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Yidu Tech Inc.
醫渡科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2158)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF INTEREST IN A FUND

SUBSCRIPTION OF INTEREST IN A FUND

The Board is pleased to announce that on October 28, 2022, Marvelous Panda, a wholly-owned subsidiary of the Company, and the General Partner entered into the Subscription Agreement, pursuant to which Marvelous Panda agreed to, among others, (i) become a Limited Partner of the Fund, (ii) adhere to, comply with, be bound by and receive the benefits of the terms of the Limited Partnership Agreement, and (iii) make a cash contribution of US\$40 million (equivalent to approximately RMB287 million) to the Fund, representing 40% of the Fund Commitment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Liang was a director of a subsidiary of the Company in the last 12 months and hence a connected person of the Company at the subsidiary level. The General Partner, which is controlled as to more than 30% by Mr. Liang, is an associate of Mr. Liang and hence also a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) Mr. Liang is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Transaction is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

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The principal terms of the Subscription Agreement and the Limited Partnership Agreement, as amended and supplemented by the Letter Agreement, are set out below.

THE SUBSCRIPTION AGREEMENT (AS AMENDED AND SUPPLEMENTED BY THE LETTER AGREEMENT)

Pursuant to the Subscription Agreement, Marvelous Panda agreed to, among others, (i) become a Limited Partner to the Fund; (ii) adhere to, comply with, be bound by and receive the benefits of the terms of the Limited Partnership Agreement; and (iii) make a cash contribution of US\$40 million (equivalent to approximately RMB287 million) to the Fund.

THE LIMITED PARTNERSHIP AGREEMENT (AS AMENDED AND SUPPLEMENTED BY THE LETTER AGREEMENT)

Name of the Fund

The name of the Fund is YD Capital I L.P..

Purpose of the Fund

The purpose of the Fund is primarily to (i) make venture capital investments in the healthcare sector, (ii) manage, supervise and disposing of such investments, and (iii) engage in such other activities incidental or ancillary thereto as the General Partner deems necessary, appropriate or advisable.

Commencement and duration of the Fund

The Fund was established on May 30, 2022 by an initial exempted limited partnership agreement entered into between the General Partner and the Initial Limited Partner.

Subject to winding up or dissolution of the Fund pursuant to the Limited Partnership Agreement, the Fund shall continue until the expiry of ten years from the initial closing date of the Fund, provided that the term may be extended by the General Partner for two one-year periods with the consent of the Advisory Board.

Fund Commitment

The Fund Commitment of the Limited Partners shall be US\$100 million (equivalent to approximately RMB717 million), of which Marvelous Panda shall contribute US\$40 million, representing 40% of the Fund Commitment.

Marvelous Panda shall make its capital contribution to the Fund in installments upon notice from the General Partner at least ten business days prior to the payment date. The capital commitment to be made by Marvelous Panda was determined upon arm's length negotiation among the parties under the Limited Partnership Agreement with reference to the anticipated capital requirements of the Fund and such capital commitment will be funded by net proceeds from the Listing allocated for enriching the Group's ecosystem through strategic partnerships, investments and acquisitions (as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus) and paid in cash. The General Partner and its affiliates and/or their respective directors, officers or employees will commit to the Fund an aggregate amount of at least 1% of the Fund's aggregate commitments.

Investment Period

At the end of the period (the "**Investment Period**") commencing on the initial closing date and ending on the fifth anniversary of the initial closing date, unless extended for up to a maximum of one year with the approval of the Advisory Board, all Partners will be released from any further obligation to fund investments, but will remain obligated to make contributions throughout the duration of the Fund in relation to the Fund's operation and other investment activities as set forth in the Limited Partnership Agreement.

Distributions

The General Partner may in its sole discretion cause the Fund to make distributions of cash, securities and other property received by the Fund in respect of any investment or portion thereof to the Partners at any time and from time to time in the manner pursuant to the Limited Partnership Agreement.

