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ETHK Labs
华检医疗（1931.HK）

ETHK Labs Inc.
華檢醫療控股有限公司
(formerly known as IVD Medical Holding Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1931)

CLARIFICATION ANNOUNCEMENT RECLASSIFICATION OF A NOTIFIABLE TRANSACTION AS MAJOR TRANSACTION

Reference is made to the announcement of ETHK Labs Inc. (the "**Company**") dated 16 November 2025 (the "**Announcement**") in relation to the acquisition of shares with the entrustment of voting rights in the Target Company (also referred to as "**B-Soft**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The purpose of this announcement is to provide supplemental information on the Acquisition in compliance with the Listing Rules.

REASONS FOR RECLASSIFICATION AND IMPLICATIONS OF LISTING RULES

Pursuant to the Share Transfer Agreement and the entrustment of the voting rights under the First Voting Rights Entrusted Agreement and the Second Voting Rights Entrusted Agreement (the "**Entrustment Arrangement**"), the Company is entitled to nominate a majority of the board of directors of the Target Company, and appoint its chairman and legal representative upon completion of the Acquisition. Accordingly, the Target Company will become a subsidiary of the Company with its financial results consolidated into the Group's consolidated financial statements.

In accordance with Rule 14.28 of the Listing Rules, 100% of the target's total assets, profits and revenue must be used for percentage ratio calculations where an acquisition results in the consolidation of the target's assets, irrespective of the actual equity interest acquired. The Company initially applied 12.64% of the Target Group's financial metrics when classifying the Acquisition as a discloseable transaction. This initial classification was made in the context of a complex transaction that, at that time, remained subject to material uncertainties and outstanding approvals, including approval from the SZSE and relevant PRC courts, and as of the date of the Announcement, the Company had not yet appointed any directors to the board of B-Soft.

Following a full review of the Listing Rules, the Company has re-assessed the transaction classification. Upon re-calculation in strict compliance with Rule 14.28, the Company confirms that one or more of the applicable percentage ratios exceed 25% but are less than 100%, and therefore the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules.

The Board acknowledges that due to the initial interpretation of Rule 14.28, the Company has not fully complied with Rules 14.38A and 14.40 of the Listing Rules, which require the issuance of a circular and the obtaining of shareholders' approval for a major transaction. The Board confirms that the misinterpretation of specific Listing Rules provisions amidst the uncertainties of a complex cross-border transaction was not an intentional breach. The Company is committed to adhering to the Listing Rules and will take the necessary steps to ensure compliance. As part of the remedial measures, the Company intends to put forward an ordinary resolution at an extraordinary general meeting of the Company (the "**EGM**") for the Shareholders to consider and, if thought fit, approve and rectify the Acquisition and the Entrustment Arrangement.

CHRONOLOGY OF KEY EVENTS

The chronology of events in relation to the Acquisition, based on the records currently available to the Company, is set out below.

Date	**Event**
10 November 2025	Mr. Lin Xianya, an executive Director, entered into preliminary discussion with Mr. Ge Hang, the Vendor and the largest shareholder of the Target Company, regarding matters related to the acquisition of control over the Target Company
12 November 2025	The Company (acted through Mr. Lin Xianya) and Mr. Ge Hang executed the Share Transfer Agreement and the First Voting Rights Entrusted Agreement.
14 November 2025	The Company (acted through Mr. Lin Xianya) entered into the Second Voting Rights Entrusted Agreement with the Private Fund.

12 – 15 November 2025	The Company (acted through the Board) reviewed the transaction terms and the draft announcement in relation to the Acquisition to be published by the Company. During this process, the Company worked with its PRC legal advisers and submitted the draft announcement and other documents to the SZSE for pre-vetting and approval, as the A shares of the Target Company are listed on the SZSE.
16 November 2025	The Company obtained approval and confirmation from the SZSE, and the Company published the Announcement.
6 February 2026	The Company obtained the approval from SZSE regarding the transfer of the Target Shares from Mr. Ge Hang to the Company.
10 February 2026	The Company completed the acquisition of the Target Shares.
End of February 2026	The Company intends to appoint the directors to the B-soft and decides to publish the supplemental announcement and circular.

