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ASX Announcement

TBG Diagnostics Limited Completes Acquisition of Zhangsha ZhangYe Medical Laboratory Corp

TBG Diagnostics Limited (the “Company”) is pleased to announce that it has completed the acquisition of Zhangsha ZhangYe Medical Laboratory Corp (“ZhangYe”) through its subsidiary TBG Biotechnology Xiamen (“TBG Xiamen”) in accordance with the terms announced to ASX on 17 December 2018.

After completion of the transactions, the Company currently holds 46.65% of the equity in TBG Xiamen and TBG Xiamen holds 100% of the equity in ZhangYe, such that the Company indirectly holds an interest of 46.65% in ZhangYe.

TBG Xiamen was incorporated in 2014 to address the government requirements of Haicang, China, for foreign entities operating genetic testing businesses in the Xiamen region of China and carries on a business of research and development and manufacturing molecular diagnostic kits and instruments.

ZhangYe is a company incorporated in China which conducts a business of providing medical laboratory testing services to hospitals and the community, and which is based in the city of Zhangsha in Hunan Province.

As part of the acquisition agreement, Dongyuan Huaxin (Beijing) Capital Management Co Ltd (“Dongyuan”), a private equity firm incorporated in China and one of the parties to the agreement, has provided capital investment into TBG Xiamen. Dongyuan is a consulting and advisory company which aims to strategically grow the reach of many of the businesses it invests in, including by leveraging off its relationships in China and Asia Pacific to expand its portfolio companies’ capabilities.

The acquisition allows the Company to draw on the capabilities and resources of ZhangYe and Dongyuan in order to develop synergies between each of the businesses of ZhangYe and Dongyuan and the TBG Xiamen Business, and to expand the TBG Xiamen Business further within the China and Asia Pacific markets.

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