Distributions of net cash proceeds attributable to the disposition of investments in portfolio companies, as well as distributions of securities in kind, together with any dividends and interest income received with respect to investments in portfolio companies, will generally be allocated among the Partners participating in the applicable investment in proportion to their respective participation in funding such investment, subject to a preferred return compounded annually and such carried interest as agreed between the General Partner and the Limited Partners.

Advisory Fee

The Fund will pay the General Partner or its designated affiliate an annual advisory fee (the "**Advisory Fee**") at 2% *per annum* (or 1.6% *per annum* in the case of the Limited Partners) of aggregate commitments during the Investment Period, and thereafter, at 2% *per annum* of the aggregate acquisition cost of investments that have not been realized or completely written-off. The Advisory Fee will generally be reduced by 100% of any directors' fees, transaction fees, monitoring fees and any break up fees, in each case, net of certain expenses as set forth in the Limited Partnership Agreement.

Removal of the General Partner and Termination

If the General Partner is found to have engaged in certain removal conduct as specified in the Limited Partnership Agreement, a majority in interest of the Limited Partners may elect to (i) remove the General Partner or (ii) wind-up and dissolve the Fund.

Transfers and Withdrawals

Generally, a Limited Partner may not sell, assign, or transfer any interest in the Fund without the prior written consent of the General Partner, which may be withheld in the General Partner's sole discretion. In addition, generally, a Limited Partner may not withdraw any amount from the Fund, except as otherwise agreed with such Limited Partner and other than with respect to certain regulated Limited Partners in certain circumstances as set forth in the Limited Partnership Agreement.

Management of the Fund

The General Partner shall have control over the conduct of the business, assets and affairs of the Fund and the power on behalf and in the name of the Fund to carry out any and all of the objectives and purposes of the Fund and to perform all acts and enter into and perform all contracts and other undertakings that the General Partner, in its sole discretion, deems necessary or advisable or incidental thereto, including the power to acquire and dispose of any investment. The General Partner shall cause the Fund to appoint the Investment Adviser who will provide investment advisory services in respect of the Fund. The General Partner shall also cause the Advisory Board, comprising members who are not affiliates of the General Partner (including one member appointed by Marvelous Panda), to be formed to, among others, approve certain investment decisions, periodically review the valuations of the Fund's assets made by the General Partner and provide advice in connection with the Fund's investments.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

As the object of the Fund is to seek investment in healthcare sectors, the Transaction is in line with the Company's business strategy to enrich its ecosystem through strategic partnerships, investments and acquisitions in healthcare sectors. The Transaction represents a good opportunity for the Company to partner with others to indirectly invest in the healthcare sector through the Fund and to leverage the experience of the General Partner. The Company is optimistic about the growth and development of the healthcare sector, and believes that the Transaction will bring further business opportunities, diversified investment portfolios and potential investment returns to the Company in the long run.

Having considered the above, the Directors (including the independent non-executive Directors) have confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

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Mr. Liang was a director of a subsidiary of the Company in the last 12 months and hence a connected person of the Company at the subsidiary level. The General Partner, which is controlled as to more than 30% by Mr. Liang, is an associate of Mr. Liang and hence also a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) Mr. Liang is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Transaction is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors has any material interest in the matters contemplated therein nor was any of them required to abstain from voting on the relevant Board resolutions approving the Transaction.

INFORMATION OF THE PARTIES

General Partner

Causa Capital Investment Limited is an investment holding company incorporated in the Cayman Islands with limited liability and ultimately owned as to 60% by Mr. Liang and as to 40% by Mr. He.

Carried Interest Partner

Causa Longevity L.P. is an exempted partnership established in the Cayman Islands principally engaged in investment holding. The general partner of the Carried Interest Partner is the General Partner. The limited partners of the Carried Interest Partner are committed as to (i) 29% by a limited partnership, whose general partner is an entity wholly-owned by Mr. Liang and limited partner is an entity wholly-owned by Ms. Yang; and (ii) 71% by a limited partnership, whose general partner is an entity wholly-owned by Mr. Liang and limited partner is an entity wholly-owned by Mr. He.

