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**北京健康(控股)有限公司**  
**Beijing Health (Holdings) Limited**

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

**(Stock Code: 2389)**

## **EXEMPTED CONNECTED TRANSACTION – LOAN TRANSACTION**

### **LOAN AGREEMENT**

The Board is pleased to announce that on 30 August 2023, the Lender (a non-wholly owned subsidiary of the Company) entered into the Loan Agreement with the Borrower, pursuant to which, the Lender has agreed to provide a short-term Loan Facility in the principal amount of RMB21,000,000 to the Borrower, with a maturity date of 31 December 2023 as the latest.

### **LISTING RULES IMPLICATION**

As at the date of this announcement, the Borrower is beneficially interested in 12.7637% of the Lender and therefore the Borrower is a connected person of the Company at the subsidiary level under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Accordingly, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Loan Facility exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the grant of the Loan Facility are more than 0.1% but less than 5%, the Loan Agreement and the transaction contemplated thereunder are subject to reporting and announcement requirements but exempted from circular (including the independent financial advice) and the independent Shareholders’ approval requirements under Rule 76(2) of Chapter 14A of the Listing Rules.

### **LOAN AGREEMENT**

The board (“**Board**”) of directors (“**Directors**”) of Beijing Health (Holdings) Limited (“**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 30 August 2023, Beijing Lugang International Logistic Co., Ltd.\* (北京陸港國際物流有限公司) (the “**Lender**” or “**Beijing Lugang**”) entered into a loan agreement (the “**Loan Agreement**”) with Beijing Zhengsheng Joint Investment Management Limited\* (北京正勝合投資管理有限公司) (the “**Borrower**”), pursuant to which, the Lender has agreed to provide a short-term loan facility (the “**Loan Facility**”) in the principal amount of RMB21,000,000 to the Borrower, with a maturity date of 31 December 2023 as the latest.

The principal terms of the Loan Agreement are summarised as follows:

Date of the Loan Agreement:	30 August 2023
Lender:	Beijing Lugang International Logistic Co., Ltd. * (北京陸港國際物流有限公司), a company established in the People's Republic of China and is a non-wholly owned subsidiary of the Company
Borrower:	Beijing Zhengsheng Joint Investment Management Limited* (北京正勝合投資管理有限公司), a company established in the People's Republic of China and holds 12.7637% equity interest in the Lender
Loan Facility:	A short-term Loan Facility in the principal amount of RMB21,000,000 to be made available to the Borrower by the Lender subject to and upon the terms and conditions of the Loan Agreement
Repayment:	<p>The Borrower shall repay to the Lenders the entire principal amount of the Loan, together with interest accrued thereon, in the earlier of the following two manner:</p> <ul style="list-style-type: none"><li>(a) if the Borrower is entitled to receive from the Lender the Borrower's Capital Reduction Amount refunded in connection with the Capital Reduction before 31 December 2023, the Borrower shall repay the Loan to the Lender in advance, based on the following calculation:<ul style="list-style-type: none"><li>– The Borrower's Capital Reduction Amount receivable by the Borrower is deducted directly from the principal amount of the Borrower's Loan due to the Lender, together with interest accrued thereon, and afterwards if there is still a balance, the Lender pays the Borrower on the same day; or</li></ul></li><li>(b) repay the loan and interest in cash to the Lender on or before 31 December 2023.</li></ul> <p>The Borrower shall repay the full amount of the loan with all outstanding accrued interest and other monies outstanding in connection with the Loan Facility on or before the Final Repayment Date</p>
Interest:	Interest shall accrue at the rate of 4.5% per annum and shall be calculated on the basis of actual number of borrowing days elapsed and on a 365-day per year basis

Default Interest:	If the Borrower shall be in default in payment of any sum payable under the Loan Agreement, the Borrower shall be liable to pay interest on the outstanding sum at the rate of 10% per annum from the due date of payment up to the actual repayment thereof (both days inclusive) and such default interest shall be paid on demand
Purpose of the Loan:	The Loan shall be applied and used by the Borrower as its general working capital

The terms of the Loan Agreement have been arrived by the Lender and the Borrower after arm's length negotiation, having regard to the market conditions.

## **INFORMATION ON THE GROUP, BEIJING LUGANG AND THE BORROWER**

The Company is an investment holding company while the Group is principally engaged in the provision of medical care, health care and geriatric care related services and products.

Beijing Lugang, a non-wholly owned subsidiary of the Company, was incorporated in the People's Republic of China and mainly engages in property development business.

The Borrower, a company incorporated in the People's Republic of China, holds 12.7637% equity interest in Beijing Lugang and mainly engages in the real estate investment business. The equity interest in the Borrower is ultimately held by Mr. Kou Hongbo and Mr. Zhang Han as to 90% and 10%, respectively.

## **REASONS FOR AND BENEFITS OF THE GRANT OF THE LOAN FACILITY**

On 17 July 2023, a resolution was passed at the general meeting of Beijing Lugang to reduce the registered capital of Beijing Lugang (the "**Capital Reduction**") from approximately RMB199,095,000 to RMB20,000,000, representing a total reduction of approximately RMB179,095,000. Based on the proportion of each shareholder's equity interest in Beijing Lugang, the Borrower should be able to recover approximately RMB22,859,000 (the "**Borrower's Capital Reduction Amount**"). The Group anticipates that the Capital Reduction will be completed before October 2023. As the Borrower has applied to the Group for an early recovery of the amount due under the Capital Reduction due to the Borrower's short-term funding needs, Beijing Lugang has paid part of the Borrower's Capital Reduction Amount to the Borrower in advance by way of interest-bearing loans upon friendly agreement between both parties.

The Board considers that the Loan represents an opportunity to increase the short-term return on idle capital in a risk-controlled manner. The Group currently has surplus cash resources and the entering into of the Loan Agreement will allow for a more efficient use of such resources and generate a greater return. It is expected that entering into the Loan Agreement and utilizing the surplus cash resources of the Group would generate profits and interest income to the Group and thus maximise the Group's return on its available cash reserves without compromising the Group's risk exposure.

Having considered the financial background of and the background of and reasons for the transaction and the interest income to be earned by the Group, the Directors (including the independent non-executive Directors) believe that the terms of the Loan Facility Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, the Borrower is beneficially interested in 12.7637% of the Lender and therefore the Borrower is a connected person of the Company at the subsidiary level under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Accordingly, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Loan Facility exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the grant of the Loan Facility are more than 0.1% but less than 5%, the Loan Agreement and the transaction contemplated thereunder are subject to reporting and announcement requirements but exempted from circular (including the independent financial advice) and the independent Shareholders' approval requirements under Rule 76(2) of Chapter 14A of the Listing Rules.

Save as disclosed above, none of the other Directors has a material interest in the Loan Agreement and the transactions contemplated thereunder, and therefore none of the other Directors was required to abstain from voting on the Board resolution in relation to the Loan Facility Agreement and the transactions contemplated thereunder.

By Order of the Board of  
**Beijing Health (Holdings) Limited**  
**Zhu Shi Xing**  
*Chairman*

Hong Kong, 30 August 2023

*As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Zhu Shi Xing, Mr. Liu Xue Heng, Mr. Gu Shan Chao, Mr. Siu Kin Wai, Mr. Hu Shiang Chi and Mr. Wang Zheng Chun and five independent non-executive Directors, namely Mr. Robert Winslow Koepf, Mr. Gary Zhou, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.*