

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 DISPOSAL OF 15% EQUITY INTEREST IN BEIJING LIFE HEALTHCARE ZHONGCHENG MEDICAL TECHNOLOGIES CO., LTD.*

Reference is made to the announcement of the Company dated 26 June 2020 in relation to, among other things, the formation of the Target Company as a joint venture company and the Group's contribution of RMB30,000,000 towards the registered capital of the Target Company.

On 29 June 2022, the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the 15% equity interest in the Target Company held by the Vendor for a consideration of RMB30,000,000.

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DISPOSAL AGREEMENT

Date

29 June 2022

Parties

- (1) Beijing Life Healthcare Medical Technology Company Limited* (北京蓮合醫療科技有限公司), as the vendor;
- (2) Shandong Guoyuan International Trading Co., Ltd.* (山東國源國際貿易有限公司), as the purchaser.

Assets to be disposed of

The asset to be disposed of is the Sale Interest, being the 15% equity interest in the Target Company held by the Vendor. The Sale Interest corresponds to the proportion of the Vendor's contribution of RMB30,000,000 towards the registered capital of the Target Company of RMB200,000,000.

Consideration

The consideration for the Disposal is RMB30,000,000, which was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the valuation of the Sale Interest as at 31 March 2022 at RMB26,350,000, as appraised by an independent valuer using the market approach.

The Purchaser will pay the consideration in cash to the Vendor within 20 working days after completion of the Disposal and the business registration in respect of the Disposal.

Conditions

Completion of the Disposal is conditional upon:

- (a) the Target Company having settled all its debt liabilities prior to the date of completion of the Disposal and provided the relevant evidence;
- (b) there having been no breach of the obligations under the Disposal Agreement up to the date of completion of the Disposal;
- (c) the Target Company having completed all necessary registration procedures for the changes in its articles of association, shareholding structure, directors and legal representatives in connection with the Disposal; and
- (d) the representations and warranties given by the parties to the Disposal Agreement under the Disposal Agreement remaining true, accurate and complete up to the date of completion of the Disposal.

Either party to the Disposal Agreement may in its sole discretion waive any of the conditions which relates to an obligation of the other party under the Disposal Agreement.

Completion

Completion of the Disposal will take place within five (5) working days of the fulfilment (or waiver) of the conditions to the Disposal Agreement.

The Vendor will assist and facilitate the Target Company to complete the business registration and other necessary registrations in respect of the Disposal within 30 days after the signing of the Disposal Agreement.

Following the completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is owned as to 15% by the Group through the Vendor as at the date of this announcement. The Target Company is principally engaged in medical section sector with internet services and related business in PRC.

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the shareholders of the Target Company (other than the Vendor) and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

The audited/unaudited financial information of the Target Company for the period from the date of establishment of the Target Company (i.e. 23 July 2020) to 31 March 2021 and the year ended 31 March 2022 are as follows:

	Period from the date of establishment of the Target Company to 31 March 2021	Year ended 31 March 2022
	<i>RMB</i>	<i>RMB</i>
	(audited)	(unaudited)
Net profit/(loss) before taxation	5,257,544	(2,723,903)
Net profit/(loss) after taxation	4,863,228	(2,723,903)

The unaudited total asset value and net asset value of the Target Company as at 31 March 2022 were approximately RMB649,053,763 and RMB287,025,690, respectively.

EXPECTED FINANCIAL IMPACT OF THE DISPOSAL

Subject to final audit, it is expected that the Group will realise a loss of approximately HK\$4,551,146, which is derived from the difference between the consideration for the Disposal of RMB30,000,000 and the carrying value of the Sale Interest of HK\$39,639,146.

The Company intends to apply the proceeds from the Disposal for enrichment of general working capital for operation and existing business of the Group.

REASONS FOR THE DISPOSAL

The Group is principally engaged in healthcare services business and money lending business.

The Directors consider that it is a good opportunity to realise the Sale Interest at a price higher than its valuation and use the net proceeds for the purposes mentioned in this announcement.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Vendor

The Vendor is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in the provision of healthcare services.

The Purchaser

The Purchaser is a company established in the PRC with limited liability. It is principally engaged in the business of finance and investment and trading in energy business. The Purchaser is ultimately beneficially owned as to 100% by Liu Jun* (刘军), who is a PRC citizen.

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the Purchaser and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the meaning ascribed to them below:

“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;
“Disposal”	the sale of the Sale Interest by the Vendor to the Purchaser as contemplated under the Disposal Agreement;
“Disposal Agreement”	the sale and purchase agreement dated 29 June 2022 entered into between the Vendor and the Purchaser;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Shandong Guoyuan International Trading Co., Ltd.* (山東國源國際貿易有限公司), a company established in the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	the 15% equity interest in the Target Company held by the Vendor;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Target Company”	Beijing Life Healthcare Zhongcheng Medical Technologies Co., Ltd.* (北京蓮和眾成醫療科技有限公司), a company established in the PRC with limited liability and owned as to 15% by the Vendor as at the date of this announcement;
“Vendor”	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; and
“%”	per cent.

This announcement contains translation between RMB and Hong Kong dollar amounts at RMB1.00 = HK\$1.17, being the exchange rate prevailing on 29 June 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

Hong Kong, 29 June 2022

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

Executive Directors:

Mr. Pang Zhen
Mr. Man Wai Lun
Mr. Huang Zhifang

Independent non-executive Directors:

Mr. Liu Xinghua
Mr. Wang Yang
Mr. Chan Man Kiu

* *For identification only*