Investment Adviser

Causa Investment Management Company Limited is an exempted company incorporated in the Cayman Islands principally engaged in investment management and ultimately owned as to 51% by Mr. Liang and as to 49% by the Company.

The Limited Partners

The Company is a leading company in the health technology sector offering healthcare solutions built on big data and artificial intelligence (AI) technologies. We serve and partner with key healthcare industry participants, including hospitals, pharmaceutical, biotech and medical device companies, research institutions, insurance companies, doctors and patients, as well as regulators and policy makers. Marvelous Panda is an investment holding company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the other Limited Partner and its ultimate beneficial owner(s) are each a third party independent of and not connected with the Company or its connected persons.

DEFINITIONS

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

“Advisory Board”	a board of the Fund appointed by the General Partner to, among other things, provide advice in connection with the Fund's investments and other matters as requested by the General Partner
“Board”	the board of Directors
“Carried Interest Partner”	Causa Longevity L.P., an exempted partnership established in the Cayman Islands
“Company”	Yidu Tech Inc. (醫渡科技有限公司), a company with limited liability incorporated in the Cayman Islands on December 9, 2014, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2158)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	Causa Investment Fund I L.P., an exempted limited partnership established in the Cayman Islands
“Fund Commitment”	US\$100 million (equivalent to approximately RMB717 million), the aggregate amount of capital agreed to be contributed to the Fund by the Limited Partners
“General Partner”	Causa Capital Investment Limited, an exempted company incorporated in the Cayman Islands
“Group”	the Company, its subsidiaries, and the consolidated affiliated entities from time to time

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Limited Partner”	Causa Longevity L.P., an exempted partnership established in the Cayman Islands
“Investment Adviser”	Causa Investment Management Company Limited, a Cayman Islands exempted Company owned as to 51% by Mr. Liang and 49% by Marvelous Panda and designated by the General Partner to act as an investment adviser and to provide investment advisory services to the General Partner in respect of the Fund
“Letter Agreement”	the letter agreement entered into between Marvelous Panda and the General Partner on October 28, 2022 to alter and supplement certain terms of the Limited Partnership Agreement and the Subscription Agreement
“Limited Partners”	the persons admitted as limited partners of the Fund, including Marvelous Panda
“Limited Partnership Agreement”	the amended and restated limited partnership agreement entered into between the General Partner, as the general partner and attorney of the Limited Partners, the Initial Limited Partner, the Investment Adviser and the Carried Interest Partner in respect of the Fund on July 24, 2022
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Marvelous Panda”	Marvelous Panda Inc., a company with limited liability incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Mr. He”	Mr. He Zhi (何直), the chief innovation officer and a co-founder of the Company
“Mr. Liang”	Mr. Liang Yupeng (梁宇鹏)
“Ms. Yang”	Ms. Yang Jing (楊晶), an executive Director
“Partner(s)”	the Limited Partners, the General Partner and the Carried Interest Partner
“Prospectus”	the prospectus of the Company dated December 31, 2020
“Share(s)”	ordinary share(s) in the share capital of the Company, currently with a par value of US\$0.00002 each

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated October 28, 2022 entered into between Marvelous Panda and the General Partner in respect of the Transaction
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the subscription of a limited partnership interest in the Fund pursuant to the terms of the Subscription Agreement and the Limited Partnership Agreement, as amended and supplemented by the Letter Agreement
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
Yidu Tech Inc.
Gong Yingying
Executive Director, Chairlady and Chief Executive Officer

Hong Kong, October 28, 2022

As at the date of this announcement, the executive Directors are Ms. Gong Yingying, Ms. Yang Jing, Dr. Yan Jun and Ms. Zhang Shi; the non-executive Director is Mr. Zeng Ming; and the independent non-executive Directors are Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi.