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## **LIFE HEALTHCARE GROUP LIMITED**

**蓮和醫療健康集團有限公司**

*(formerly known as Tack Fiori International Group Limited 野馬國際集團有限公司)*

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 928)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY**

The Board announces that on 15 December 2017, the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser under which the Vendor agreed to sell the Sale Share and the Sale Loan to the Purchaser for an aggregate consideration of HK\$30,500,000.

The Target Company is a holding company established in the BVI. The Sale Share represents the entire issued share capital of the Target Company. The Target Group operates the education software products and related services business of the Group. After Completion of the Disposal, the Group will no longer have any interest in the Target Group.

As certain applicable ratios in respect of the Disposal under Rule 14.07 of the Listing Rules are over 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

#### **THE DISPOSAL AGREEMENT**

**Date:** 15 December 2017

#### **Parties to the Disposal Agreement:**

- (1) Tack Fiori International Group Limited as the vendor; The Vendor is a wholly-owned subsidiary of the Company incorporated in the BVI and is principally engaged in the business of investment holding; and

- (2) City Jade Investments Limited as the purchaser; The Purchaser is a company incorporated in the BVI and is principally engaged in investment holding. To the best knowledge of the Directors, having made all reasonable enquiries, the Purchaser and its beneficial owner are independent of and not connected with the Company or any of its connected persons.

## The Disposal

Pursuant to the Disposal Agreement, the Vendor has agreed to sell the Sale Share and the Sale Loan to the Purchaser. The Sale Share represents the entire issued share capital of the Target Company.

As at the date of this announcement, the Target Group owes the Group shareholder loans amounting to HK\$12,242,371.

The Target Company is a company incorporated in the BVI and is a wholly-owned subsidiary of the Group as at the date of this announcement. The Target Company is an investment holding company which is interested in the entire registered capital of 北京新知堂教育科技開發有限公司(Beijing Xinzhitang Educational Technology Development Company Limited\*), which is a wholly foreign owned enterprise established in the PRC and is principally engaged in the education software products business and related services business.

The unaudited net asset value of the Target Group was approximately HK\$17,878,042 as at 30 November 2017. The financial results of Target Group for the two years immediately preceding the date of the Disposal Agreement are as follows:

	For the year ended	
	31 March	
	2016	2017
	(audited)	(audited)
	HK\$'000	HK\$'000
Net loss before tax	8,300	4,012
Net loss after tax	8,296	4,001

It is expected that the Group will realise a gain on Disposal of approximately HK\$379,587, which is calculated by reference to the carrying value of the Target Group as at 30 November 2017. The Directors currently intend to apply the proceeds from the Disposal as general working capital of the Group. Upon Completion of the Disposal, the Group will no longer have any interests in the Target Group.

## Consideration

The consideration for the Disposal is HK\$30,500,000, which was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net assets value of the Target Group plus the Group's shareholder loans as at 30 November 2017.

\* For identification purpose only

The consideration will be payable in cash by the Purchaser to the Company at Completion.

### **Conditions**

Completion of the Disposal Agreement is conditional upon:

- (a) the Purchaser is satisfied with its due diligence on the Target Group;
- (b) the Company having complied with its disclosure and other requirements under the Listing Rules in respect of the Disposal;
- (c) the representations and warranties of the Company made under the Disposal Agreement have remain true, accurate and without omission in all material respects; and
- (d) there had not been any material adverse effect on the Target Group from the date of the Disposal Agreement to Completion.

If the conditions set out in the Disposal Agreement are not satisfied or waived within 60 days following the signing of the Disposal Agreement, the Disposal Agreement will, unless mutually agreed by the Vendor and the Purchaser, terminate and cease to be of any effect save for any antecedent breaches.

### **Completion**

Completion of the Disposal shall take place on the date of the satisfaction of the conditions to the Disposal Agreement.

### **REASONS FOR THE TRANSACTIONS**

The Group is principally engaged in, amongst others, healthcare services, money lending business and securities trading and investments.

The education software products and related services business of the Group is not profitable, with relatively low margin and has little rooms for developments. As a result, it is no longer the Group's primary business and the emphasis of the Group's business development. The Disposal would enable the Group to streamline its business and consolidate its resources to focus on the development of the principal businesses of the Group.

The Directors, including the non-executive Directors, consider that the terms of the Disposal were concluded after arm's length negotiations and on normal commercial terms, and the Disposal is in the interests of the Company and the Shareholders as a whole.

### **GENERAL**

As certain applicable ratios in respect of the Disposal in accordance with Rule 14.07 of the Listing Rules are more than 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“BVI”	British Virgin Islands;
“Company”	Life Healthcare Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	the completion of the Disposal pursuant to the Disposal Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the sale of the Sale Share and the Sale Loan to the Purchaser;
“Disposal Agreement”	the sale and purchase agreement dated 15 December 2017 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;
“Purchaser”	City Jade Investments Limited, a company incorporated in the British Virgin Islands;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Loan”	shareholder loans in the aggregate amount of HK\$12,242,371 extended by the Group to the Target Group to be assigned to the Purchaser upon Completion;
“Sale Share”	1 share of US\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company;

“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	China Education Media Limited (中國教育傳媒有限公司), a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company as at the date of this announcement;
“Target Group”	the Target Company and its subsidiary北京新知堂教育科技開發有限公司(Beijing Xinzhitang Educational Technology Development Company Limited*);
“Vendor”	Tack Fiori International Group Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company; and
“%”	per cent.

By order of the Board  
**Life Healthcare Group Limited**  
**Shan Hua**  
*Executive Director*

15 December 2017

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

*Executive Directors:*

Mr. Hua Yunbo (*Chairman and President*)

Ms. Shan Hua (*Chief Executive Officer*)

*Non-executive Director:*

Dr. Feng Xiaogang

*Independent Non-executive Directors:*

Mr. Liu Xinghua

Mr. Zhou Jian

Mr. Zheng Chunlei

Ms. Zhang Xuyang

\* *For identification purpose only*