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## PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

### 平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

## CHANGE IN USE OF PROCEEDS

References are made to the prospectus of the Company dated 23 April 2018 (the “**Prospectus**”) in relation to the listing of the Shares on the Main Board of the Stock Exchange (the “**Listing**”), the announcements of the Company dated 30 September 2020 and 9 October 2020 in relation to the placing of new shares under general mandate (the “**Placing**”), and the latest updates regarding the utilization of proceeds in connection with the Listing and the Placing as set out in the interim report of the Company for the six months ended 30 June 2024 (the “**Interim Report**”).

As disclosed in the Interim Report, the aggregate net proceeds received by the Company from the Listing were approximately HK\$8,564.0 million after deducting underwriting commissions and all related expenses (the “**Listing Net Proceeds**”) and the aggregate net proceeds received by the Company from the Placing were approximately HK\$7,828.0 million after deducting the commission, incentive fee and expense (the “**Placing Net Proceeds**”, together with the Listing Net Proceeds, the “**Net Proceeds**” or “**Proceeds**”).

For the reasons and benefits set out in the paragraphs headed “Reasons for the Change in Use of Proceeds” and “Benefits of the Change in Use of Proceeds” below, after careful consideration and detailed evaluation of the Company’s operations and business strategies, the Board has resolved to change the intended use of the unutilized Net Proceeds as follows (the “**Change in Use of Proceeds**”):

<b>Intended use of Net Proceeds</b>	<b>Unutilized Net Proceeds as of the date of this announcement (HK\$ in million)</b>	<b>Revised allocation of Net Proceeds (HK\$ in million)</b>	<b>Intended timetable for use of the unutilized Net Proceeds</b>
<b>Unutilized Listing Net Proceeds</b>			
Business expansion	120.8	120.8	Before 31 December 2024
Funding our potential investments, acquisitions of domestic companies and the strategic alliances with domestic companies as well as our overseas expansion plan	1,537.9	544.9	Before 31 December 2025

<b>Intended use of Net Proceeds</b>	<b>Unutilized Net Proceeds as of the date of this announcement (HK\$ in million)</b>	<b>Revised allocation of Net Proceeds (HK\$ in million)</b>	<b>Intended timetable for use of the unutilized Net Proceeds</b>
<b>Unutilized Placing Net Proceeds</b>			
Further developing core businesses of the Group	7,828.0	544.9	Before 31 December 2030
<b>Revised use of the unutilized Net Proceeds</b>			
Working capital and general corporate purposes (including dividend distribution <i>Note</i> )	–	8,276.1	Before 31 December 2025

*Note:* Subject to approval of the Shareholders at the extraordinary general meeting of the Company to be held on 4 December 2024, and if being approved, depending on the election of Shareholders to receive the Special Dividend by way of scrip dividend, up to HK\$8,276.1 million of the unutilized Net Proceeds will be used for payment of the Special Dividend.

## **Reasons for the Change in Use of Proceeds**

### **The capital requirements for potential investment and acquisition are expected to be relatively limited**

As investments in or acquisitions of companies with advanced technology and service solutions and wellness products, home diagnostic devices companies or companies with complementary business lines or companies that have demonstrated adequate capabilities that we believe are synergistic to our current business involve in-depth understanding of the relevant technologies, products and businesses, sellers, and the history of the target companies etc., high-level of due diligence is required. The investments in or acquisitions of the companies may bring potential risks to the Group's existing business operations and financial performance if there arises any significant deviation between the expectation before acquisition and the actual situation which is unidentified during due diligence process. Therefore, the Company has taken a cautious and prudent approach. Moreover, due to macroeconomic condition and policy changes, there is a certain degree of uncertainty in the current investment and merger and acquisition environment for domestic and overseas technology and healthcare companies. Up to the date of this announcement, the Company had not identified any suitable target, even after using reasonable endeavors.

After careful consideration and detailed evaluation and taking into account of (i) the Company's operating and business strategies and current market conditions, and (ii) the Company's plan to put its strategic focus on organic growth at this stage, the Company intends to retain a certain amount and appropriately reduce the funds reserved for investments in and acquisitions of companies. The Company also intends to reallocate part of the unutilized Listing Net Proceeds originally used for investments in and acquisitions of companies to working capital and general corporate purposes (including dividend distribution) to better utilize and unlock the value of this portion of idle cash.

## **The Company's core business has significantly reduced its reliance on the Proceeds**

The Company has previously devoted significant resources to its core business, which has started generating returns. As a result, the Company has been continuously improving its profitability and has already achieved breakeven. With the established scale advantage and improving operational efficiency and profitability of the core business, the Company has been able to meet its financing needs with financial resources generated from the operational activities, the reliance on the Placing Net Proceeds for the development of core businesses has therefore been significantly reduced. Furthermore, the Chinese government has introduced a series of growth-boosting policies to support economic restructuring in 2024, which has yielded outstanding results for economic performance. The Company remains optimistic about the long-term prospects of the industry in which the Company operates.

As such, having considered the interest of the Company and its Shareholders as a whole and the macroeconomic environment and in view of strengthening of the efficiency and effectiveness of the capital use, part of the unutilized Placing Net Proceeds will be appropriately adjusted to working capital and general corporate purposes (including dividend distribution) to achieve greater flexibility in the allocation of the Company's internal resources for the daily operation of the Company and enhance the fund utilization efficiency by avoiding a long-term idling of funds.

## **Benefits of the Change in Use of Proceeds**

Taking into account (i) the Group's continued improvement in performance and profitability, (ii) the Company's relatively ample available funds, and (iii) the market's growing expectations for shareholder's returns, the Change in Use of Proceeds is beneficial for improving the efficiency of the Company's use of idle funds while continuing to develop its core business and ensuring a certain degree of working capital flexibility, enhancing the market's confidence in the Company, increasing the Company's attractiveness to investors, and providing returns for Shareholders for their long-term support.

The Board is of the view that in combination of the reasons mentioned above, the Change in Use of Proceeds will enable the Company to allocate its financial resources more effectively and will not result in any material change in the nature of business objectives as set out in the Prospectus or any material adverse impact on the existing business and operations of the Group and thus, is in the interest of the Company and its Shareholders as a whole.

The Board estimates that the sources of funding of the Company will be sufficient for the capital requirement of the Group's daily operations. As at the date of this announcement, the Company does not have any concrete financing plan in the next 12 months.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings.

“Board”	the board of Directors of the Company
“Company”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1833)
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and its operating entities controlled by the Company through the contractual arrangements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Share(s)”	the ordinary shares of the Company with a par value USD0.000005 per share
“Shareholder(s)”	holder(s) of the Shares
“Special Dividend”	the declaration and distribution of a special dividend out of the share premium account under the reserves of the Company in the amount of HK\$9.7 per Share, which was recommended by the Board on 14 November 2024 and subject to the approval of the Shareholders at the extraordinary general meeting of the Company to be held on 4 December 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Ping An Healthcare and Technology Company Limited**  
**Mr. Dou Li**  
*Chairman*

Shanghai, the PRC  
14 November 2024

*As at the date of this announcement, the Board comprises Mr. Dou Li as the Chairman and the executive Director and Mr. Jun Wu as the executive Director; Mr. Michael Guo, Ms. Fangfang Cai, Ms. Xin Fu and Mr. Ziyang Zhu as non-executive Directors; and Mr. Yunwei Tang, Mr. Tianyong Guo and Dr. Wing Kin Anthony Chow as independent non-executive Directors.*