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## **RICI HEALTHCARE HOLDINGS LIMITED**

**瑞慈醫療服務控股有限公司**

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

**(Stock Code: 1526)**

### **CONNECTED TRANSACTIONS IN RELATION TO WUXI RICH AND CHANGZHOU RICH**

#### **EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that on June 1, 2022, Shanghai Ruikui entered into the Equity Transfer Agreement with Jinxin Holdings and the other minority shareholders of the Target Companies, pursuant to which, among others, (i) Shanghai Ruikui agreed to purchase and Jinxin Holdings agreed to sell 23.43% of the total equity interest in Wuxi Rich held by Jinxin Holdings; and (ii) Shanghai Ruikui agreed to sell and Jinxin Holdings agreed to purchase 57.92% of the total equity interest in Changzhou Rich held by Shanghai Ruikui. Upon completion of the Transactions, Shanghai Ruikui will cease to hold any equity interest in Changzhou Rich, Jinxin Holdings will no longer hold any equity interest in Wuxi Rich and cease to be a connected person at the subsidiary level of the Company, and Wuxi Rich will become an indirectly wholly-owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the Target Companies are not insignificant subsidiaries in aggregation in accordance with Rule 14A.09 of the Listing Rules and Jinxin Holdings is a substantial shareholder of each of the Target Companies, Jinxin Holdings is a connected person of the Company at the subsidiary level prior to the completion of the Transactions. As (i) the Transactions are between the Group and a connected person at the subsidiary level, with the highest applicable percentage ratio under the Listing Rules in respect of the respective Transactions being less than 5%, (ii) the Board has approved the Equity Transfer Agreement and the Transactions, and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the Transactions are conducted on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the Transactions constitute connected transactions but not notifiable transactions under the Listing Rules, and are subject to the reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the Transactions and hence no Director is required under the Listing Rules to abstain from voting on the resolutions approving the Transactions.

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## **EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are summarized as below:

### **Date**

June 1, 2022

### **Parties**

Shanghai Ruikui (as purchaser in respect of Wuxi Rich transaction and as vendor in respect of Changzhou Rici transaction)

Jinxin Holdings (as vendor in respect of Wuxi Rich transaction and as purchaser in respect of Changzhou Rici transaction)

The other minority shareholders of Changzhou Rich and Wuxi Rich (as vendor in respect of the Transactions):

Yuandi Holdings

Changzhou Langjie

As at the date of this announcement, Changzhou Rich is owned as to 57.92% by Shanghai Ruikui, 39.92% by Jinxin Holdings and 2.16% by the other minority shareholders; and Wuxi Rich is owned as to 74.43% by Shanghai Ruikui, 23.43% by Jinxin Holdings and 2.14% by the other minority shareholder.

### **Transactions**

Shanghai Ruikui agreed to purchase and Jinxin Holdings and the other minority shareholder of Wuxi Rich agreed to sell their entire equity interest in Wuxi Rich. Jinxin Holdings agreed to purchase and Shanghai Ruikui and the other minority shareholders of Changzhou Rich agreed to sell their entire equity interest in Changzhou Rich.

## **Consideration and Registration**

The consideration of the disposal of the equity interest in Changzhou Rich by Shanghai Ruikui to Jinxin Holdings is RMB27.11 million, and the consideration of the acquisition of the equity interest in Wuxi Rich by Shanghai Ruikui from Jinxin Holdings is RMB24.86 million. Such consideration was negotiated on arm's length basis between the respective vendors and purchasers with reference to a number of factors, including (i) financial performance and asset value of the Target Companies; (ii) the capital and other resources historically contributed by the Group and Jinxin Holdings to the Target Companies; and (iii) the Target Companies' business operations and future prospects.

The consideration will be paid on the day following completion of the preparation of materials for registration of the changes on administration of industry and commerce filing. On the payment date, the parties to the Equity Transfer Agreement will submit such materials for registration of the changes on administration of industry and commerce filing to the competent authorities.

The consideration payable by the Company will be funded by the Group's internal financial resources.

