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Jinhai Medical Technology Limited

今海醫療科技股份有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 2225)

PROPOSED SUBDIVISION OF SHARES

Financial Adviser to the Company



Fortune Financial Capital Limited

PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each of the existing issued and unissued Shares of par value of one Hong Kong cent each in the share capital of the Company into four (4) Subdivided Shares of par value of one fourth Hong Kong cent each. The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” below.

The Shares are currently traded in board lot size of 5,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 5,000 Subdivided Shares.

GENERAL

The Share Subdivision is subject to approval by the Shareholders at the forthcoming EGM.

The Circular containing, amongst others, further details of the Share Subdivision and notice of the EGM will be despatched to the Shareholders in due course.

PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each of the existing issued and unissued Shares of par value of one Hong Kong cent each in the share capital of the Company into four (4) Subdivided Shares of par value of one fourth Hong Kong cent each.

Effects of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of one Hong Kong cent each, of which 1,292,500,000 Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$20,000,000 divided into 8,000,000,000 Subdivided Shares of par value of one fourth Hong Kong cent each, of which 5,170,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective.

The Shares are currently traded in board lot size of 5,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 5,000 Subdivided Shares.

All Subdivided Shares will rank pari passu with each other in all respects with, and will have the same rights and privileges as, the Shares in issue prior to the Share Subdivision, and the Share Subdivision will not result in any change in the relevant rights of the Shareholders. As the Share Subdivision will not result in any odd lots or fractional shares, no odd lots arrangement for matching the sale and purchase of odd lots will be made.

Securities convertible or exchangeable into Shares

As at the date of this announcement, the Company has 128,603,750 outstanding Share Options granted under the Share Option Scheme to subscribe for an aggregate of 128,603,750 Shares. Upon the Share Subdivision becoming effective, pro-rata adjustments will be made to the exercise prices and the number of outstanding Share Options. The Company will inform each of the grantees of the Share Options regarding the adjustments to be made pursuant to the respective terms and conditions of the Share Option Scheme.

Save as disclosed above, as at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares and any new Subdivided Share which may be issued upon the exercise of the Share Options granted or to be granted from time to time under the Share Option Scheme; and
- (c) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Subdivision.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, (i) the Subdivided Shares; and (ii) any new Subdivided Share which may be issued upon the exercised of the Share Options granted or to be granted from time to time under the Share Option Scheme.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges other than the Stock Exchange and no such listing permission to deal in is being or currently proposed to be sought from any other stock exchanges.

Exchange of Share Certificates

Subject to the Share Subdivision having become effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Monday, 20 January 2025 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for four (4) Subdivided Shares.

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing certificates for the Shares to the Company's branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Thursday, 12 December 2024 to Wednesday, 22 January 2025 (both days inclusive). After the expiry of such period, the existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of 10 Business Days after the submission of the existing share certificates for the Shares to Boardroom Share Registrars (HK) Limited for exchange.

The new share certificates will be yellow in colour so as to be distinguished from the existing share certificates which are blue or red in colour.

REASON FOR THE SHARE SUBDIVISION

The proposed Share Subdivision will reduce the nominal value or par value and trading price of each Share and increase the number of Shares in issue. As a result, the Share Subdivision is expected to reduce the trading price of each Share in the Company correspondingly which would appeal to more investors. Based on the closing price of HK\$6.01 per Share as at the date of this announcement, (i) the market value per board lot of 5,000 Shares is HK\$30,050; and (ii) the value of each board lot of 5,000 Subdivided Shares, with a theoretical adjusted price of approximately HK\$1.50 per Subdivided Share assuming the Share Subdivision had already become effective, would be approximately HK\$7,500. Although the Share Subdivision will result in downward adjustment to the trading price of the Shares, the Board believes that the Share Subdivision would enhance the liquidity in trading of Shares and thereby would enable the Company to attract more investors and broaden its Shareholder base. Accordingly, the Board considers that the Share Subdivision is in the interest of the Company and its Shareholders as a whole.

