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Vincent Medical Holdings Limited

永勝醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1612)

DISCLOSEABLE TRANSACTIONS

IN RELATION TO

(1) PROCUREMENT OF AUTOMATED WAREHOUSE FACILITY;

AND

(2) CONSTRUCTION OF FIRE PROTECTION SYSTEM

THE WAREHOUSE FACILITY PURCHASE AGREEMENT

The Board is pleased to announce that on 17 July 2024, VM Guangdong, an indirect wholly-owned subsidiary of the Company, entered into the Warehouse Facility Purchase Agreement with the Supplier in relation to the procurement of the Automated Warehouse Facility in the New Production Facility at the consideration of RMB33.5 million (equivalent to approximately HK\$36.0 million). The consideration was arrived by way of a tender process whereby four invitations to bid for procurement of the Automated Warehouse Facility were sent and four tenders were received.

THE FIRE PROTECTION SYSTEM CONSTRUCTION CONTRACT

The Board is also pleased to announce that on 17 July 2024, VM Guangdong entered into the Fire Protection System Construction Contract with the Contractor in relation to the construction of the fire protection system in the New Production Facility at the consideration of approximately RMB18.0 million (equivalent to approximately HK\$19.3 million). The consideration was arrived by way of a tender process whereby four invitations to bid for construction of the fire protection system were sent and four tenders were received.

LISTING RULES IMPLICATIONS

The entering into of the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract are separate and independent of each other. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules is more than 5% but is less than 25% for each of the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract, the transactions contemplated under the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract constitute two separate discloseable transactions of the Company and are each subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE WAREHOUSE FACILITY PURCHASE AGREEMENT

On 17 July 2024, VM Guangdong, an indirect wholly-owned subsidiary of the Company, entered into the Warehouse Facility Purchase Agreement with the Supplier in relation to the procurement of the Automated Warehouse Facility in the New Production Facility at the consideration of RMB33.5 million (equivalent to approximately HK\$36.0 million).

The principal terms of the Warehouse Facility Purchase Agreement are set out below:

Date:	17 July 2024
Parties:	(a) VM Guangdong; and (b) the Supplier.
Subject matter:	The Supplier will be responsible for the provision and installation of the Automated Warehouse Facility in the New Production Facility.
Consideration:	RMB33.5 million (equivalent to approximately HK\$36.0 million), inclusive of value-added tax.
Payment terms:	The consideration shall be paid by VM Guangdong in the following manner: (a) 5% of the consideration shall be settled within 15 working days after the signing of the Warehouse Facility Purchase Agreement; (b) 25% of the consideration shall be settled within 15 working days after conclusion of refined design plan, factory acceptance test protocol and site acceptance test protocol;

- (c) 15% of the consideration shall be settled within 15 working days after the completion of the factory acceptance test;
- (d) 15% of the consideration shall be settled within 15 working days after the arrival of all materials and equipment;
- (e) 30% of the consideration shall be settled within 15 working days after the completion of the site acceptance test and trial run; and
- (f) the remaining 10% of the consideration shall be withheld as retention money, which shall be released within 15 working days after the expiration of the relevant quality assurance period, provided that the equipment availability rate of the Automated Warehouse Facility during operation is higher than 98%.

Delivery and installation: Delivery and installation are expected to be completed by 31 October 2025.

Quality assurance period: The quality assurance period is 24 months from final acceptance. During the quality assurance period, all costs arising from issues related to equipment, system and service quality shall be borne by the Supplier.

Basis of Consideration

The consideration was arrived by way of a tender process whereby four invitations to bid for the procurement of the Automated Warehouse Facility were sent and four tenders were received. The tender submitted by the Supplier was considered the most appropriate after taking into account the tender price, as well as the Supplier's background, financial and technical capacity, qualifications and experience. Additionally, the Supplier provided a comprehensive implementation plan that align well with the project requirements. Accordingly, the Directors consider that the consideration is fair and reasonable.

The consideration will be satisfied by the internal resources and bank borrowings of the Group.