Based on the above chronology, the Company reassessed the transaction classification following the Stock Exchange's enquiry and determined that, in light of the consolidation of B-Soft, the Acquisition constituted a major transaction under Chapter 14 of the Listing Rules.

REMEDIAL MEASURES AND EXPECTED TIMELINE

In order to address the Chapter 14 of the Listing Rules and to ensure future compliance, the Company has taken and will implement the following remedial measures:

- The Company published this supplemental announcement as soon as possible to reclassify the Acquisition as a major transaction.

- A circular containing, among other things, (i) further information on the Share Transfer Agreement, the First Voting Rights Entrusted Agreement and the Second Voting Rights Entrusted Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Group; and (iii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable, and in no event later than 17 April 2026.

- The Company will seek Shareholders' approval for the Acquisition in accordance with Rule 14.40 of the Listing Rules. The Company expects to hold the EGM in April 2026.

- The Company has strengthened its internal control procedures by requiring that notifiable transactions be reviewed by the finance department and the company secretary, and where appropriate, external professional advisers and the Stock Exchange to ensure proper classification and compliance with the Listing Rules. These enhanced internal control procedures have been implemented with immediate effect.

- The Company will provide additional training to the Directors and company secretary and the relevant personnel on the requirements of Chapter 14 and 14A of the Listing Rules. The training is expected to be held in April 2026.

The Board considers that the above remedial measures are appropriate to address the issue and to strengthen the Company's internal control and compliance framework, thereby reducing the risk of recurrence of similar event in the future.

INTERNAL CONTROL POLICIES

The Company has implemented internal control policies and procedures to govern the identification, assessment, review and approval of notifiable transactions under Chapter 14 and 14A of the Listing Rules. Such policies and procedures include defined roles and review processes designed to ensure proper classification and compliance with the Listing Rules.

The key procedures include the following:

- Upon identification of a potential transaction, the management will notify the finance department and the company secretary department, who will assess the regulatory implications under the Listing Rules and initiate the internal review process.

- The finance department is responsible for preparing the percentage ratio calculations based on the financial information of the transaction counterparties and the Group, and documenting the basis and assumptions used in such calculations.

- The company secretary will review the percentage ratio calculations and assess the applicable transaction classification under Chapter 14 of the Listing Rules, and where appropriate, consult external legal advisers and professional advisers on the interpretation and application of the Listing Rules.

- The transaction details, together with the percentage ratio calculations and classification assessment, will be reported to senior management and the Board for review and approval prior to execution of the transaction and publication of the relevant announcement.

- Where applicable, the Company will consult external legal advisers and the Stock Exchange to confirm the appropriate classification and disclosure requirements under the Listing Rules before proceeding with the transaction.

The Company has reviewed, implemented and enhanced its internal control procedures, including strengthening the internal review process and providing additional training to relevant personnel on the proper application of Chapter 14 and 14A of the Listing Rules.

The Board considers that, with the above procedures and enhanced measures in place, the Company has adequate internal control policies and procedures to ensure compliance with Chapter 14 of the Listing Rules and to reduce the risk of recurrence of similar non-compliance in the future.

TIMING OF PUBLICATION OF THE ANNOUNCEMENT

The Company and Mr. Ge Hang executed the Share Transfer Agreement and the First Voting Rights Entrusted Agreement on 12 November 2025, notifying the board of directors of B-Soft Co., Ltd. on the same day. To ensure full compliance and the completeness and accuracy of the Announcement, it took two days for the legal advisers to finalize the Announcement and for the board members of B-Soft Co., Ltd. to review it. The Announcement was approved and submitted to the SZSE on 14 November 2025. The Company urged the SZSE to review the Announcement after submission, and the SZSE allocated personnel to review it even on 14 and 15 November, which are not normal business days. The Board believes that the timing of this announcement resulted from its best efforts to comply with the regulatory requirements of both jurisdictions and is consistent with the principle of making an announcement as soon as possible after the terms have been finalized.

Pursuant to Rule 14.34 of the Listing Rules, an issuer is required to publish an announcement as soon as practicable after the terms of a notifiable transaction have been finalised. In the context of this transaction, the Company was required to submit the announcement materials to the SZSE for pre-vetting prior to publication.