As at the date of this announcement, the Directors confirm that the Company (i) does not have any agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on any potential equity fund raising activities; and (ii) has no intention to carry out other corporate action which may have an effect of undermining or negating the intended purpose of the Share Subdivision in the coming twelve (12) months.

Having considered the Company's current plan in relation to all corporate actions and equity fund raising activities for the next twelve (12) months, the Directors are of the view that the Share Subdivision is reasonable and sufficient and in the best interests of the Company and Shareholders as a whole. In the event that any future opportunity of equity fundraising for the Group's business development arises, the Company will make further announcement(s) as and when appropriate.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Expected date of despatch of the Circular (including the notice of the EGM) and the related form of proxy to the Shareholders	On or before Friday, 22 November 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Friday, 6 December 2024

Register of members of the Company closed for determining entitlements to attend and vote at the EGM	Monday, 9 December 2024 to Tuesday, 10 December 2024 (both days inclusive)
Latest time for the lodging of the form of proxy for the EGM	3:00 p.m. on Sunday, 8 December 2024
Expected date and time of the EGM	3:00 p.m. on Tuesday, 10 December 2024
Announcement of voting results of the EGM	Tuesday, 10 December 2024
The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.	
The effective date for the Share Subdivision	Thursday, 12 December 2024
Dealings in Subdivided Shares commence	9:00 a.m. on Thursday, 12 December 2024
Original counter for trading in board lots of 5,000 Shares temporarily closes	9:00 a.m. on Thursday, 12 December 2024
Temporary counter for trading in board lots of 20,000 Subdivided Shares (in form of existing share certificates) opens	9:00 a.m. on Thursday, 12 December 2024
First day of free exchange of existing share certificates for the new share certificates for the Subdivided Shares commences	Thursday, 12 December 2024
Original counter for trading in board lots of 5,000 Subdivided Shares (in the form of new shares certificates) re-opens	9:00 a.m. on Monday, 30 December 2024
Parallel trading in Subdivided Shares (in the form of new share certificates) and Shares (in form of existing share certificates) commences	9:00 a.m. on Monday, 30 December 2024

Temporary counter for trading in Subdivided Shares
in board lots of 20,000 Subdivided Shares
(in the form of existing share certificates) closes 4:10 p.m. on
Monday, 20 January 2025

Parallel trading in Subdivided Shares
(in the form of new share certificates) and
Shares (in form of existing share certificates) ends 4:10 p.m. on
Monday, 20 January 2025

Free exchange of existing share certificates
for new certificates ends 4:30 p.m. on
Wednesday, 22 January 2025

Note: all times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

An EGM will be convened and held to approve, amongst others, the Share Subdivision. No Shareholders will be required to abstain from voting at the EGM. The Circular containing, amongst others, further details of the Share Subdivision and the notice of the EGM will be despatched to the Shareholders in due course.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Board”	the board of Directors;
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	a circular containing, amongst others, further details of the Share Subdivision, including the notice of EGM, which will be despatched to the Shareholders in due course;
“Company”	Jinhai Medical Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2225);

“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be held and convened for the purpose of, considering and, if thought fit, approving the Share Subdivision;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Share Option(s)”	option(s) to subscribe for Share(s) granted by the Company in accordance with the Share Option Scheme;
“Share Option Scheme”	share option scheme of the Company adopted on 29 December 2023 with 128,603,750 share options outstanding as at the date of this announcement;
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into four (4) Subdivided Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Subdivided Share(s)”	ordinary share(s) of par value of one fourth Hong Kong cent each in the share capital of the Company upon the Share Subdivision becoming effective.

By Order of the Board
Jinhai Medical Technology Limited
Chen Guobao
Chairman of the Board and executive Director

Hong Kong, 1 November 2024

As at the date of this announcement, the Board comprises eight Directors, of which four are executive Directors, namely Mr. Chen Guobao, Mr. Wang Zhenfei, Mr. Li Yunping and Mr. Dai Yong; one is non-executive Director, namely Mr. Wang Huasheng; and three are independent non-executive Directors, namely Mr. Yan Jianjun, Mr. Fan Yimin and Ms. Yang Meihua.