THE FIRE PROTECTION SYSTEM CONSTRUCTION CONTRACT

On 17 July 2024, VM Guangdong entered into the Fire Protection System Construction Contract with the Contractor in relation to the construction of the fire protection system in the New Production Facility at the consideration of approximately RMB18.0 million (equivalent to approximately HK\$19.3 million).

The principal terms of the Fire Protection System Construction Contract are set out below:

- Date: 17 July 2024
- Parties: (a) VM Guangdong; and
(b) the Contractor.
- Subject matter: The Contractor will act as a contractor for constructing the fire protection system in the New Production Facility.
- Consideration: Approximately RMB18.0 million (equivalent to approximately HK\$19.3 million), inclusive of value-added tax.
- Payment terms: The consideration shall be paid by VM Guangdong in the following manner:
- (a) 25% of the consideration shall be settled within 15 working days after the signing of the Fire Protection System Construction Contract;
 - (b) 25% of the consideration shall be settled within 15 working days after the completion of 60% of the construction works;
 - (c) 45% of the consideration shall be settled (i) within 15 working days after the approval of the fire protection acceptance conducted by the related government authority, handover of relevant documents by the Contractor to VM Guangdong and completion of project settlement procedures; or (ii) within 3 months after the completion of all construction works if the fire protection acceptance cannot be performed for the reasons not attributable to Contractor; and
 - (d) the remaining 5% of the consideration shall be withheld as retention money, which shall be released within 15 working days after the approval of the application for the refund by the Contractor upon the expiration of the relevant warranty period.

Construction period:	The construction works are expected to be completed in 183 days.
Warranty period:	The warranty period is 24 months from the completion and acceptance of all construction works. During the warranty period, all costs arising from issues related to equipment, system and service quality shall be borne by the Contractor.
Performance guarantee:	<p>The Contractor shall, within 15 working days after the entering into of the Fire Protection System Construction Contract, provide the performance guarantee in an amount of RMB1.0 million in the form as agreed in the Fire Protection System Construction Contract in favour of VM Guangdong.</p> <p>After the approval of the fire protection acceptance conducted by the related government authority and handover of relevant documents by the Contractor to VM Guangdong, the performance guarantee of RMB1.0 million shall be refunded to the Contractor in a lump sum (without interest) within 15 working days.</p>

Basis of Consideration

The consideration was arrived by way of a tender process whereby four invitations to bid for the construction of the fire protection system were sent and four tenders were received. The tender submitted by the Contractor was considered the most appropriate after taking into account the tender price, as well as the Contractor's background, financial and technical capacity, qualifications and experience in Jiangmen City. Additionally, the Contractor provided a comprehensive implementation plan and offered feasible optimisation suggestions that align well with the project requirements. Accordingly, the Directors consider that the consideration is fair and reasonable.

The consideration will be satisfied by the internal resources and bank borrowings of the Group.

INFORMATION OF THE PARTIES

The Company is an investment holding company. The Group is principally engaging in the development, manufacture and sales of medical devices focusing on respiratory care, imaging disposables, and orthopaedic and rehabilitation products.

VM Guangdong, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, is principally engaging in the manufacture of medical devices.

The Supplier is a company established in the PRC with limited liability whose shares are listed on Science and Technology Innovation Board of Shanghai Stock Exchange. The Supplier is a solution provider for smart logistics system with core technologies in consulting and planning, software engineering, equipment manufacturing, system integration and automate agency operations. According to the quarterly report published by the Supplier on 25 April 2024, Mr. Wu Yaohua, an individual, is the controlling shareholder of and owns approximately 35.71% of shareholding of the Supplier. To the best of the knowledge, information and belief of the Directors, the Supplier and its ultimate beneficial owners are independent of the Company and its connected persons.

