

Huakang Biomed declares allotment results of the Share Offer

12 December 2018 | News

The final number of Offer Shares allocated to the Public Offer is 50,000,000 Offer Shares, representing 50% of the total number of Offer Shares available under the Share Offer. There are a total of 4,133 allottees for the Public Offer Shares



Huakang Biomedical Holdings Company Limited is pleased to announce the Offer Price and allotment results of the Share Offer.

The Public Offer received a positive response and the Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. A total of 17,979 valid applications have been received pursuant to the Public Offer for a total of 1,315,176,000 Public Offer Shares, equivalent to approximately 131.52 times of the total number of 10,000,000 Public Offer Shares initially available for subscription under the Public Offer. The final Offer Price ("Final Offer Price") has been set at HKD\$0.50 per Offer Share.

Assuming that the Share Offer has become unconditional in all respects and the Underwriting Agreements are not terminated in accordance with the terms therein at or before 8:00 a.m. on Thursday, 13 December 2018, dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 13 December 2018. The Shares will be traded in board lots of 8,000 Shares each. The stock code for the Shares is 8622.

Huakang Biomed plans to do Share Offer of a total of 100,000,000 Shares, of which 10% or 10,000,000 Shares offered for subscription by the public in Hong Kong. As the number of Public Offer Shares validly applied for in the Public Offer is 100 times or more of the number of the Offer Shares initially available for subscription under the Public Offer, the adjustment procedure as described in the subsection headed "Structure and Conditions of the Share Offer - The Public Offer - Reallocation" in the Prospectus has been applied and 40,000,000 Shares have been reallocated to the Public Offer from the Placing. The final number of Offer Shares allocated to the Public Offer is 50,000,000 Offer Shares, representing 50% of the total number of Offer Shares available under the Share Offer. There are a total of 4,133 allottees for the Public Offer Shares.

Based on the Offer Price of HK\$0.50 per Offer Share, the net proceeds from the Share Offer to be received by the Company

after deduction of underwriting fees and commission, and other estimated expenses payable by the Company in connection with the Share Offer, are estimated to be approximately HK\$16.6 million.

The Company intends to use the net proceeds it will receive from the Share Offer for the following purposes:

- HK\$6.9 million, representing approximately 41.5% of the net proceeds from the Share Offer, to be used for developing new products, improving its existing products and carrying out international cooperation projects;
- HK\$4.6 million, representing approximately 27.9% of the net proceeds from the Share Offer, to be used for developing its auxiliary reproductive supply business;
- HK\$4.5 million, representing approximately 27.3% of the net proceeds from the Share Offer, to be used for expanding its sales network and enhancing its sales and marketing activities; and
- HK\$548,000, representing approximately 3.3% of the net proceeds from the Share Offer, to be used for funding working capital of the Group.