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GENERTEC UNIVERSAL MEDICAL GROUP COMPANY LIMITED

通用環球醫療集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 2666)

CONNECTED TRANSACTION

FORMATION OF A JOINT VENTURE

FORMATION OF THE JOINT VENTURE

The Board is pleased to announcement that on 25 November 2022, after trading hours, CULC (a wholly-owned subsidiary of the Company), GT Digital Tech (a wholly-owned subsidiary of GT-PRC), Genertec Guozhong Healthcare (a subsidiary of GT-PRC), Aerospace Medical & Healthcare Technology (a subsidiary of GT-PRC) and GEM Flower Healthcare (a wholly-owned subsidiary of GT-PRC) executed the Articles to establish the Joint Venture.

Pursuant to the Articles, the registered capital of the Joint Venture will be RMB200 million, among which, (i) CULC would contribute RMB60 million, (ii) GT Digital Tech would contribute RMB80 million, (iii) Genertec Guozhong Healthcare would contribute RMB20 million, (iv) Aerospace Medical & Healthcare Technology agreed to contribute RMB20 million, and (v) GEM Flower Healthcare would contribute RMB20 million. Upon the establishment of the Joint Venture, its registered capital will be held by CULC, GT Digital Tech, Genertec Guozhong Healthcare, Aerospace Medical & Healthcare Technology and GEM Flower Healthcare as to 30%, 40%, 10%, 10% and 10%, respectively, and the Joint Venture will not be accounted as a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GT-PRC is the controlling shareholder holding approximately 38.55% of the entire issued capital of the Company, thus each of GT Digital Tech, Genertec Guozhong Healthcare, Aerospace Medical & Healthcare Technology and GEM Flower Healthcare, as a subsidiary of GT-PRC, is a connected person of the Company pursuant

to the Listing Rules. As such, the formation of the Joint Venture constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the formation of the Joint Venture are more than 0.1% but less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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THE ARTICLES

The principal terms of the Articles are summarized as follows:

Date	25 November 2022 (after trading hours)
Name of the Joint Venture	Genertec Digital Health Technology (Beijing) Co., Ltd. (通用技術集團健康數字科技(北京)有限公司)
Shareholders of the Joint Venture	(i) CULC; (ii) GT Digital Tech; (iii) Genertec Guozhong Healthcare; (iv) Aerospace Medical & Healthcare Technology; and (v) GEM Flower Healthcare
Registered capital of the Joint Venture	The registered capital of the Joint Venture will be RMB200 million. The capital contribution shall be made by the parties in the following manner:

and capital contribution

Party	Amount of capital contribution (RMB million)	Type of capital contribution	Percentage
CULC	60	Cash and intellectual properties	30%
GT Digital Tech	80	Cash	40%
Genertec Guozhong Healthcare	20	Cash	10%
Aerospace Medical & Healthcare Technology	20	Cash	10%
GEM Flower Healthcare	20	Cash	10%

Pursuant to the Articles, (i) CULC should make contribution of approximately RMB24.6 million in cash and approximately RMB5.4 million with certain intellectual properties by 31 December 2022, and RMB30.0 million in cash by 30 June 2023; and (ii) each of the remaining parties should make 50% of its capital contribution by 31 December 2022 and pay the remaining 50% by 30 June 2023.

The amount of the capital contribution to be made by the parties was determined after arm's length negotiations among the parties with reference to, among other things, the expected capital requirements of the Joint Venture.

Business scope of the Joint Venture

The business scope of the Joint Venture will include supporting services for data processing and storage, data processing services, big data services, research, development and sale of software, information system integration services, technology services, etc.

Board composition and management structure

The board of directors of the Joint Venture shall comprise nine directors, including eight directors recommended by its shareholders and one employee representative director, among the eight directors recommended by its shareholders, GT Digital Tech is entitled to recommend three directors, CULC is entitled to recommend two directors, and each of Genertec Guozhong Healthcare, Aerospace Medical & Healthcare Technology and GEM Flower Healthcare is entitled to recommend one director.