## **Conditions Precedent**

The Transactions are subject to the satisfaction of the following conditions precedent:

- i) each party to the Equity Transfer Agreement having obtained all necessary approvals, consents from their respective competent decision-making bodies and provided relevant written documents;
- ii) no law in force or any agreement, contract or legal document that prohibits or restricts the completion of the Transactions (except where relevant exemptions have been obtained) or has a material adverse effect on the relevant Target Companies' ownership, operation or control of the main business and related assets;
- iii) no litigation, arbitration, administrative penalty or investigation or other disputes involving the parties that may affect the legality of the Transactions or have a material adverse impact on the operation or operational environment of relevant Target Companies; and
- iv) no outstanding receivable from or payable to the related parties, directors, supervisors, shareholders, senior management or staff of the Target Companies.

## Termination

Under any of the following circumstances, either Shanghai Ruikui or Jinxin Holdings shall have the right to immediately terminate the Equity Transfer Agreement:

- i) any of the above-mentioned conditions precedent is not satisfied; or
- ii) other circumstances that make completion of the Transactions become impossible to occur.

## INFORMATION OF THE TARGET COMPANIES

Located respectively in Changzhou and Wuxi, Changzhou Rich and Wuxi Rich constitute a major part of the Group's OGP specialty hospitals business with an aim to address potential demand of high-net-worth individuals. Prior to completion of the Transactions, Changzhou Rich and Wuxi Rich are the indirectly non-wholly-owned subsidiaries of the Company.

Set out below is certain financial information of Changzhou Rich and Wuxi Rich under the Hong Kong Financial Reporting Standards:

### Changzhou Rich

	<b>For the year ended</b>		<b>As at</b>
	<b>December 31,</b>		<b>December 31,</b>
	<b>2020</b>	<b>2021</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Net assets	—	—	(40,918)
Total assets	—	—	181,958
Loss before taxation	69,089	62,601	—
Loss after taxation	68,182	77,407	—

## Wuxi Rich

	For the year ended		As at
	December 31,		December 31,
	2020	2021	2021
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Net assets	—	—	53,903
Total assets	—	—	157,227
Loss before taxation	47,966	41,475	—
Loss after taxation	29,349	44,386	—

## INFORMATION RELATING TO THE COMPANY, SHANGHAI RUIKUI AND JINXIN HOLDINGS

### The Company

The Company was incorporated under the laws of Cayman Islands on July 11, 2014 as an exempted company with limited liability. The principal activity of the Company is investment holding. The Group is principally engaged in the operation of general hospitals, specialty hospitals, medical examination centers and clinics in the PRC.

### Shanghai Ruikui

Shanghai Ruikui is a company incorporated under the laws of the PRC with limited liability on August 25, 2014 and an indirectly wholly-owned subsidiary of the Company. The principal activity of Shanghai Ruikui is investment holding.

### Jinxin Holdings

Jinxin Holdings is a company established under the laws of the PRC with limited liability on December 9, 1998 and owned 39.92% of the total equity interest of Changzhou Rich and 23.43% of the total equity interest of Wuxi Rich respectively as at the date of this announcement. The principal activity of Jinxin Holdings is real estate development, and it is also engaged in investment in medical and healthcare, financial capital, machinery manufacturing, business travel hotels, among others.

Jinxin Holdings is a connected person of the Company at the subsidiary level prior to completion of the Transactions.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Considering the historical financial performance of the Target Companies, the Directors are of the views that the Transactions will offer an opportunity for the Group to optimize its resource layout in the Yangtze River Delta region and better utilize its advantage with a focus on the development of the Group's OGP specialty hospitals in Wuxi and Shanghai and other business segments. Upon completion of the Transactions, the Group will cease to hold any equity interest in Changzhou Rich, and Wuxi Rich will become a wholly-owned subsidiary of the Company indirectly held through Shanghai Ruikui.

The Board has approved the Equity Transfer Agreement and the Transactions. The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements and the Transactions are fair and reasonable, the Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group, and the Transactions are in the interest of the Company and the Shareholders as a whole.

