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Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

**VOLUNTARY ANNOUNCEMENT
ENTERING INTO A MEMORANDUM OF UNDERSTANDING FOR
POSSIBLE TRANSACTION**

The board (the “**Board**”) of directors (the “**Directors**”) of Ziyuanyuan Holdings Group Limited (the “**Company**”) is pleased to announce that on 24 November 2023, the Company entered into a memorandum of understanding (the “**MOU**”) with He Chao, Shenzhen Yunrui Investment Limited Partnership (Limited Partnership)* and Shenzhen Boruiyun Investment Partnership (Limited Partnership)* (the “**Vendors**”).

THE MEMORANDUM OF UNDERSTANDING

Set out below are the principal terms of the MOU:

Date: 24 November 2023

Parties:

Vendors: (1) He Chao
(2) Shenzhen Yunrui Investment Limited Partnership (Limited Partnership)*
(3) Shenzhen Boruiyun Investment Partnership (Limited Partnership)*

Purchaser: the Company or its subsidiary

Pursuant to the MOU, the Purchaser desires to purchase and the Vendors desire to sell the equity interests (the “**Sale Shares**”) of Shenzhen Chuangda Yunrui Intelligent Technology Co., Ltd.* (the “**Target Company**”) and the Purchaser desires to inject capital (the “**Capital Injection**”) into the Target Company (the “**Possible Transaction**”). After the Sale Shares and Capital Injection are completed, the Group aims to own 51% of the equity interests of the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, the Vendors are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**")).

Consideration

The consideration for the Possible Transaction will be further negotiated between and determined by the Purchaser and the Vendors in the formal agreement.

Formal agreement

The Purchaser and the Vendors (collectively, the "**Parties**") shall negotiate and agree on the final terms and conditions of the Possible Transaction in the formal agreement which shall be executed within 6 months after the signing of the MOU or such other date as may be agreed between the Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited company incorporated in the People's Republic of China (the "**PRC**") in 2015. It is a national high-tech enterprise focusing on the fields of sleep diagnosis and treatment integration and physical and mental health products, it uses brain-computer interface technology and multi-modal sensor technology to enter the medical device market and digital health solution product field of sleep diagnosis and treatment. The core research and development team comes from Peking University and the Chinese Academy of Sciences with master's and doctoral degrees in microelectronics, computers, and biomedicine. They have accumulated more than ten years of industrial experience in the fields of analog-digital chip system design and acousto-optical electromagnetic multi-modal sensor fusion. The Target Company now has a number of Patents in the PRC and the United States.

REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTION

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Company and together with its subsidiaries (the "**Group**") is principally engaged in the provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipment and consumables business in the PRC.

The Directors believe that the Possible Transaction, if materialised, can create synergy for the Group's existing business. By integrating the resources, channels and market advantages of the Target Company and the Group, the Group will further develop the trading of medical equipment and consumables business to strengthen its competitiveness and market position in the fields.

GENERAL

The Board wishes to emphasise that the MOU is not legally binding and the Possible Transaction may or may not proceed. If the Possible Transaction materialises, it may constitute a notifiable transaction of the Company (as defined under the GEM Listing Rules). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Transaction will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

By order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 24 November 2023

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer) and Mr. Wong Kwok San, the non-executive Director is Mr. Lyu Di, and the independent non-executive Directors are Mr. Chan Chi Fung Leo, Mr. Chow Siu Hang and Dr. Deng Bin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.ziyygroup.com.