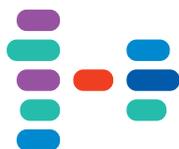


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LIFE HEALTHCARE GROUP LIMITED

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 — PROCUREMENT OF VEHICLES

PROCUREMENT OF VEHICLES

On 25 January 2022, Life Healthcare Management, a 65%-owned subsidiary of the Company, entered into the Agreement with the Supplier under which Life Healthcare Management agreed to procure and the Supplier agreed to supply and remodel the Vehicles for the Group's operational requirements for an aggregate consideration of not more than RMB26,588,000 (equivalent to approximately HK\$32,703,240).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios of the Procurement exceeds 5% but is less than 25%, the Procurement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE PROCUREMENT

On 25 January 2022, Life Healthcare Management, a 65%-owned subsidiary of the Company, entered into the Agreement with the Supplier in respect of the Procurement.

The principal terms of the Agreement are set out below.

Subject matter

The Supplier will supply to Life Healthcare Management a fleet of 132 mini-buses, and remodel 50 of such vehicles for the Group's operational requirements.

The Vehicles are pre-owned mini-bus and have on average less than 1,000 kilometers on their odometer. The Vehicles will be fitted out with medical testing equipment and will be operated by the Group as mobile healthcare testing centers.

Consideration

The aggregate consideration for the Procurement is not more than RMB26,588,000 (equivalent to approximately HK\$32,703,240) of which, the procurement cost of the Vehicles is RMB18,176,000 (equivalent to approximately HK\$22,356,480), the remodeling cost for the Vehicles is RMB6,412,000 (equivalent to approximately HK\$7,886,760) and the preparation costs including vehicle examination fee, insurance, transfer fee, energy supply fee, repair fee, removal charges, labour cost and parking fee, will not more than RMB2,000,000 (equivalent to approximately HK\$2,460,000) that the final amount shall be according to actual amount incurred.

The consideration was determined by the parties after arm's length negotiations with reference the costs of similar type of pre-owned vehicles in the market and the fitting out costs.

The consideration will be paid in accordance with the following schedule:

- (i) RMB24,588,000 (equivalent to approximately HK\$30,243,240), being RMB18,176,000 (equivalent to approximately HK\$22,356,480) for Vehicles procurement, RMB5,770,800 (equivalent to approximately HK\$7,098,084) for remodeling cost and RMB641,200 (equivalent to approximately HK\$788,676) for vehicles preparation costs will be paid by Life Healthcare Management within 7 business days of the signing of the Agreement, whereupon the title of the Vehicles will be transferred to Life Healthcare Management; and
- (ii) RMB641,200 (equivalent to approximately HK\$788,676) for the remaining balance of Vehicles remodeling cost will be paid by Life Healthcare Management within 7 business days of delivery of the completely fitted out Vehicles.

REASONS AND BENEFITS

The Group is principally engaged in the healthcare products and services business. The Group is of the view that healthcare services in the rural areas lag behind that of the developed urban areas and provide significant development opportunities. Owing to the remoteness of the rural areas, the deployment of mobile healthcare testing centers would provide the best solution for the Group to provide such services to the rural populations. The Procurement will provide the Group with the necessary platform to carry out such business initiative. Furthermore, the use of pre-owned vehicles will reduce the initial purchase costs and will be more cost-effective to the Group during this initial development stage.

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

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Procurement exceeds 5% but is less than 25%, the Procurement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

Life Healthcare Management

Life Healthcare Management is a 65%-owned subsidiary of the Company established in the PRC. It is principally engaged in the investment in healthcare management businesses in the PRC.

The Supplier

The Supplier 南京老地方汽車運輸服務有限公司 (Nanjing Laodifang Vehicle Transportation Services Co., Ltd.*) is principally engaged in general cargo and road transportation, cargo agency and vehicle leasing services, and the sales of vehicles and auto parts. It is wholly owned by 趙龍 (Zhao Long).

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, each of the Supplier and its ultimate beneficial owner is 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:

“Agreement”	the agreement dated 25 January 2022 between Life Healthcare Management and the Supplier;
“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;
“Life Healthcare Management”	北京蓮合健康管理有限公司 (Beijing Life Healthcare Management Co., Ltd.*), a company established in the PRC with limited liability and a 65%-owned subsidiary of the Company;
“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;
“Procurement”	the purchase and remodeling of the Vehicles;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplier”	南京老地方汽車運輸服務有限公司 (Nanjing Laodifang Vehicle Transportation Services Co., Ltd.*); and
“Vehicles”	132中通牌(Zhongtong) mini-buses.

This announcement contains translation between RMB and Hong Kong dollar amounts at RMB1.00 = HK\$1.23, being the exchange rate prevailing on 25 January 2022. 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

25 January 2022

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