to the Board's instructions. Once purchased, the Shares are to be held by the Trustee for the benefit of Employees under the Trust.

Vesting and Lapse

The Board is entitled to impose any conditions (including a period of continued service within the Group after the Award) as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Employee. Subject to the terms and conditions of the Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on a Selected Employee as specified in the Scheme and the grant notice, the Trustee shall transfer the Awarded Shares to such Selected Employee on the Vesting Date in accordance with the vesting schedule (if any).

Award shall, to the extent not yet vested, automatically lapse forthwith when a Selected Employee is found to be an Excluded Employee or is deemed to cease to be an Employee (include without limitation, for cause or commits any serious misconduct) prior to or on the Vesting Date.

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event of the death of a Selected Employee, the Trustee shall hold the vested Awarded Shares upon trust and to transfer the same to the legal personal representatives of the Selected Employee.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

Termination

The Scheme shall terminate on the earlier of the tenth (10) anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Employees.

Upon termination, no further Awards shall be granted under the Scheme; all the Awarded Shares of the Selected Employees granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Employees according to the conditions of the Award; all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the trust fund shall be sold by the Trustee within 28 Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine) and all the net proceeds of sale and such other funds and properties remaining in the trust fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith.

Implications under the Listing Rules

The Scheme does not constitute a share option scheme or an arrangement involving the grant of options to participants over new Shares or other new securities of the Company which is analogous to a share option scheme within the meaning of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company. The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. No Shareholders' approval is required for the adoption of the Scheme.

In respect of the implementation of the Scheme, where any Award is to be satisfied by the new Shares to be allotted and issued by the Company to the Trustee under the General Mandate, application shall be made by the Company to the listing committee of the Stock Exchange for the listing of, and permission to deal in the new Shares on the Stock Exchange. Where any Award is proposed to be granted to a Selected Employee who is a connected person, the Company shall comply with applicable provisions of the Listing Rules, including reporting, announcement and/or the independent shareholders' approval requirements, unless exempt under the Listing Rules.

Definitions

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

“Adoption Date”	19 May 2020, the date on which the Scheme is adopted by the Board
“Award”	an award of the Awarded Shares by the Board to a Selected Employee
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares awarded by the Board
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Code”	The Codes on Takeovers and Mergers and Share Buy-backs

“Company”	IVD Medical Holding Limited (華檢醫療控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any of its Subsidiaries, any of the Individual Controlling Shareholders, and/or any party designated by the Company or any of the Individual Controlling Shareholders as permitted under the Scheme to the Trust as determined by the Board from time to time
“Directors”	the directors of the Company
“Employee”	any employee (including without limitation any executive Director) of any member of the Group
“Excluded Employee”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee
“General Mandate”	the general mandate granted or to be granted by the shareholders of the Company at general meetings or by way of written resolution(s) (as the case may be) from time to time
“Group”	the Company and its Subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Controlling Shareholders”	Controlling Shareholders of the Company who are natural persons, including Mr. Ho Kuk Sing (a Controlling Shareholder, the chairman of the Board and an executive Director of the Company), Mr. Leung King Sun (a Controlling Shareholder and an executive Director of the Company) and Mr. Lin Xianya (a Controlling Shareholder and an executive Director of the Company)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of China and Taiwan

“Residual Cash”	cash in the trust fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares
“Scheme”	the share award scheme adopted by the Company in accordance with the Scheme Rules on the Adoption Date
“Scheme Rules”	the rules relating to the Scheme adopted by the Board
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Scheme
“Share(s)”	ordinary share(s) of nominal value of US\$0.0005 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“Trust Deed”	a trust deed dated 19 May 2020 entered into between the Company as settler and the Trustee as trustee (as restated, supplemented and amended from time to time)
“Trust Period”	<p>the period beginning with the Adoption Date and ending upon the first to happen of the following, namely:</p> <ul style="list-style-type: none"> (a) 18 May 2030, being the expiry of the period of 10 years beginning from the Adoption Date; or (b) such date of early termination as determined by the Board

“US\$”	the United States dollars, the lawful currency of the United States
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the Scheme Rules
“%”	per cent

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

Hong Kong, 19 May 2020

As at the date of this announcement, the Board comprises 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.