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HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8622)

INSIDE INFORMATION DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER AND CHANGE OF SUBSTANTIAL SHAREHOLDER

This announcement is made by Huakang Biomedical Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE DISPOSAL

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, the Company has been notified by Ever Charming Inc. (“**Ever Charming**”), a controlling shareholder (as defined in the GEM Listing Rules) of the Company, that on 25 January 2024, 65,224,000 issued shares of the Company (the “**Share(s)**”), representing 15.59% of the total number of issued shares of the Company as at the date of this announcement, at the consideration of HKD3.2 million were sold by Ever Charming (the “**Disposal**”) to a company (the “**Purchaser**”).

To the best of the Company’s knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner are independent third parties to the Company and its connected persons (as defined in the GEM Listing Rules); and is not acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with (i) the controlling shareholder; (ii) the directors, chief executive of the Company or any of their respective associates; and (iii) the Company or any of its subsidiaries.

TERMINATION OF ACTING-IN-CONCERT CONFIRMATION

Ever Charming is one of the Controlling Shareholders by reason of the Acting-in-concert Confirmation (“**Confirmation**”) dated on 16 November 2017 entered into by Mr. Chang Yim Yang (“**Mr. Chang**”) (the sole shareholder of Ever Charming) and Mr. Zhang Shuguang (“**Mr. Zhang**”) (the sole shareholder of Crystal Grant Limited (“**Crystal Grant**”)) (please refer to the section headed “History and Reorganisation” in our prospectus dated 30 November 2018 for further details).

As a result of the Confirmation, Mr. Chang and Mr. Zhang are considered as a group of shareholders of the Company and they are deemed to be interested in each other's interest in the Shares. Upon the listing of Shares on the Stock Exchange of Hong Kong Limited and immediately before the execution of the deed of termination in respect of the Confirmation ("**Termination Deed**"), Mr. Chang and Mr. Zhang were entitled to exercise more than 30% of the voting rights at the general meeting of the Company and were collectively considered as controlling shareholders of the Company.

As at the date of this announcement, Mr. Chang and Mr. Zhang entered into the Termination Deed to terminate the acting in concert arrangement as provided under the Confirmation. Crystal Grant and Mr. Zhang will remain as a controlling shareholder of the Company (as defined in the GEM Listing Rules).

SHAREHOLDING STRUCTURE OF THE COMPANY

Upon completion of the Disposal, (i) the Purchaser shall hold 65,224,000 Shares, representing approximately 15.59% of the total issued share capital of the Company as at the date of this announcement, and become a substantial shareholder of the Company (as defined in the Listing Rules) and (ii) Ever Charming and Mr. Chang ceased to hold any shares in the Company and cease to be a controlling shareholder of the Company (as defined in the GEM Listing Rules).

Set out below is a summary of the shareholding structure of the Company immediately before and upon completion of the Disposal:

Name of shareholders	Immediately before completion of the Disposal		Upon completion of the Disposal	
	Number of shares	Approximate percentage in the total number of issued shares of the Company (Note 1)	Number of shares	Approximate percentage in the total number of issued shares of the Company (Note 1)
Ever Charming	65,224,000	15.59%	-	-
The Purchaser	-	-	65,224,000	15.59%
Crystal Grant	138,672,000	33.14%	138,672,000	33.14%
Other shareholders	214,576,000	51.27%	214,576,000	51.27%
Total	418,472,000	100%	418,472,000	100%

Note:

1. The percentages have been rounded up to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

The Company does not expect that the Disposal will have any material adverse effect on the operations of the Group.

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

By Order of the Board
Huakang Biomedical Holdings Company Limited
Zhang Shuguang
Chairman and Executive Director

Hong Kong, 25 January 2024

As at the date of this announcement, the Executive Directors are Mr. Zhang Shuguang, Mr. Zhang Chunguang, Mr. Poon Lai Yin Michael and Mr. He Jiaming; and the Independent Non-executive Directors are Dr. Chow Kwok Fai Joseph, Dr. Cheng Faat Ting Gary, Mr. Chan Kin Sang and Ms. Chow Ching Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of publication and on the Company’s website at www.huakangbiomedical.com.