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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

PROFIT WARNING

FOR THE YEAR ENDED 31 DECEMBER 2020

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 for the year ended 31 December 2020 (the “**Reporting Period**”), it is expected that the Group will record (i) a revenue for the Reporting Period in substantially similar amount to that for the year ended 31 December 2019; (ii) a profit attributable to owners of the parent of the Group with a decrease by not more than 55%; (iii) and an adjusted profit attributable to owners of the parent of the Group (Note 1) with a decrease by not more than 50%, respectively, for the Reporting Period as compared to those of the year ended 31 December 2019, respectively.

The decrease in profit attributable to owners of the parent of the Group for the Reporting Period was primarily attributable to (i) the non-existence of the one-off, non-operating gain on remeasurement of pre-existing interest in Vastec Medical Limited (“**Vastec**”) relating to the Company’s acquisition of 60% shareholding interest in Vastec in January 2019 (the “**Acquisition**”), which was reflected in profit attributable to owners of the parent of the Group for the year ended 31 December 2019 but was not available for profit attributable to owners of the parent of the Group for the Reporting Period and (ii) a temporary decrease in end customers’ demand for in vitro diagnostic (“**IVD**”) products resulting from close-down of hospitals and other quarantine and social distancing measures put in place in mainland China in response to outbreak of the coronavirus disease (“**COVID-19**”) since early 2020, which had an adverse impact on the profitability of the Group’s IVD products distribution business. Factor (i) above was partially offset by the non-existence of (a) a one-off, non-operating fair value loss on financial liabilities at fair value through profit or loss which was triggered by the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in July 2019, (b) one-off expenses on realisation of inventory fair value adjustment relating to the Acquisition and (c) initial public offering expenses which were

reflected in profit attributable to owners of the parent of the Group for the year ended 31 December 2019 but not for the Reporting Period. The decrease in adjusted profit attributable to owners of the parent of the Group for the Reporting Period was primarily attributable to the adverse impact of COVID-19 on the profitability of the Group's IVD products distribution business as detailed in (ii) above. The Group has been closely monitoring the market conditions and adjusting its business strategies and operations to minimise such adverse impact.

As at the date of this announcement, the Group is still in the process of preparing its audited consolidated results for the Reporting Period 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 Reporting Period 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 Reporting Period, which will be published by the Company pursuant to the requirements of the Listing Rules in due course.

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

Note 1: Adjusted profit attributable to owners of the parent is a non-GAAP financial measure and is calculated by profit attributable to owners of the parent deducting gain on remeasurement of pre-existing interest in Vastec, excluding fair value loss on financial liabilities at fair value through profit or loss, expenses on realisation of 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. Adjusted profit of the Group is used to exclude the impact of non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, so as to provide the Shareholders and potential investors with useful supplementary information to assess the performance of the Group's core operations.

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

Hong Kong, 3 February 2021

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.