Each of the directors recommended by shareholders should be subject to election at a shareholders' meeting of the Joint Venture. The employee representative director will be elected by the employees' meeting or the employee representatives meeting of the Joint Venture.

The chairman of the board should be one of the directors recommended by GT Digital Tech and the vice-chairman of the board should be one of the directors recommended by CULC.

The general manager of the Joint Venture will be appointed by its board.

Resolutions of shareholders' meetings

The voting rights of the shareholders shall be proportionate to their capital contribution to the Joint Venture. Resolutions of the Joint Venture's shareholders meeting in relation to amendments on the Articles, the increase or decrease in the registered capital, and merging, splitting, dissolving or changing of the form of the Joint Venture must be approved by shareholders representing more than two-thirds of the voting rights, and resolutions regarding other matters must be approved by shareholders representing more than half of the voting rights.

Restrictions on equity transfer

The shareholders of the Joint Venture may transfer all or part of their equity interests in the Joint Venture among themselves. The other shareholder(s)' written consent is required if any shareholder transfers equity interests in the Joint Venture to any third party.

Dissolution of the Joint Venture

The Joint Venture should apply to the registration authority for cancellation of registration within 30 days upon the occurrence of any of the following:

(a) the term of the Joint Venture having expired or any cause of dissolution stipulated by the Articles;

(b) the shareholders having at a shareholders' meeting resolve to dissolve the Joint Venture;

(c) the merger or separation of the Joint Venture necessitates its dissolution;

(d) the business registration license of the Joint Venture is revoked pursuant to applicable laws, the Joint Venture is ordered to close or was struck off;

(e) the courts of the PRC having ordered the dissolution of the Joint Venture; or

(f) other circumstances under which the Joint Venture shall be dissolved pursuant to the applicable laws and regulations.

INFORMATION OF THE PARTIES TO THE ARTICLES

The Company

The Company is an integrated healthcare service provider with focuses on the fast-growing healthcare service industry in the PRC. Leveraging its own rich medical resources and strong financial strength, the Company is committed to improving the technical standards, service capabilities, operational performance and management effectiveness of the hospitals, to effectively enhance the overall strength of the hospital.

CULC

CULC, a direct wholly-owned subsidiary of the Company, is a limited liability company incorporated in the PRC in November 1984. CULC is mainly engaged in financial leasing business, leasing business, residual value treatment and maintenance of leased properties, and leasing transactions consulting.

GT-PRC and its Group Members

GT-PRC was established in March 1998 as a state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission. The principal business of GT-PRC comprises three major segments, namely, advanced manufacturing and technology service, pharmaceutical and healthcare and trade and engineering contracting.

GT Digital Tech is a limited liability company established in the PRC and a wholly-owned subsidiary of GT-PRC. The principal business of GT Digital Tech comprises digitalization service, research and development of software, technology consultation, etc.

Genertec Guozhong Healthcare is a state-owned enterprise principally engaged in medical service, healthcare management, elder care service and sanatorium. The ultimate beneficial owner of Genertec Guozhong Healthcare is GT-PRC.

Aerospace Medical & Healthcare Technology is a state-owned enterprise principally engaged in hospital management, hospital research and development, healthcare consultation, investment, medical digitalization, sales and distribution of medical equipment and medicine, property management, etc. The ultimate beneficial owner of Aerospace Medical & Healthcare Technology is GT-PRC.

