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ASX Announcement
Update in relation to Corporate Restructuring activities and Sale of TBG Inc. shares

TBG Diagnostics Limited (the “**Company**”) has entered into an agreement for the sale of shares held by the Company in its subsidiary company, TBG Inc. (the “**Agreement**”), with Dong Yuan Hua Xin (Beijing) Capital Management Limited Company (“**Dong Yuan**”). The Company is selling approximately 5% of TBG Inc to Dong Yuan under this transaction.

Dong Yuan is a consulting and advisory company incorporated in China, which focuses on investing in companies and assisting the companies it invests with strategic growth and expansion. Dong Yuan is not a shareholder of the Company. However, Dong Yuan became a shareholder of TBG Biotechnology Xiamen Inc. (“**TBG Xiamen**”) in 2019 following its acquisition of Changsha ChangYe Medical Laboratory Corp. (as announced on 3 May 2019).

As part of the corporate restructure referred to in the Company’s 2020 Annual Report and Quarterly Activities Report dated 3 May 2021:

- TDL established a new wholly owned subsidiary TDL Holding Co.
- TBG Inc has transferred its shares held in subsidiaries TBG Taiwan and TBG Texas to TDL Holding Co.
- TBG Inc has become the owner of 100% of TBG Xiamen. TBG Inc’s primary asset is its equity interest in TBG Xiamen.
- The shareholders of TBG Xiamen have received shares in TBG Inc under an equity swap transaction.
- The Company currently holds a 46.25% shareholding in TBG Inc and Dong Yuan currently has a 33.71% shareholding in TBG Inc.

Following completion of the Company’s sale of 5% of TBG Inc to Dong Yuan pursuant to the Agreement, the Company will hold a 41.25% shareholding and Dong Yuan will hold a 38.71% shareholding in TBG Inc.

As the Company’s shares have remained suspended from trading on ASX since March 2020, the Company has not been in a position to readily raise funds from the equity capital markets. In addition, on 12 March 2021 ASIC made a determination under s. 713(6) of the Corporations Act 2001 (Cth) restricting the Company from relying on the exceptions in s. 713 to use transaction specific disclosure until 11 March 2022, which further restricts the Company’s ability to readily raise funds in the equity capital markets.

Therefore, the Company elected to divest a minority interest in its subsidiary company, TBG Inc, in order to provide further funding to the Company. As disclosed in the Company’s 2020 Annual Report to shareholders, this sale of shares will provide increased funding for the Company’s operational requirements and its growth objectives.

Pursuant to the Agreement, the Company agrees to sell 8,058,723 shares of TBG Inc., representing approximately 5% equity interests of TBG Inc. to Dong Yuan. In consideration for the sale of shares, Dong Yuan agrees to pay RMB \$5,500,000 or the equivalent in other currency to the Company

(currently approximately AUD 1.095 million). The purchase price for the sale of shares was calculated based upon 5% of the registered capital of TBG Xiamen, being TBG Inc's primary asset.

This sale of shares transaction will complete 10 business days after Dong Yuan obtains all necessary approvals related to outbound investment in China for the payment of the purchase price. If Dong Yuan fails to obtain the necessary approvals by 30 September 2021 then the Company shall have the right to terminate the Agreement without further liability.

As part of the group's recent restructuring activities, on or around 1 April 2021 TBG Xiamen disposed of its 100% shareholding interest in Changsha ChangYe Medical Laboratory Ltd ("**ChangYe**"), a medical laboratory testing services company incorporated in China. TBG Xiamen sold the shareholding in ChangYe to Mr. Xiaojun Zhao for consideration totaling RMB 27.6 million (current approximately AUD 5.58 million). Mr Xiaojun Zhao was formerly a director of TBG Xiamen (ceasing 1 April 2021) and previously held a shareholding interest of approximately 25% in TBG Xiamen (following the recent restructuring, Mr Zhao no longer holds shares in TBG Xiamen). TBG Xiamen shall maintain ownership of its remaining subsidiaries (XiaDe, TBG Hunan and TBG Digital Cloud).

Authorised by:

Jitto Arulampalam
Chairman