The Board considers that the Company had exercised its best efforts to advance the submission process in compliance with the regulatory requirements of both jurisdictions pursuant to the Listing Rule 14.34, being made as soon as practicable after finalisation of the transaction terms.

The Company would like to provide further information on the parties to and reasons for and benefits of the Acquisition.

INFORMATION ON THE PRIVATE FUND

The Private Fund is Jinfuyuan (Hainan) Private Fund Management Partnership (Limited Partnership), a limited partnership established and existing in accordance with the laws of the People's Republic of China. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Private Fund and its ultimate beneficial owners, Mr. Cui Jianhua and Mr. Liu Rui, who indirectly hold approximately 61% and 39% of the partnership interests in the Private Fund respectively, are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Vendor; (b) the Private Fund and its ultimate beneficial owners who can exert influence on the transaction; and (c) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board has identified clear, actionable and commercially grounded synergies expected to enhance the combined Group's value. These synergies arise from the complementary business models, data assets, market presence and ecosystem positioning of the Group and B-Soft.

(i) Business Complementarity and Integration

The Group's core business in in-vitro diagnostics ("**IVD**") products and its extensive distribution network are highly complementary to B-Soft's strength in healthcare information technology ("**HIT**"). This combination enables the creation of integrated diagnostic-clinical management solutions. Specifically, the Company's diagnostic data can be seamlessly interfaced with B-Soft's clinical systems to form a closed-loop data ecosystem. This integration is expected to increase customer retention, create significant cross-selling opportunities.

(ii) Data and Algorithm Empowerment

B-Soft possesses a vast repository of structured clinical data accumulated from serving approximately 7,000 medical institutions. This dataset provides an unparalleled foundation for training, validating, and iterating the Group's proprietary AI algorithms related to diagnostic support and clinical pathway optimization. Conversely, the Group's advanced AI capabilities can be embedded into B-Soft's existing and future product suites, elevating their intelligence, functionality, and market competitiveness. This bidirectional empowerment is designed to accelerate the development of a leading "clinical intelligence platform" covering the full patient journey from diagnosis to treatment.

(iii) Channel and Network

The Group's established IVD distribution network, which covers over 1,700 tertiary hospitals in the PRC, presents a direct channel for the rapid commercialization and deployment of B-Soft's AI-driven HIT solutions. Conversely, B-Soft's nationwide presence through more than 40 branches provides additional touchpoints for promoting the Group's IVD diagnostic products. This channel synergy is expected to reduce customer acquisition costs, accelerate market penetration for both product lines, and drive revenue growth.

(iv) R&D and Innovation

Both entities have established partnerships with leading academic institutions, such as Zhejiang University. The integration will facilitate the consolidation of R&D efforts, shared access to research partnerships, and collaborative development of next-generation IVD and AI+healthcare technologies. This combined innovation engine aims to strengthen the Group's long-term intellectual property portfolio and sustain its technological leadership.

(v) Capital and Ecosystem

Upon consolidation, B-Soft will be integrated into the Group's "IVD Ecosystem", which represents the Group's existing operating and deployment framework for hospital customers, rather than a standalone new business or platform. The IVD Ecosystem is designed to organise and coordinate the Group's IVD products, healthcare information technology solutions and related AI-enabled applications in a structured manner when serving public medical institutions. Within this framework, B-Soft will serve as the core healthcare information technology and hospital information system layer, through which clinical workflows, laboratory processes and data standards are managed at hospital level. As hospitals typically rely on their existing information systems as the primary interface for adopting new diagnostic tools and digital solutions, B-Soft's systems function as the essential integration layer that enables the Group's IVD products and AI applications to be embedded into routine clinical and management workflows. Accordingly, B-Soft plays a central and non-substitutable role within the IVD Ecosystem by providing the system-level infrastructure through which other portfolio companies' products and solutions are implemented, connected and scaled across hospital customers. Other portfolio companies within the ecosystem primarily contribute complementary technologies or products, while B-Soft provides the platform through which such technologies are operationalised in clinical settings.

Through this integration, the Group expects to improve operation efficiency, enhance customer stickiness and facilitate scalable deployment across its hospital network. In parallel, B-Soft is expected to benefit from coordinated access to the Group's technical resources, distribution channels and customer base. For AI products that subsequently achieve stable cash flow generation, the Group's intellectual property securitisation capabilities may be utilised as an additional financing tool to support further development, subject to market conditions.

