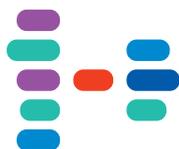


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LIFE HEALTHCARE GROUP LIMITED

蓮和醫療健康集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

DISCLOSEABLE TRANSACTION — FORMATION OF JOINT VENTURE COMPANY

FORMATION OF THE JOINT VENTURE COMPANY

On 13 July 2020, Beijing Lianhe, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with the Joint Venture Partner pursuant to which the parties agreed to jointly establish the Joint Venture Company to carry out the business of medical health services, public medical procurement, medical product supply chain, and investments in the healthcare industry.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company will be RMB70,000,000 (equivalent to approximately HK\$77,364,000). Beijing Lianhe will contribute RMB31,500,000 (equivalent to approximately HK\$34,813,800) and the Joint Venture Partner will contribute the remaining RMB38,500,000 (equivalent to approximately HK\$42,550,200) towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 45% by Beijing Lianhe upon its establishment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company exceeds 5% and all of the percentage ratios are less than 25%, the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

FORMATION OF THE JOINT VENTURE COMPANY

On 13 July 2020, Beijing Lianhe, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with the Joint Venture Partner pursuant to which the parties agreed to jointly establish the Joint Venture Company.

The principal terms of the Joint Venture Agreement are set out below.

Subject matter

The Joint Venture Company will be a limited liability company to be established in accordance with the requirements of the laws of the PRC and the provisions of the Joint Venture Agreement.

The proposed name of the Joint Venture Company is 北京國健蓮和健康產業發展有限公司 (Beijing National Life Healthcare Industries Development Co., Ltd.*).

Purpose of the Joint Venture Company

The principal business activities of the Joint Venture Company will be medical health services, public medical procurement, medical product supply chain, and investments in the healthcare industry.

Capital contribution

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company will be RMB70,000,000 (equivalent to approximately HK\$77,364,000). Beijing Lianhe will contribute RMB31,500,000 (equivalent to approximately HK\$34,813,800) and the Joint Venture Partner will contribute the remaining RMB38,500,000 (equivalent to approximately HK\$42,550,200) towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 45% by Beijing Lianhe and 55% by the Joint Venture Partner upon its establishment.

The JV Parties shall make their respective capital contribution in cash.

The amount of capital contribution was determined after arm's length negotiations between Beijing Lianhe and the Joint Venture Partner with reference to the initial capital requirement of the Joint Venture Company.

The Group intends to finance its investment in the Joint Venture Company from its internal resources.

In the event that a shareholder of the Joint Venture Company proposes to transfer the whole or part of its equity interest in the Joint Venture Company to any third party, the other shareholder shall have a right of first refusal over such transfer.

Composition of the board of directors

Pursuant to the terms of the Joint Venture Agreement, the board of directors of the Joint Venture Company will comprise of three (3) directors.

Information on the Joint Venture Partner

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the Joint Venture Partner and its ultimate beneficial owners are independent of the Company and connected persons of the Company. The ultimate beneficial owners of the Joint Venture Partner include Shenwan Hongyuan Group Co., Ltd. (a company listed in Mainland China, its predecessor were Shanghai Shenyin Securities Co., Ltd. and Shanghai Wanguo Securities Co., Ltd.), Sinochem Group (a state-owned enterprise, formerly known as China National Chemicals Import & Export Co.), China Economic Reform Magazine Press (a public institution), Lin Chubao and other persons, each of whom holds not more than 10% equity interest in the Joint Venture Partner.

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the Joint Venture Partner is principally engaged in Chinese medical services, health management and health consultancy. The Joint Venture Partner is an investment and development platform for the medical and health industry under the China Health Industry Investment Fund Management Company. Under the call of national health industry development strategy, the Joint Venture Partner is developing a project called "central health city" in major provinces and cities, which provides overall solutions for people's healthy life and urban construction, promotes industrial upgrading and people's livelihood services.

Reasons and benefits

The Group is principally engaged in the healthcare products and services business. Beijing Lianhe is a wholly-owned subsidiary of the Company principally engaged in healthcare services.

The investment in the Joint Venture Company, which will be principally engaged in medical health services, public medical procurement, medical product supply chain, and investments in the healthcare sector, allows the Group to further develop its core businesses in the healthcare industry and is in line with the business development strategy of the Group. In addition, the Board considers that, through the formation of the Joint Venture Company, the Group can take more efficient use of group internal resources and leverage the resources and network of the Joint Venture Partner, which are beneficial to the development of the Group.

The terms of the Joint Venture Agreement are negotiated after arm's length negotiations. The Directors are of the view that the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company exceeds 5% and all of the percentage ratios are less than 25%, the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Beijing Lianhe”	Beijing Life Healthcare Technology Company Limited* (北京蓮和無限醫療科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Life Healthcare Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 928)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Joint Venture Agreement”	the joint venture agreement dated 13 July 2020 and entered into by and between Beijing Lianhe and the Joint Venture Partner in relation to the formation and management of the Joint Venture Company
“Joint Venture Company”	the joint venture company to be established in the PRC pursuant to the terms of the Joint Venture Agreement
“Joint Venture Partner”	Guojiantou Health Industry Co., Ltd* (國健投健康產業有限公司), a company established in the PRC with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

** English transliteration of the Chinese name(s) is for identification purpose only and should not be regarded as the official English name(s) of such Chinese names(s)*

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1052, being the exchange rate prevailing on 8 July 2020. The translation should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

By order of the Board
LIFE HEALTHCARE GROUP LIMITED
Xu Xueping
Executive Director

Hong Kong, 13 July 2020

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Xu Xueping (*Chairman*)
Mr. Man Wai Lun
Mr. Yang Zhiying

Independent non-executive Directors:

Mr. Liu Xinghua
Mr. Zheng Chunlei
Mr. Cheng Chun Man

Non-executive Director:

Ms. Shan Hua