BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Huakang Biomed Holdings announces its share offering

November 30, 2018 | News

The Group offers mainly three categories of IVD reagents, namely, male fertility IVD reagent, parasite antibody detection reagent and EBV antibody detection reagent



Huakang Biomedical Holdings Company Limited, a medical device group specialised in the research and development, manufacture and sale of a wide range of IVD reagents in the PRC, announced its Hong Kong Public Offering will commence on 30 November, 2018, and trading on the GEM of The Stock Exchange of Hong Kong Limited is expected to commence on 13 December, 2018.

The Group offers mainly three categories of IVD reagents, namely, male fertility IVD reagent, parasite antibody detection reagent and EBV antibody detection reagent. Our Group is particularly focused on the PRC male fertility IVD reagent market. Relying on our outstanding Research and Development capabilities, which is one of our key competitive strengths, as well as our broad geographical sales and distribution network, the Group is strengthening our market position in the PRC male fertility IVD market.

Huakang Biomed ranked the third among manufacturers of male fertility IVD reagents in the PRC, having 14.3% share of this market in terms of medical institution purchase value in 2017, according to the CIC Report. In the future, Huakang Biomed will fully utilize our market position and take advantage of business opportunities arising from the growing PRC IVD market.

The Hong Kong Public Offering will commence at 9:00 a.m. on 30 November, 2018 (Friday) and is expected to close at 12:00 noon on 5 December, 2018 (Wednesday). The indicative Offer Price range is HK$0.44 to HK$0.64 per share of the Company. Trading of the Shares on the GEM of The Stock Exchange of Hong Kong Limited is expected to commence on 13 December, 2018 (Thursday). The Shares, with stock code 8622, will be traded in board lots of 8,000 Shares each.

Based on the Offer Price of HK$0.54 per Offer Share, being the mid-point of the indicative Offer Price range of HK$0.44 per Offer Share to HK$0.64 per Offer Share, the net proceeds from the Share Offer to the Company (after deduction of underwriting fees and estimated expenses payable by us in relation to the Listing and the Share Offer) are estimated to be RMB17.9 million (equivalent to HK$20.2 million).

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

- Approximately 41.5%, representing HK$8.4 million, will be used for developing new products, improving our existing

products and carrying out international cooperation projects;

- Approximately 27.3%, representing HK$5.5 million, will be used for expanding our sales network and enhancing our sales and marketing activities;

- Approximately 27.9%, representing HK$5.6 million, will be used for developing auxiliary reproductive supply business; and

- The remaining amount of approximately 3.3%, representing approximately HK$0.66 million, will be used for funding working capital needs.