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PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

VOLUNTARY ANNOUNCEMENT ACQUISITION OF 20% EQUITY INTEREST OF HYDEE

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, Ping An Health Cloud, one of the Operating Entities of the Company, entered into the Acquisition Agreements with the Target and the Vendors, pursuant to which (i) on October 16, 2019, the Vendors have agreed to sell, and Ping An Health Cloud has agreed to acquire, 3,341,000 Acquisition Shares (representing approximately 8.63% of total issued shares of the Target on a fully-diluted basis) at a total consideration of approximately RMB49.1 million; and (ii) on November 4, 2019, the Target has conditionally agreed to issue and allot, and Ping An Health Cloud has agreed to subscribe, 4,403,750 Subscription Shares (representing approximately 11.37% of total issued shares of the Target on a fully-diluted basis) at a total consideration of RMB81.9 million. Upon the Completion, Hydee will be owned as to 20.00% by the Company.

Hydee is one of the largest ERP/SaaS information service provider of pharmacy channel in the PRC, which is principally engaged in the software development and provision of mobile internet solutions for B2B and B2C in the pharmaceutical distribution industry.

INTRODUCTION

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, Ping An Health Cloud, one of the Operating Entities of the Company, entered into the Acquisition Agreements with the Target and the Vendors, pursuant to which (i) on October 16, 2019, the Vendors have agreed to sell, and Ping An Health Cloud has agreed to acquire, 3,341,000 Acquisition Shares (representing approximately 8.63% of total issued shares of the Target on a fully-diluted basis) at a total consideration of approximately RMB49.1 million; and (ii) on November 4, 2019, the Target has conditionally agreed to issue and allot, and Ping An Health Cloud has agreed to subscribe, 4,403,750 Subscription Shares (representing approximately 11.37% of total issued shares of the Target on a fully-diluted basis) at a total consideration of RMB81.9 million. Upon the Completion, Hydee will be owned as to 20.00% by the Company. The principal terms of the Acquisition Agreements are set out below.

THE ACQUISITION AGREEMENTS

Parties

1. Ping An Health Cloud, one of the Operating Entities of the Company and the Purchaser
2. Certain individual shareholders of the Target, the Vendors
3. Hydee, the Target

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors and the Target are third parties independent of the Company and its connected persons.

Subject Matter

Ping An Health Cloud entered into the Acquisition Agreements with the Target and the Vendors, pursuant to which (i) the Vendors have agreed to sell, and Ping An Health Cloud has agreed to acquire, 3,341,000 Acquisition Shares (representing approximately 8.63% of total issued shares of the Target on a fully-diluted basis) at a consideration of RMB49.1 million; and (ii) the Target has conditionally agreed to issue and allot, and Ping An Health Cloud has agreed to subscribe, 4,403,750 Subscription Shares (representing approximately 11.37% of total issued shares of the Target on a fully-diluted basis) at a consideration of RMB81.9 million. Upon the Completion, Hydee will be owned as to 20.00% by the Company.

Consideration and Payment Terms

The total consideration for the Acquisition shall be approximately RMB131.0 million, which is consisted of RMB49.1 million for the Acquisition Shares and RMB81.9 million for the Subscription Shares. The consideration shall be settled by Ping An Health Cloud in cash on the date of the Completion.

The consideration was arrived at after arm's length negotiations between the parties and was determined based on comparable company analysis, which provides an implied value of the Target by comparing it to similar companies that are publicly traded. For purposes of such analysis, the Company mainly adopted Price-to-Sale multiple of publicly traded Internet Healthcare and related technology companies to evaluate the market value of the Target, taking into account of the Target's business prospects.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Hydee is one of the largest ERP (enterprise resource planning)/SaaS (software-as-a-service) information service provider of pharmacy channel in the PRC, covering over 120,000 retail pharmacies. Through the Acquisition, the Company, together with Hydee and pharmacy channels will form a closed loop of online and offline traffic, providing medical services and innovative medical products to customer of pharmacy channels.

INFORMATION ABOUT THE PARTIES

The Company

The Company is principally engaged in the online medical and wellness services, such as family doctor services, consumer healthcare services, health mall as well as health management and wellness interaction.

Hydee

Hydee is one of the largest ERP/SaaS information service provider of pharmacy channel in the PRC, which is principally engaged in the software development and provision of mobile internet solutions for B2B (business to business) and B2C (business to consumer) in the pharmaceutical distribution industry.

DEFINITIONS

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

“Acquisition”	the acquisition of the Acquisition Shares and the Subscription Shares in the Target pursuant to the Acquisition Agreements;
“Acquisition Agreements”	collectively, the equity transfer agreement among Ping An Health Cloud, the Vendors and the Target on October 16, 2019, in respect of the sale of the Acquisition Shares by the Vendors to Ping An Health Cloud and the share subscription agreement among Ping An Health Cloud, Mr. Xia Qifeng, Mr. Yang Jun, Ms. Lu Xiaohong, Mr. Chen Weixing, Ms. Li Xiaoyan and Shanghai Zhongdian Corporate Management Center (Limited Partnership) on November 4, 2019, in respect of the subscription of the Subscription Shares by Ping An Health Cloud;
“Acquisition Shares”	3,341,000 existing shares of the Target to be acquired by Ping An Health Cloud pursuant to the Acquisition Agreements;
“Board”	the board of directors of the Company;
“Company”	Ping An Healthcare and Technology Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange with stock code 1833;
“Completion”	the completion of the Acquisition;
“Director(s)”	the director(s) of the Company;
“Group”	the Company together with its subsidiaries and its Operating Entities;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Hydee” or “Target”	Shanghai Hydee Software Corp., Ltd. (上海海典軟件股份有限公司), a company established under the laws of the PRC on December 9, 2004, whose shares are listed on the National Equities Exchange And Quotations Co., Ltd. with stock code 831317;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Operating Entity(ies)”	the companies that the financial results of which have been consolidated and accounted for as the subsidiaries of the Company pursuant to the contractual arrangements;
“Ping An Health Cloud”	Ping An Health Cloud Company Limited (平安健康互聯網股份有限公司), a company established under the laws of the PRC on August 20, 2014 and one of the Operating Entities of the Company;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Shares”	4,403,750 new shares of the Target to be subscribed by Ping An Health Cloud pursuant to the Acquisition Agreements;
“USD”	United States Dollar, the lawful currency of the United States; and
“Vendors”	original shareholders of the Target, namely Mr. Xia Qifeng, Mr. Yang Jun, Ms. Lu Xiaohong, Mr. Chen Weixing, Ms. Li Xiaoyan and Mr. Guo Xuelu.

By order of the Board
PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED
Wang Tao
Chairman

Shanghai, the PRC
November 5, 2019

As at the date of this announcement, the Board comprises Mr. Wang Tao as chairman and executive Director, Mr. Lee Yuan Siong, Mr. Yao Jason Bo, Ms. Cai Fangfang, Mr. Dou Wenwei, Ms. Wang Wenjun and Mr. Law Siu Wah Eddie as non-executive Directors, and Mr. Tang Yunwei, Mr. Guo Tianyong, Mr. Liu Xin and Dr. Chow Wing Kin Anthony as independent non-executive Directors.