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Minerva Group Holding Limited

贏集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

DISCLOSEABLE TRANSACTION – THIRD ACQUISITION OF LISTED SECURITIES

THIRD ACQUISITION OF TOWN HEALTH SHARES

The Board announces that, subsequent to the Previous Acquisitions and the Further Acquisition as disclosed in the Previous Announcement and the Second Announcement, the Group has further acquired a total of 18,600,000 Town Health Shares, representing approximately 0.27% of the issued share capital of Town Health as at the date of this announcement, through open market during the period from 3 October 2023 and up to (and inclusive of) the date of this announcement, at an aggregate consideration of approximately HK\$5.90 million (excluding stamp duty and related expenses).

In aggregate, the Group is interested in 870,342,000 Town Health Shares, representing approximately 12.85% of the issued share capital of Town Health as at the date of this announcement.

LISTING RULES IMPLICATION

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Acquisitions, the Further Acquisition and the Third Acquisition of Town Health Shares involve the acquisition of Town Health Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and be aggregated as one transaction at a total consideration of approximately HK\$24.59 million.

* *For identification purpose only*

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of (i) the Third Acquisition of an aggregate of 18,600,000 Town Health Shares (standing alone); and (ii) the Previous Acquisitions of an aggregate of 40,300,000 Town Health Shares, the Further Acquisition of an aggregate of 21,000,000 Town Health Shares and the Third Acquisition as a whole (in aggregate of 79,900,000 Town Health Shares) exceed 5% but are less than 25%, the Third Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

THIRD ACQUISITION OF TOWN HEALTH SHARES

Reference is made to the Previous Announcement and the Second Announcement. The Board announces that, subsequent to the Previous Acquisitions of an aggregate of 40,300,000 Town Health Shares and the Further Acquisition of an aggregate of 21,000,000 Town Health Shares as disclosed in the Previous Announcement and the Second Announcement respectively, the Group has further acquired a total of 18,600,000 Town Health Shares, representing approximately 0.27% of the issued share capital of Town Health as at the date of this announcement, through open market during the period from 3 October 2023 and up to (and inclusive of) the date of this announcement, at an aggregate consideration of approximately HK\$5.90 million (excluding stamp duty and related expenses).

As the Third Acquisition was conducted in the open market, the identities of the counterparties of the acquired Town Health Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Town Health Shares are third parties independent of the Company and its connected persons.

Given that the Third Acquisition was conducted through open market, the price at which the Group acquired the Town Health Shares represented the then market price of such shares and taking into account the factors set out in the paragraph headed “Reasons for and benefits of the Third Acquisition” below, the Directors consider that the terms of the Third Acquisition are on normal commercial terms and are fair and reasonable.

In aggregate, the Group is interested in 870,342,000 Town Health Shares, representing approximately 12.85% of the issued share capital of Town Health as at the date of this announcement.

INFORMATION OF TOWN HEALTH

According to the interim results announcement (“**Town Health Interim Results Announcement**”) of Town Health for the six months ended 30 June 2023 (“**IR2023**”) dated 25 August 2023, Town Health Group is principally engaged in four segments, namely (a) Hong Kong medical services (i.e. provision of medical and dental services in Hong Kong); (b) Hong Kong managed medical network business (i.e. managing healthcare networks & provision of third party medical network administrator services in Hong Kong); (c) PRC hospital management and medical services (i.e. provision of medical and dental services and hospital management services and related services in the PRC); and (d) other business involving leasing of properties.

	Six months ended		For the year ended	
	30 June		31 December	
	2023	2022	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	916,833	710,873	1,535,580	1,483,892
Profit before tax	58,100	9,022	82,503	126,508
Profit/(loss) for the period/year	38,683	(6,824)	49,522	75,072

Based on the Town Health Interim Results Announcement, (i) the unaudited total assets of Town Health Group amounted to approximately HK\$4,668.6 million as at 30 June 2023 (31 December 2022: HK\$4,749.7 million); (ii) the unaudited total equity attributable to owners of Town Health amounted to approximately HK\$3,422.8 million as at 30 June 2023 (31 December 2022: HK\$3,491.4 million); and (iii) the unaudited total equity of the Town Health Group amounted to approximately HK\$3,786.9 million as at 30 June 2023 (31 December 2022: HK\$3,853.6 million).

REASONS FOR AND BENEFITS OF THE THIRD ACQUISITION

The Group principally engages in financial services business, money lending business and assets investment.

According to the Town Health Interim Results Announcement of Town Health for the IR2023, Town Health Group has recorded turnaround from a loss of approximately HK\$6.8 million for the six months ended 30 June 2022 (“**IR2022**”) to a profit of approximately HK\$38.7 million for IR2023 and increase of revenue from approximately HK\$710.9 million for IR2022 to approximately HK\$916.8 million for IR2023. Such significant change from unaudited consolidated net loss to unaudited consolidated net profit was mainly attributable to (i) the increase in the revenue of Town Health Group recorded for IR2023; and (ii) the share of profits of associates recorded for IR2023.