(vi) One-off impairment loss impact on the operating profit

For the year ended 31 December 2024, B-Soft reported an operating loss of approximately RMB162.99 million, as set out in its audited consolidated financial statements. During the year, B-Soft recognised goodwill impairment of RMB101.10 million and impairment loss on trade receivables of RMB139.33 million, both of which were recognised in the income statement and reduced the reported operating profit. After excluding the goodwill impairment and impairment loss on trade receivables recognised during the year, the operating profit for the year would have been increased by approximately RMB240.43 million, resulting in an operating profit of approximately RMB77.44 million. The above amount is provided to illustrate the impact of such impairment losses on the operating profit for the year, based on the figures disclosed in the audited financial statements.

The impairment loss on trade receivables reflects a higher level of expected credit loss provisions recognised in accordance with the expected credit loss model under the applicable accounting standards. Such increase in expected credit loss provisions was mainly attributable to the extended settlement cycles commonly observed in transactions with public medical institutions, where payments are subject to internal administrative procedures, project acceptance processes and fiscal appropriation arrangements. As a result, certain trade receivables experienced lengthened ageing profiles, notwithstanding that collection remains ongoing. In assessing the expected credit loss, management adopted a more prudent approach by taking into account updated ageing analysis and forward-looking information. In long run, the Group will conduct additional measures to mitigate the risk of account receivable recoverability, The impairment only represents low possibility of collecting the trade receivables due to the economic downturns and it does not represent any write-off of trade receivables nor indicate a deterioration in the underlying recoverability of such receivables. With the Company's ongoing efforts and involvement, it is expected that the recoverability of the trade receivables will increase in the coming years.

After the B-Soft's listing, it conducted different acquisitions and mergers. If there are fluctuations in the macroeconomic environment in the future, or if the operating conditions of the acquired companies deteriorate, it may lead to the need for goodwill impairment provisions, which could negatively impact B-Soft's current profits. Additionally, there are many uncertainties regarding whether B-Soft can effectively integrate with the acquisition targets, maintain control over the acquired businesses, retain their original competitive advantages, and achieve synergies. The goodwill impairment primarily resulted from a one-time reassessment of valuation assumptions adopted in the impairment testing conducted for the relevant cash-generating units during 2024 valuation review. Such reassessment included the adoption of more conservative assumptions on the expected commencement and rollout pace of certain projects, taking into account the lengthened procurement and internal approval processes of public medical institutions. Importantly, the impairment does not arise from any recurring or structural deterioration in B-Soft's core business operations, customer base or technological capabilities.

The recoverable amount of the relevant asset groups was determined based on the present value of estimated future cash flows. In determining such recoverable amount, management applied key assumptions which were intended to reflect the expected operating environment and business outlook of the relevant asset groups, including, among others, the anticipated pace of project tendering and implementation, expected profitability profile and the risk-adjusted discount rate applied to the projected cash flows. Accordingly, the goodwill impairment recognised reflected management's reassessment of the expected timing and level of future cash generation of the relevant asset groups and the associated risk-adjusted valuation assumptions adopted as at the reporting date.

The impairment assessment was performed at the level of individual cash-generating units ("**CGUs**"). These CGUs represent the principal operating units arising from historical acquisitions and are managed as relatively distinct business platforms with separately identifiable cash inflows. While the CGUs operate in broadly similar service domains, differences in customer profiles, project execution characteristics and exposure to public-sector procurement processes can be observed among the CGUs, as reflected in their respective impairment testing assumptions applied in 2024. Such impairment was recognised in respect of three CGUs, namely Zhongtuo Information, Huikang IoT and Minotech* (中拓信息, 慧康物聯網 and 美諾泰科). The impairment amounts recognised for each CGU were derived from the Group's audited financial statements and are summarised below together with the relevant background information.

Huikang IoT originated from Hangzhou Huikang IoT Technology Co., Ltd.* (杭州慧康物聯網科技有限公司), formerly known as Hangzhou Botai Information Technology Service Co., Ltd.* (杭州博泰信息技術服務有限公司), which became a subsidiary of the Group upon completion of the relevant equity transfer and registration procedures in 2017. This CGU is principally engaged in information technology services and system solutions, with a business focus on the provision of integrated technical services, system development and operational support. For the year ended 31 December 2024, goodwill impairment of approximately RMB91.00 million was recognised for this CGU, representing approximately 90.0% of the total goodwill impairment recognised during the year and constituting the principal component of the goodwill impairment recorded for the year. The relatively higher impairment mainly reflected the larger goodwill balance historically allocated to this CGU and the sensitivity of its service-oriented operations to updates in valuation assumptions adopted in the impairment testing, rather than any structural deterioration in its underlying business performance.

Minotech is a technology-oriented enterprise engaged in the development, sale and operation of healthcare information systems, with focus on providing digital healthcare and information system solutions to hospitals and other medical institutions, developed through the Group's acquisition of a controlling interest in Hangzhou Minotech Technology Co., Ltd.* (杭州美諾泰科科技有限公司) in 2017, followed by the acquisition of the remaining equity interests in 2018. During the year goodwill impairment of approximately RMB5.46 million was recognised for this CGU, representing a relatively small portion of the total goodwill impairment recognised.

Zhongtuo Information originated from Guangdong Zhongtuo Information Technology Co., Ltd.*(廣東中拓信息技術有限公司), which the Group obtained control of in 2016 as part of a bundled acquisition. The same transaction also involved Zhongshan Lantian Computer Co., Ltd.*(中山市藍天電腦有限公司), which was subsequently deregistered in 2023, and its business was integrated into Zhongtuo Information. This CGU has historically operated in the healthcare information technology sector, providing information system-related software solutions and technical services to medical institutions, and goodwill impairment of approximately RMB4.64 million was recognised during the year, representing a limited portion of the total goodwill impairment recognised.

The Board considers that the goodwill impairment recognised was primary attributable ted to specific assumptions adopted in the impairment testing for the relevant reporting period and is not expected to recur on a regular basis nor have a continuing impact on the future business operations or cash-generating ability of B-Soft. As the impairment is one-off, it is considered that it will not impact the long-term business development of B-Soft.

Accordingly, the strategic rationale for the acquisition remains valid. The long-term strategic benefits expected from B-Soft such as strengthening the Group's hospital information technology and workflow integration capabilities, enhancing customer loyalty, and enabling ecosystem synergy – are anticipated to support sustainable value creation over time. These benefits may outweigh the impact of the impairment losses in the longer term.

PROSPECTS AFTER ACQUISITION

The Group expects B-Soft to continue to play an important role in supporting the Group's hospital information technology and digital healthcare service offerings. Building on its existing business foundation, B-Soft is expected to contribute to the Group's broader ecosystem through closer coordination with other business units and the enhancement of operational capabilities.

In order to manage integration risks and support the sustainable development of the acquired businesses, B-Soft will systematically implement a post-investment management system for acquisition targets to promote deep resource integration and maximize synergies. It will enhance overall operational efficiency through multi-dimensional resource allocation, including research and innovation, production optimization, talent development, market channel sharing, technology integration, and financial standardization. At the same time, B-Soft will focus on accumulating management experience and optimizing systems, strengthening risk control mechanisms to ensure the sustainable development capabilities of the acquired companies, effectively manage potential risks of goodwill impairment, and build a management support system for stable growth in subsequent operations.

By order of the Board
ETHK Labs Inc.
Lin Xianya
Executive Director

Hong Kong, 11 March 2026

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Lin Xianya, Mr. Chan Siu Kei Ken and Ms. Yi Xiao, two non-executive directors, namely, Ms. Yao Haiyun and Mr. Liu Fei and three independent non-executive directors, namely, Dr. Zhong Renqian, Mr. Xu Da and Mr. Zhang Jianlei.

This announcement may contain certain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future. These statements are based on a number of assumptions, current estimates and projections, and subject to inherent risks, uncertainties and other factors which may or may not be beyond the Company's control. The actual outcomes may differ. Nothing contained in these statements is, or shall be, relied upon as any assurance, representation or warranty otherwise. Neither the Company nor its directors, staff, agents, advisers or representatives assume any responsibility to update, supplement, correct these statements or adapt them to future events.

If there is any inconsistency between the Chinese and English versions of this announcement, the English version shall prevail.

* *The English translation of the Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name.*