GEM Flower Healthcare is a limited liability company established in the PRC and a wholly-owned subsidiary of GT-PRC. GEM Flower Healthcare principally engaged in investment, investment management and asset management.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

To achieve high-quality development of the medical sector and grasp the initiative of digital transformation, GT-PRC and its group members engaged in medical industry (including the Company) plan to jointly establish the Joint Venture, which will leverage its advantages as a unified platform to better empower the digital construction of each shareholder of the Joint Venture. Medical operating data accumulated by each of its shareholders will form abundant digital industrial resources, and generate greater value from digital industrialization through the mode of independent innovation and cost sharing. As a shareholder of the Joint Venture, CULC will enable the Group to share the achievements and returns of the digital construction and digital industrialization of GT-PRC. In addition, the Joint Venture will also serve as a centralized

procurement platform for digitalization services for each of its shareholders, providing the Company's hospital group with more favorable terms of procurement in the field of digital construction.

As such, the Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) believe that the formation and operation of the Joint Venture could enhance the Group's knowledge and experience in technology services with respect to hospital information management system, and the Company would benefit from the business expansion of the Joint Venture in the long run and create a greater strategic value in the future GT-PRC's medical resources integration and collaborative development.

As at the date of the board meeting approving the transaction, Mr. Tong Chaoyin and Mr. Xu Ming, non-executive Directors holding positions in GT-PRC or its associates, were considered to have material interests in the transaction under the formation of the Joint Venture. Therefore, Mr. Tong Chaoyin and Mr. Xu Ming had abstained from voting on the resolution in respect of the formation of the Joint Venture. Save as disclosed above, no other Director has interests in the Articles and the formation of the Joint Venture. The Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) are also of the view that the terms of the Articles are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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DEFINITIONS

“Aerospace Medical Healthcare Technology”	&	Aerospace Medical & Healthcare Technology Group Co., Ltd. (航天醫療健康科技集團有限公司), a state-owned enterprise which is ultimately beneficially owned by GT-PRC
“Articles”		the articles of association of the Joint Venture dated 25 November 2022 entered into by and among CULC, GT Digital Tech, Genertec Guozhong Healthcare, Aerospace Medical & Healthcare Technology and GEM Flower Healthcare, in relation to, among other things, the establishment of the Joint Venture
“associate(s)”		has the meaning ascribed thereto in the Listing Rules

“Board”	the board of directors of the Company
“Company”	Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 2666)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“CULC”	China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“GEM Flower Healthcare”	GEM Flower Healthcare Investment Holding Group Co., Ltd. (寶石花醫療健康投資控股集團有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of GT-PRC
“Genertec Guozhong Healthcare”	Genertec Guozhong Healthcare Group Co., Ltd. (國中康健集團有限公司), a state-owned enterprise which is ultimately beneficially owned by GT-PRC
“Group”	the Company and its subsidiaries
“GT Digital Tech”	General Technology Group Digital Intelligent Technology Co., Ltd. (通用技術集團數字智能科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of GT-PRC
“GT-PRC”	China General Technology (Group) Holding Company Limited (中國通用技術（集團）控股有限責任公司), a state-owned enterprise and the ultimate controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	General Technology Group Medical Digital Technology (Beijing) Co., Ltd. (通用技術集團健康數字科技（北京）有限公司), a joint venture to be established in the PRC pursuant to the terms of the Articles
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“PRC”	the People’s Republic of China excluding Hong Kong, Macau and Taiwan solely for the purpose of this announcement

“RMB”	renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“%”	per cent

By order of the Board
**Genertec Universal Medical Group Company
 Limited**
 通用環球醫療集團有限公司
Peng Jiahong
Chairwoman of the Board

Beijing, PRC, 25 November 2022

As at the date of this announcement, the executive Directors are Ms. Peng Jiahong (Chairwoman), Mr. Wang Wenbing and Mr. Yu Gang; the non-executive Directors are Mr. Chan Kai Kong (Vice-chairman), Mr. Tong Chaoyin, Mr. Xu Ming and Mr. Zhu Ziyang; and the independent non-executive Directors are Mr. Li Yinquan, Mr. Chow Siu Lui, Mr. Xu Zhiming and Mr. Chan, Hiu Fung Nicholas.