According to the annual report (“**Town Health Annual Report**”) of Town Health Group for the year ended 31 December 2022 (“**FY2022**”), Town Health Group recorded net profit of approximately HK\$49.5 million for FY2022 as compare to approximately HK\$75.1 million for the year ended 31 December 2021 (“**FY2021**”). Despite a growth in revenue to approximately HK\$1,535.6 million in FY2022 (FY2021: approximately HK\$1,483.9 million), the overall decrease in net profit was mainly attributable to the combined effect of: (i) a drop in gross profit to approximately HK\$414.4 million in FY2022 (FY2021: approximately HK\$471.3 million); (ii) the share of losses of associates of approximately HK\$5.6 million in FY2022 (FY2021: share of profits of associates of approximately HK\$40.5 million); (iii) the fair value loss of the Town Health’s investment properties of approximately HK\$6.9 million in FY2022 (FY2021: fair value gain of approximately HK\$47.7 million); (iv) the absence of compensation received of approximately HK\$49.3 million recognised in FY2021; and (v) the absence of expected credit loss on a promissory note of approximately HK\$117.8 million recognised in FY2021.

As disclosed in the Town Health Interim Results Announcement, approximately 69% of the revenue of Town Health Group was generated in Hong Kong. In order to understand the long-term demand of medical services in Hong Kong, the Board made reference to the official website of Hong Kong Food and Health Bureau (source: <https://www.healthbureau.gov.hk/statistics/en/dha.htm>), where it was disclosed that the total health expenditure in Hong Kong amounted to approximately HK\$243.2 billion in 2021/2022, with annual per capita spending at approximately HK\$32,800. From 1989/1990 to 2021/2022, total health expenditure in Hong Kong rose at an cumulative annual growth rate of approximately 8.1%, which is faster than corresponding increase of 5.3% in gross domestic product (“**GDP**”) during the same period, As a result, total health expenditure as a percentage of GDP went up from approximately 3.6% in 1989/90 to approximately 8.5% in 2021/22. Such increasing trend indicates the increasing demand of medical service in general in Hong Kong.

As stated in the Town Health Annual Report, the board of directors of Town Health approved and adopted a revised dividend policy of Town Health (“**Dividend Policy**”) in order to provide return to its shareholders. According to the Dividend Policy, in normal circumstances, the annual dividend to be distributed by Town Health to its shareholders shall not be less than 30% of Town Health Group’s consolidated net profit attributable to its shareholders in any particular year. According to the Town Health Interim Results Announcement, the board of directors of Town Health recommended the payment of a final dividend of Hong Kong 0.12 cent per Town Health Share for FY2022. The final dividend payment was approved by the shareholders of Town Health at its annual general meeting on 20 June 2023. For the aggregate shareholdings of 790,442,000 Town Health Shares held by the Group entitling to the final dividend of Town Health, dividends amounting to approximately HK\$949,000 were received by the Group on 11 September 2023.

Based on the above and as set out in the Previous Announcement and the Second Announcement, the Board holds positive views towards the future prospect of the principal businesses of Town Health. The Company considers that the Third Acquisition is an opportunity to acquire attractive investment, which will enhance investment return for the Group.

LISTING RULES IMPLICATION

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Acquisitions, the Further Acquisition and the Third Acquisition of Town Health Shares involve the acquisition of Town Health Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and be aggregated as one transaction at a total consideration of approximately HK\$24.59 million.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of (i) the Third Acquisition of an aggregate of 18,600,000 Town Health Shares (standing alone); and (ii) the Previous Acquisitions of an aggregate of 40,300,000 Town Health Shares, the Further Acquisition of an aggregate of 21,000,000 Town Health Shares and the Third Acquisition as a whole (in aggregate of 79,900,000 Town Health Shares) exceed 5% but are less than 25%, the Third Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

Unless the context otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of directors of the Company
“Company”	Minerva Group Holding Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 397)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Further Acquisition”	the further acquisitions of an aggregate of 21,000,000 Town Health Shares by the Group during the period from 25 September 2023 and up to (and inclusive of) 29 September 2023 as disclosed in the Second Announcement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Previous Acquisitions”	the acquisitions of an aggregate of 40,300,000 Town Health Shares by the Group during the period from 9 August 2023 and up to (and inclusive of) 22 September 2023 as disclosed in the Previous Announcement
“Previous Announcement”	the announcement of the Company dated 22 September 2023 in relation to, inter alia, the Previous Acquisitions of Town Health Shares
“Second Announcement”	the announcement of the Company dated 29 September 2023 in relation to, inter alia, the Further Acquisition of Town Health Shares
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Acquisition”	the acquisitions of an aggregate of 18,600,000 Town Health Shares by the Group during the period from 3 October 2023 and up to (and inclusive of) the date of this announcement as disclosed in this announcement
“Town Health”	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code:3886)

“Town Health Group”	Town Health and its subsidiaries
“Town Health Shares”	ordinary shares of Town Health
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Li Wing Cheong
Chairman

Hong Kong, 6 October 2023

As at the date of this announcement, the executive Directors are Mr. Li Wing Cheong and Mr. Tong Hin Jo; and the independent non-executive Directors are Ms. Chan Lai Ping; Ms. Tam Mei Chu; and Mr. Ho Yuen Tung.