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Rainmed Medical Limited

潤邁德醫療有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2297)

MAJOR TRANSACTION CONSTRUCTION AGREEMENT

CONSTRUCTION AGREEMENT

The Board hereby announces that on March 24, 2023, Rainmed Robot entered into the Construction Agreement with the Contractor, pursuant to which the Contractor will undertake the Construction Works at a consideration of RMB430,000,000.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Construction Agreement exceeds 25% but is less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the transaction contemplated under the Construction Agreement. As such, no Shareholder is required to abstain from voting if an extraordinary general meeting were to be convened for the approval of the Construction Agreement and the transaction contemplated thereunder.

The Company has obtained a written approval in respect of the Construction Agreement and the transaction contemplated thereunder from a closely allied group of Shareholders which collectively holds 665,023,530 Shares, representing approximately 56.95% of the entire issued share capital of the Company as at the date of this announcement. As such, no extraordinary general meeting will be convened for the approval of the Construction Agreement as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Construction Agreement and the transaction contemplated thereunder is expected to be dispatched to the Shareholders for information purpose on or before April 20, 2023.

INTRODUCTION

The Board hereby announces that on March 24, 2023, Rainmed Robot entered into the Construction Agreement with the Contractor, pursuant to which the Contractor will undertake the Construction Works at a consideration of RMB430,000,000.

CONSTRUCTION AGREEMENT

The principal terms of the Construction Agreement are set out below:

- Date: March 24, 2023
- Parties: (i) Rainmed Robot; and
(ii) the Contractor
- Scope of work: the construction and engineering works of manufacturing facilities, office buildings and supporting facilities on a piece of land located in Wuzhong District, Suzhou, Jiangsu Province, the PRC with a construction area of approximately 75,600 sq.m.
- Construction period: The Construction Works are expected to be completed within 730 days after the commencement date, which will be specified in the commencement report or commencement notice and is expected to be May 7, 2023.
- Consideration: The consideration payable to the Contractor shall be RMB430,000,000, subject to any adjustments arising from fluctuations on market prices on raw material costs (including steel, concrete, cables and aluminium alloy).
- Payment terms: The consideration shall be settled by Rainmed Robot in the following manner:
- (1) 10% of the consideration shall be paid to the Contractor as prepayment one week before the Contractor commences the Construction Works provided that the performance guarantee as set out below has been furnished by the Contractor to Rainmed Robot;
 - (2) by way of instalments, part of the consideration shall be paid upon certain milestones of the Construction Works having been attained such that up to 70% of the consideration will have been paid upon completion of acceptance filing of the Construction Works;
 - (3) 25% of the consideration shall be paid upon the signing of the settlement audit report by both parties such that up to 95% of the consideration will have been paid; and
 - (4) the remaining 5% of the consideration shall be withheld by Rainmed Robot as retention money and shall be released upon expiry of the defect liability period as detailed below.

Performance guarantee: The Contractor shall, within 30 days after the entering into of the Construction Agreement, provide a letter of guarantee issued by a bank or factoring company to Rainmed Robot in an amount of RMB43,000,000, representing 10% of the consideration, for a period commencing on the date on which the Construction Agreement is entered into and ending on the date on which the Contractor receives the acceptance certificate of the Construction Works from Rainmed Robot.

Defect liability period: The liability period of any defects of the Construction Works is 24 months commencing from the completion acceptance of the Construction Works by Rainmed Robot.

Condition precedent: The Construction Agreement is conditional upon the approval by the Shareholders. As at the date of this announcement, the condition precedent has been fulfilled.

BASIS OF CONSIDERATION

The consideration of the Construction Agreement was determined based on the tender price provided by the Contractor and the Construction Agreement was awarded to the Contractor after the tendering process. The Directors assessed (i) the prevailing market price of construction works with similar scale and complexity, (ii) the experience and capability of the Contractor, (iii) the scope and complexity of the Construction Works, and (iv) anticipated material costs and labor costs, and consider that the consideration of the Construction Agreement is fair and reasonable.

The consideration of the Construction Agreement will be satisfied by the Group's bank borrowings and internal funds.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

In March 2023, the Group acquired a piece of land located in Wuzhong District, Suzhou, Jiangsu Province, the PRC, with a total site area of approximately 20,000 sq.m. for the purpose of developing an industrial park of the Group, at a consideration of RMB5,040,050.

The Group currently leases four properties in Suzhou for its own use for manufacturing, research, development and offices. While the Group's principal business operation is all located in Suzhou, the currently leased operation sites are relatively scattered, which is not optimal for effective management. It has been the Group's intention to expand, centralize and consolidate the Group's management and operation. As such, the Group engaged the Contractor for the Construction Works after the acquisition of the aforementioned land. Upon completion of the construction, the industrial park will serve as the Group's new headquarters, which allow the Group to (i) centralize its management and operation in a favorable location in line with its expansion strategies, (ii) reduce ongoing rental costs and avoid future rental fluctuations, (iii) expand its asset base, and (iv) enhance cost efficiency and effectiveness for its long-term development.

