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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

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On 23 December 2021, Beijing Life Healthcare, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with the Joint Venture Partners under which the parties agreed to establish the Joint Venture Company to cooperate on the development of Internet medical technology, physiotherapy chain management and standardized physiotherapy platform construction.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company will be RMB120,000,000 (equivalent to approximately HK\$146,400,000). Beijing Life Healthcare will contribute RMB30,000,000 (equivalent to approximately HK\$36,600,000) towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 25% by Beijing Life Healthcare 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 JOINT VENTURE COMPANY

On 23 December 2021, Beijing Life Healthcare, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with the Joint Venture Partners under which the parties agreed to 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 laws of the PRC and the provisions of the Joint Venture Agreement.

The proposed name of the Joint Venture Company is 億雲力蓮合（北京）健康管理有限公司 (Yiyunli Life Healthcare (Beijing) Health Management Co. Ltd.*).

Purpose of the Joint Venture Company

The Joint Venture Company will focus on the development of Internet medical technology, physiotherapy chain management and standardized physiotherapy platform construction.

Capital contribution

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company will be RMB120,000,000 (equivalent to approximately HK\$146,400,000). Beijing Life Healthcare will contribute RMB30,000,000 (equivalent to approximately HK\$36,600,000) and the Joint Venture Partners, 上海湧業電子商務有限公司 (Shanghai Yongye e-Commerce Co., Ltd.*) (“Shanghai Yongye”) and 北京億雲力科技有限公司 (Beijing Yiyunli Technology Co., Ltd.*) (“Beijing Yiyunli”), will contribute in aggregate RMB90,000,000 (equivalent to approximately HK\$109,800,000) towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as follows upon its establishment.

Shareholder	Capital Contribution (RMB)	Shareholding percentage
Beijing Life Healthcare	30,000,000	25%
Shanghai Yongye	24,000,000	20%
Beijing Yiyunli	66,000,000	55%
Total	120,000,000	100%

The parties to the Joint Venture Agreement shall make their respective capital contribution in cash within 6 months after the establishment of the Joint Venture Company.

The amount of capital contribution was determined after arm's length negotiations between the parties 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.

Management of the Joint Venture Company

Pursuant to the terms of the Joint Venture Agreement, Beijing Yiyunli will be responsible for the day-to-day management of the Joint Venture Company.

REASONS AND BENEFITS

The Group is principally engaged in the healthcare products and services business.

The investment in the Joint Venture Company, which will be principally engaged in the development of Internet medical technology, physiotherapy chain management and standardized physiotherapy platform construction., allows the Group to further participate in the healthcare industry, which is in line with the business development strategy of the Group.

The terms of the Joint Venture Agreement were 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

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INFORMATION ON THE PARTIES

Beijing Life Healthcare

Beijing Life Healthcare is a wholly-owned subsidiary of the Company principally engaged in investment in the healthcare business.

Shanghai Yongye

上海湧業電子商務有限公司 (Shanghai Yongye e-Commerce Co., Ltd.*) is a limited liability company established in the PRC. It is principally engaged in the operation of e-commerce platforms and is owned as to 50% by 郭一男 (Guo Yinan) and as to 50% by 鍾萍 (Zhong Ping).

Beijing Yiyunli

北京億雲力科技有限公司 (Beijing Yiyunli Technology Co., Ltd.*) is a limited liability company established in the PRC. It is principally engaged in the medical informatization and healthcare business. Beijing Yiyunli is owned as to 70% by 醫采陽光供應鏈管理有限公司 (Yicai Sunshine Supply Chain Management Co., Ltd.*) (“Yicai”) and as to 30% by 譚維華 (Tan Weihua).

Yicai is principally engaged in the supply chain management business. It is owned as to 45% by 張建忠 (Zhang Jianzhong), as to 45% by 上海光茁電子商務有限公司 (Shanghai Guangzhu e-commerce Co., Ltd.) and as to 10% by 吳幸群 (Wu Xingqun). Shanghai Guangzhu is an e-commerce company and is owned as to 95% by 朱名 (Zhu Ming) and as to 5% by 朱元超 (Zhu Yuanchao).

To the best of the Directors’ knowledge, information and belief and after making reasonable enquires, each of the Joint Venture Partners and their ultimate beneficial owners are independent of the Company and connected persons of the Company.

DEFINITIONS

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

“Beijing Life Healthcare”	Beijing Life Healthcare Medical Technology Company Limited* (北京蓮合醫療科技有限公司), 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 agreement dated 23 December 2021 between Beijing Life Healthcare and the Joint Venture Partners in relation to the formation and management of the Joint Venture Company;

“Joint Venture Company”	the joint venture company to be established pursuant to the terms of the Joint Venture Agreement;
“Joint Venture Partners”	上海湧業電子商務有限公司 (Shanghai Yongye e-Commerce Co., Ltd.*) and 北京億雲力科技有限公司 (Beijing Yiyunli Technology Co., Ltd.*);
“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; and
“%”	per cent.

This announcement contains translation between RMB and Hong Kong dollar amounts at RMB1.00 = HK\$1.22, being the exchange rate prevailing on 23 December 2021. The translation should not be taken as a representation that the RMB could actually be converted into Hong Kong dollars at that rate or at all.

By order of the Board
LIFE HEALTHCARE GROUP LIMITED
Pang Zhen
Executive Director

23 December 2021

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

Executive Directors:

Mr. Man Wai Lun

Mr. Pang Zhen

Independent non-executive Directors:

Mr. Liu Xinghua

Mr. Li Li

Mr. Wang Yang

Non-executive Director:

Ms. Fu Xiaoji

* *For identification only*