The Contractor is a company established in the PRC with limited liability and principally engaging in building construction engineering, municipal public works construction, mechanical and electrical equipment engineering and installation, fire protection facilities engineering and installation, electrical engineering, power transmission and transformation facilities engineering, decoration engineering, building intelligent engineering, construction labour subcontracting, provision of fire protection technical services, provision of maintenance services for fire protection, electrical and decoration engineering. Mr. Zou Zhihong, an individual, is the controlling shareholder of and owns approximately 90.09% of shareholding of the Contractor. To the best of the knowledge, information and belief of the Directors, the Contractor and its ultimate beneficial owners are independent of the Company and its connected persons.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Supplier, the Contractor and their respective ultimate beneficial owners are also independent of and not associated with each other.

REASONS FOR AND BENEFITS OF ENTERING INTO THE WAREHOUSE FACILITY PURCHASE AGREEMENT AND FIRE PROTECTION SYSTEM CONSTRUCTION CONTRACT

As disclosed in the announcement of the Company dated 9 November 2023, VM Guangdong entered into a construction contract with a contractor in relation to the construction of the New Production Facility on the Land, being an integrated production facility with automated production lines and serve as an additional manufacturing site of the Group. The Automated Warehouse Facility and the fire protection system to be installed and constructed pursuant to the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract will form part of the New Production Facility. The Board believes that the expanded capability brought about by the construction of the New Production Facility could open up the possibility of new contract development and manufacturing services, which will allow the Group to be better equipped to capture market opportunities.

The Board is of the view that the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract are on normal commercial terms, their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract are separate and independent of each other. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules is more than 5% but is less than 25% for each of the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract, the transactions contemplated under the Warehouse Facility Purchase Agreement and the Fire Protection System Construction Contract constitute two separate discloseable transactions of the Company and are each subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Automated Warehouse Facility”	the automated warehouse facility, which includes a comprehensive warehouse control system, high-rise racking, stacker cranes, conveyor lines, automated guided vehicles, and other integrated and auxiliary equipment, to be supplied and installed by the Supplier pursuant to the Warehouse Facility Purchase Agreement
“Board”	the board of the Directors
“Company”	Vincent Medical Holdings Limited (永勝醫療控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1612)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Contractor”	Jiangmen Hefeng Water Electricity Decoration Engineering Co., Ltd.* (江門市合豐水電裝飾工程有限公司), a company established in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Fire Protection System Construction Contract”	the construction contract dated 17 July 2024 entered into between VM Guangdong and the Contractor in relation to the construction of the fire protection system in the New Production Facility

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land parcel situated in Area C, Tianhu 2 nd Road North, Cuishanhu New District, Kaiping City, Jiangmen City, Guangdong Province, the PRC (中國廣東省江門市開平市翠山湖新區天湖二路北側C 號地塊)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Production Facility”	an integrated production facility with automated production lines to be constructed on the Land, with a total construction area of approximately 87,000 sq. m.
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation
“Shareholder(s)”	the holder(s) of the Share(s)
“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplier”	BlueSword Intelligent Technology Co., Ltd.* (蘭劍智能科技股份有限公司), a company established in the PRC with limited liability

“VM Guangdong”	Guangdong Vincent Medical Technology Co., Limited* (廣東永勝醫療科技有限公司) a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Warehouse Facility Purchase Agreement”	the purchase agreement dated 17 July 2024 entered into between VM Guangdong and the Supplier in relation to the procurement of the Automated Warehouse Facility in the New Production Facility
“%”	per cent.

By Order of the Board
Vincent Medical Holdings Limited
Choi Man Shing
Chairman and Executive Director

Hong Kong, 17 July 2024

As at the date of this announcement, the Board comprises Mr. Choi Man Shing, Mr. Choi Cheung Tai Raymond, Mr. Koh Ming Fai and Mr. Fu Kwok Fu as executive Directors, Dr. Leung Ming Chu as a non-executive Director and Mr. Mok Kwok Cheung Rupert, Mr. Au Yu Chiu Steven and Prof. Yung Kai Leung as independent non-executive Directors.

For illustration purposes in this announcement, the amounts in RMB were translated into HK\$ at the rate of RMB1 = HK\$1.0742. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at the above rate or at any other rates or at all.

* *For identification purposes only*