Based on the above, the Directors consider that the terms of the Construction Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the research, development, manufacturing and commercialization of medical instruments related to coronary angiography-derived fractional flow reserve system and coronary angiography-derived index of microvascular resistance system.

Rainmed Robot is a limited liability company established under the laws of the PRC and is an indirect wholly-owned subsidiary of the Company. Rainmed Robot is principally engaged in the research, development and manufacturing of surgical robots. As at the date of this announcement, Rainmed Robot has not commenced any substantial business activities.

INFORMATION ON THE CONTRACTOR

The Contractor is a limited liability company established under the laws of the PRC and is principally engaged in provision of general contracting services for construction and development. The Contractor is owned as to approximately 66.28% by Suzhou Weiye Group Co., Ltd.* (蘇州偉業集團有限公司) (“**Suzhou Weiye**”), 28.75% by the Contractor’s employee shareholding committee (職工持股會), 1.99% by Wang Huizhong (王惠忠) (“**Mr. Wang**”), 0.49% by Liu Mingbao (劉明寶) (“**Mr. Liu**”), 0.49% by Yao Aqin (姚阿琴) (“**Ms. Yao**”), 0.49% by Pang Yulin (龐玉林) (“**Mr. Pang**”), 0.46% by Song Huilin (宋惠林), 0.46% by Shen Peilong (沈佩龍) (“**Mr. Shen**”), 0.33% by Dong Lihua (董立華) and 0.13% by Lu Xiaorong (陸小榮), respectively. Further, Suzhou Weiye is owned as to 58.35% by Mr. Wang, 8.575% by Mr. Liu, 8.575% by Ms. Yao, 8.575% by Mr. Pang, 8.575% by Mr. Shen and 7.35% by Liu Weiguo (劉衛國), respectively.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Construction Agreement exceeds 25% but is less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement, circular and shareholders’ approval requirements under the Listing Rules.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the transaction contemplated under the Construction Agreement. As such, no Shareholder is required to abstain from voting if an extraordinary general meeting were to be convened for the approval of the Construction Agreement and the transaction contemplated thereunder.

The Company has obtained a written approval in respect of the Construction Agreement and the transaction contemplated thereunder from a closely allied group of Shareholders, which collectively holds 665,023,530 Shares, representing approximately 56.95% of the entire issued share capital of the Company as at the date of this announcement. As such, no extraordinary general meeting will be convened for the approval of the Construction Agreement as permitted under Rule 14.44 of the Listing Rules.

The closely allied group of Shareholders comprises the following Shareholders which are the respective holding vehicles established by or connected with a Director, an employee of the Group, a family member of a Director or a former director of the entity operating the Group's business prior to the Group's reorganization as detailed in the Prospectus:

Name of Shareholders	Number of Shares held	Approximate shareholding percentage in the Company as at the date of this announcement
Opera Rose Limited ⁽¹⁾	214,749,000	18.39%
Vermilion Bird Limited ⁽²⁾	159,934,000	13.70%
AIMEI LIMITED ⁽³⁾	18,955,000	1.62%
Stevenwu Limited ⁽⁴⁾	14,216,000	1.22%
ASHG HK LIMITED ⁽⁵⁾	5,364,000	0.46%
Mingze. Limited ⁽⁶⁾	30,937,000	2.65%
Nicholas Duan Limited ⁽⁷⁾	2,652,000	0.23%
NEXT DAWN LIMITED ⁽⁸⁾	4,420,000	0.38%
ANC HK LIMITED ⁽⁹⁾	4,420,000	0.38%
Light wisdom HK LIMITED ⁽¹⁰⁾	49,046,000	4.20%
Beijing Light Silver Capital Partnership (General Partnership)* (北京輕舟互動投資管理合夥企業(普通合夥)) (“ Light Silver ”) ⁽¹⁰⁾	5,614,000	0.48%
Beijing Qingzhou Internet Investment Center (Limited Partnership)* (北京輕舟互聯投資中心(有限合夥)) (“ Qingzhou Internet ”) ⁽¹⁰⁾	19,419,000	1.66%
Shanghai Xingzhourun Enterprise Management Partnership (Limited Partnership)* (上海興舟潤企業管理合夥企業(有限合夥)) (“ Shanghai Xingzhourun ”) ⁽¹⁰⁾	7,264,530	0.62%
Shanghai Tongxiang Haoqian Enterprise Management Partnership (Limited Partnership)* (上海同襄灝乾企業管理合夥企業(有限合夥)) (“ Tongxiang Haoqian ”) ⁽¹¹⁾	98,569,000	8.44%
Xinyu Tongchuang Guosheng Technology Innovation Industry Investment Partnership (Limited Partnership)* (新余市同創國盛科創產業投資合夥企業(有限合夥)) (“ Tongchuang Guosheng ”) ⁽¹¹⁾	29,464,000	2.52%
Total	665,023,530	56.95%

Notes:

