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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)

VOLUNTARY ANNOUNCEMENT IN RESPECT OF ENTERING INTO PREFERENCE SHARE SUBSCRIPTION AGREEMENT

This announcement is made by the Company on a voluntary basis so that the public may be updated of the latest development of the Group.

PREFERENCE SHARE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 28 November 2016 (after trading hours), VMR, Retraction and the Founder Shareholders entered into the Preference Share Subscription Agreement, pursuant to which Retraction has conditionally agreed to issue, and VMR has conditionally agreed to subscribe for the 1st Tranche Preference Shares, representing 20% of the issued share capital of Retraction as enlarged by the Subscription, at a consideration of US\$750,000 (equivalent to approximately HK\$5,812,500).

Completion of the Preference Share Subscription Agreement shall take place at such place and at such time as the parties to the Preference Share Subscription Agreement may agree and in any event, on or before 31 December 2016.

SHAREHOLDERS' AGREEMENT

Pursuant to the Preference Share Subscription Agreement, upon completion, the parties to the Preference Share Subscription Agreement and the third party subscriber (who is an Independent Third Party of the Company and its connected persons) will enter into the Shareholders' Agreement, which stipulates, among others, that the Founder Shareholders have undertaken to use their best endeavors to achieve certain milestones as stipulated under the Shareholders' Agreement on or before the expiry of 11 calendar months from the date of the Shareholders' Agreement and upon the fulfilment of which all the shareholders of Retraction shall procure Retraction to allot the 2nd Tranche Preference Shares to VMR at a consideration of US\$750,000 (equivalent to approximately HK\$5,812,500), which will result in an aggregate of 40% of the entire issued share capital of Retraction to be held by VMR as enlarged by the issue of the 2nd Tranche Preference Shares but excluding any shares which may be issued under the employees share option plan as may be adopted by Retraction.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Retraction, and its ultimate beneficial owners as at the date of this announcement and the third party subscriber are Independent Third Parties of the Company and its connected persons.

INFORMATION OF RETRACTION

Retraction is principally engaged in design, development and commercialization of retractors for minimally invasive surgeries. Its flagship product, “REVEEL”, employs patented design features for soft tissue mobilization and retraction in endoscopic or laparoscopic procedures. The device, already secured CE certification and FDA 510(k), is currently sold through various distributors to hospitals in Europe, South East Asia, Middle East and other jurisdictions. Retraction plans to expand its product range by introducing new REVEEL models with enhanced features. It also plans to launch its products to new markets including, amongst others, the U.S., the PRC, Japan and Korea.

REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS

The Group is principally engaging in the manufacturing and sale of medical devices focusing on respiratory products, imaging contrast media power injector disposables, and orthopaedic and rehabilitation products. The Group has committed to identify and explore suitable opportunities to enhance its product offering.

The Subscription as a strategic investment in line with the Company’s development strategy, shall bring business opportunities to (i) enhance the Group’s product offering in the anaesthesia and surgical tools product categories; (ii) utilise the manufacturing and distribution platform of the Group; and (iii) share the potential profits of Retraction.

Upon the completion of the Agreements, Mr. To Ki Cheung, the executive Director and chief executive officer of the Company, will be appointed as a director of Retraction. The Company will help to promote the development of Retraction with its experience, manufacturing expertise and its global distribution networks in the medical equipment industry.

The Board is of the view that the terms of the Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The entering into the Agreements does not constitute any discloseable transactions of the Company under Chapter 14 of the Listing Rules, nor any connected transaction under Chapter 14A of the Listing Rules.

DEFINITIONS

“1st Tranche Preference Shares”	27 Preference Shares, representing 20% of the issued share capital of Retraction as enlarged by the Subscription, to be allotted to VMR pursuant to the Preference Share Subscription Agreement
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“2nd Tranche Preference Shares”	such number of Preference Shares to be allotted to VMR pursuant to the Shareholders’ Agreement such that VMR will hold an aggregate of 40% of the entire issued share capital of Retraction as enlarged by the issue of the 2nd Tranche Preference Shares
“Agreements”	collectively the Preference Share Subscription Agreement and the Shareholders’ Agreement
“Board”	the board of Directors
“CE certification”	Conformité Européene, a mandatory certification of the E.U. certifying that a product has met the requirements set forth in the New Approach to Technical Harmonisation and Standards. Manufacturers in the E.U. and abroad must meet CE marking requirements and obtain the CE certification where applicable in order to market their products in Europe
“Company”	Vincent Medical Holdings Limited 永勝醫療控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“FDA”	Food and Drug Administration of the U.S.
“Founder Shareholders”	the three founder shareholders of Retraction who collectively own the entire issue share capital of Retraction as at the date of this announcement
“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

“Independent Third Party”	a person who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Preference Share(s)”	preference share(s) of Retraction having their preference, rights and privileges as stipulated in the Shareholders’ Agreement
“Preference Share Subscription Agreement”	the preference share subscription agreement dated 28 November 2016 entered into between VMR and the Founder Shareholders in relation to the subscription of the 1st Tranche Preference Shares by VMR
“Retraction”	Retraction Limited, a company incorporated in Hong Kong which was owned by the Founder Shareholders as at the date of this announcement
“Shareholders”	holders of the ordinary shares with a par value of HK\$0.01 each in the share capital of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Retraction and its shareholders (including VMR), which governs, among others, the subscription of the 2nd Tranche Preference Shares by VMR
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 1st Tranche Preference Shares by VMR pursuant to the Preference Share Subscription Agreement and of the Preference Shares by the third party subscriber as agreed between Retraction and such subscriber separately

“U.S.”	the United States of America, its territories and possessions, and state of the United States and the District of Columbia
“US\$”	United States dollars, lawful currency of the U.S.
“VMR”	Vincent Medical Retraction Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“%”	per cent

For illustration purposes in this announcement, the amounts in US\$ are translated into HK\$ at the rate of US\$1=HK\$7.75. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at the above rate or any other rates or at all.

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

Hong Kong, 28 November 2016

As at the date of this announcement, the Board comprises Mr. Choi Man Shing, Mr. To Ki Cheung, Mr. Koh Ming Fai and Mr. Fu Kwok Fu as executive Directors, Ms. Liu Pui Ching, Mr. Amir Gal Or and Mr. Poon Lai Yin Michael (alternate to Mr. Amir Gal Or) as non-executive Directors, and Mr. Chan Ling Ming, Mr. Mok Kwok Cheung Rupert and Mr. Au Yu Chiu Steven as independent non-executive Directors.