## **IMPLICATION OF THE LISTING RULES**

As Target Companies are not insignificant subsidiaries in aggregation in accordance with Rule 14A.09 of the Listing Rules and Jinxin Holdings is a substantial shareholder of each of the Target Companies, Jinxin Holdings is a connected person of the Company at the subsidiary level prior to the completion of the Transactions. As (i) the Transactions are between the Group and a connected person at the subsidiary level, with the highest applicable percentage ratio under the Listing Rules in respect of the respective Transactions being less than 5%, (ii) the Board has approved the Equity Transfer Agreement and the Transactions, and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the Transactions are conducted on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the Transactions constitute connected transactions but not notifiable transactions under the Listing Rules, and are subject to the reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the Transactions and hence no Director is required under the Listing Rules to abstain from voting on the resolutions approving the Transactions.

## DEFINITIONS

“Board”	the board of Directors
“Changzhou Langjie”	Changzhou Langjie Investment Co., Ltd. (常州朗捷投資有限公司), a company incorporated under the laws of the PRC with limited liability on April 12, 2013 and a minority shareholder of Changzhou Rich prior to completion of the Transactions
“Changzhou Rich”	Changzhou Rich Hospital Co., Ltd. (常州瑞慈醫院有限公司)(formerly known as Changzhou Rich Obstetrics & Gynecology Hospital Co., Ltd. (常州瑞慈婦產醫院有限公司)), a company incorporated under the laws of the PRC with limited liability on July 12, 2016, an indirectly non-wholly-owned subsidiary of the Company prior to completion of the Transactions and a target of the Transactions
“Company”	Rici Healthcare Holdings Limited (瑞慈醫療服務控股有限公司), a company incorporated in the Cayman Islands with limited liability on July 11, 2014 and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity interest transfer agreement dated June 1, 2022 entered into by Shanghai Ruikui, Jinxin Holdings and the minority shareholders of Wuxi Rich and Changzhou Rich, pursuant to which, among others, (i) Shanghai Ruikui agreed to purchase and Jinxin Holdings agreed to sell 23.43% of the total equity interest in Wuxi Rich held by Jinxin Holdings; and (ii) Shanghai Ruikui agreed to sell and Jinxin Holdings agreed to purchase 57.92% of the total equity interest in Changzhou Rich held by Shanghai Ruikui
“Group”	the Company and its subsidiaries



“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Jinxin Holdings”	Jinxin Holdings Group Co., Ltd. (金新控股集團有限公司), a company incorporated under the laws of the PRC with limited liability on December 9, 1998 and a minority shareholder of Changzhou Rich and Wuxi Rich prior to completion of the Transactions
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“OGP”	obstetrics, gynecology and pediatrics
“PRC”	The People’s Republic of China, which expression for the purpose of this announcement, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Ruikui”	Shanghai Ruikui Health Consulting Co., Ltd. (上海瑞魁健康諮詢有限公司), a company incorporated under the laws of the PRC with limited liability on August 25, 2014, an indirectly wholly-owned subsidiary of the Company and the direct holding company of the Target Companies prior to completion of the Transactions
“Shareholder(s)”	shareholder(s) of the Company
“Target Companies”	Changzhou Rich and Wuxi Rich, the targets of the Transactions
“Transactions”	the transactions contemplated under the Equity Transfer Agreement
“Wuxi Rich”	Wuxi Rich Obstetrics & Gynecology Hospital Co., Ltd. (無錫瑞慈婦產醫院有限公司), a company incorporated under the laws of the PRC with limited liability on December 28, 2016, an indirectly non-wholly-owned subsidiary of the Company prior to completion of the Transactions and a target of the Transactions

“Yuandi Holdings”

Shanghai Yuandi Financial Holdings Equity Investment Fund Management Co., Ltd. (上海源地金控股權投資基金管理有限公司), a company incorporated under the laws of the PRC with limited liability on August 30, 2012 and a minority shareholder of Changzhou Rich and Wuxi Rich prior to completion of the Transactions

By Order of the Board of Directors  
**Rici Healthcare Holdings Limited**  
**Fang Yixin**  
*Chairman and Chief Executive Officer*

Shanghai, the PRC, June 1, 2022

*As at the date of this announcement, the Board comprises four executive Directors, namely Dr. Fang Yixin, Dr. Mei Hong, Mr. Fang Haoze and Ms. Lin Xiaoying; and three independent non-executive Directors, namely Dr. Wang Yong, Mr. Jiang Peixing and Ms. Wong Sze Wing.*