- (1) Opera Rose Limited is owned as to 99.9% by Dawning Sky Limited and 0.1% by Huo Yunfei (霍雲飛) (“**Mr. Huo**”), an executive Director, the chairman of Board and the chief executive officer of the Company, respectively. Dawning Sky Limited is wholly owned by The Core Trust Company Limited, being the trustee of the Opera Rose Trust which is a discretionary trust established by Mr. Huo as the settlor and beneficiary.
- (2) Vermilion Bird Limited is owned as to 99.9% by Glowing Fame Limited and 0.1% by Huo Yunlong (霍雲龍) (“**Dr. Huo**”), the brother of Mr. Huo, respectively. Glowing Fame Limited is wholly owned by The Core Trust Company Limited, being the trustee of the Vermilion Bird Trust which is a discretionary trust established by Dr. Huo as the settlor and beneficiary.
- (3) AIMEI LIMITED is wholly owned by Liu Guangzhi (劉廣志), the chief technology officer of the Company.
- (4) Stevenwu Limited is wholly owned by Wu Xingyun (吳星雲), a vice president of the Company.
- (5) ASHG HK LIMITED is wholly owned by Gu Yang (谷陽), an executive Director and vice president of the Company, and a cousin of Mr. Huo.
- (6) Mingze. Limited is wholly owned by Lyu Yonghui (呂永輝), an executive Director and the joint chief executive officer of the Company.
- (7) Nicholas Duan Limited is wholly owned by Duan Ning (段寧), the sales director of the Company.
- (8) NEXT DAWN LIMITED is wholly owned by Liu Kangjian (劉康健), a vice president and the secretary of the Board of the Company.
- (9) ANC HK LIMITED is wholly owned by Zhang Liang (張亮), an executive Director, the chief financial officer and the joint company secretary of the Company.
- (10) Light wisdom HK LIMITED is wholly owned by Zhou Bin (周彬) (“**Mr. Zhou**”), a former director and shareholder of Suzhou Runxin Medical Instrument Co., Ltd.* (蘇州潤心醫療器械有限公司), the holding company of the Group’s principal operating subsidiaries in the PRC prior to the Group’s reorganization as detailed in the Prospectus.

Light Silver is a partnership established in the PRC and each of Qingzhou Internet and Shanghai Xingzhourun is a limited partnership established in the PRC. Each of Light Silver, Qingzhou Internet and Shanghai Xingzhourun invested in the Group prior to the global offering and listing of the Shares on the Stock Exchange. The general partner of both Qingzhou Internet and Shanghai Xingzhourun is Light Silver and the executive partner of Light Silver is Mr. Zhou.

- (11) Each of Tongxiang Haoqian and Tongchuang Guosheng is a limited partnership established in the PRC and invested in the Group prior to the global offering and listing of the Shares on the Stock Exchange. The general partner of Tongxiang Haoqian is Xinyu Tongchuang Investment Management Co., Ltd.* (新余同創精選投資管理有限公司) which is wholly owned by Shenzhen Cowin Asset Management Co., Ltd.* (深圳同創偉業資產管理股份有限公司) (“**Cowin**”) (a company listed on National Equities Exchange and Quotations (832793.NEEQ)). The general partner of Tongchuang Guosheng is Shenzhen Cowin Jinxiu Asset Management Co., Ltd.* (深圳同創錦繡資產管理股份有限公司) which is wholly owned by Cowin. Heng Lei (衡磊), a non-executive Director, has been a deputy director of investment of Cowin since July 2017.

The interest of the closely allied group of Shareholders is no different from other Shareholders in respect of the Construction Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further details of the Construction Agreement and the transaction contemplated thereunder is expected to be dispatched to the Shareholders for information purpose on or before April 20, 2023.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Rainmed Medical Limited (潤邁德醫療有限公司), an exempted company with limited liability incorporated in the Cayman Islands on April 9, 2021
“Construction Agreement”	the agreement entered into between Rainmed Robot and the Contractor dated March 24, 2023 for the Construction Works
“Construction Works”	the construction and engineering works of manufacturing facilities, office buildings and supporting facilities on a piece of land located in Wuzhong District, Suzhou, Jiangsu Province, the PRC with a construction area of approximately 75,600 sq.m.
“Contractor”	Wujiang Construction Engineering (Group) Co., Ltd.* (吳江市建設工程(集團)有限公司), a limited liability company established under the laws of the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated June 27, 2022
“Rainmed Robot”	Suzhou Rainmed Robot Co., Ltd.* (蘇州潤邁德機器人有限公司), a limited liability company established under the laws of the PRC on August 30, 2022, being an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of HK\$0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square meters
“%”	per cent

* *The English translation of Chinese names of entities included in this announcement is prepared for identification purpose only.*

By order of the Board
Rainmed Medical Limited
Huo Yunfei
Chairman of the Board and Executive Director

Hong Kong, March 27, 2023

As at the date of this announcement, the Board comprises Mr. Huo Yunfei, Mr. Lyu Yonghui, Mr. Zhang Liang and Ms. Gu Yang as executive Directors, Mr. Wang Lin and Mr. Heng Lei as non-executive Directors, and Mr. Liu Shuen Kong, Mr. Li Ho Man and Mr. Lau Tsz Ho Tony as independent non-executive Directors.