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RICI HEALTHCARE HOLDINGS LIMITED

瑞慈醫療服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1526)

CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS ACQUISITION OF EQUITY INTEREST IN CERTAIN SUBSIDIARIES FROM A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on July 17, 2020 (after trading hours), the Vendor entered into the Equity Transfer Agreements with the Purchaser in respect of the transfer of 30% equity interest in each of the Target Companies to the Purchaser, at a total consideration of RMB155.0 million. As of the date of this announcement, the Company indirectly holds 51% equity interest through its subsidiaries in each of the Target Companies. Upon completion of the Transactions, the Vendor will cease to hold any equity interest in the Target Companies, and the Company will indirectly hold 81% equity interest through its subsidiaries in each of the Target Companies.

IMPLICATION OF THE LISTING RULES

As the Target Companies are not insignificant subsidiaries in aggregation in accordance with Rule 14A.09 of the Listing Rules and the Vendor is a substantial shareholder of each of the Target Companies, the Vendor is a connected person of the Company at the subsidiary level and the Transactions constitute connected transactions of the Company. As (i) the highest applicable percentage ratio under the Listing Rules in respect of the Transactions, on an aggregate basis, is more than 5%, (ii) the Board has approved the Equity Transfer Agreements and the Transactions, and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreements are fair and reasonable, and the Transactions are conducted on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

Furthermore, as the highest applicable percentage ratio under the Listing Rules in respect of the Transactions, on an aggregate basis, is more than 5% but less than 25%, the Transactions constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the Transactions and hence no Director is required under the Listing Rules to abstain from voting on the resolutions approving the Transactions.

The Board is pleased to announce that on July 17, 2020 (after trading hours), the Vendor entered into the Equity Transfer Agreements with the Purchaser in respect of the transfer of 30% equity interest in each of the Target Companies to the Purchaser, at the total consideration of RMB155.0 million. As of the date of this announcement, the Company indirectly holds 51% equity interest through its subsidiaries in each of the Target Companies. Upon completion of the Transactions, the Vendor will cease to hold any equity interest in the Target Companies, and the Company will indirectly hold 81% equity interest through its subsidiaries in each of the Target Companies.

EQUITY TRANSFER AGREEMENTS

The principal terms of the Equity Transfer Agreements are summarized as below:

Date

July 17, 2020

Parties

Shanghai Rich Medical (as purchaser)

Shanghai XDWYS (as vendor)

Transactions and Consideration

Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in each of the Target Companies.

The aggregate consideration for the Transactions is RMB155.0 million and was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account: (i) the total investment and contribution from the Vendor during the operation of the Target Companies, (ii) the Target Companies' current financial performance and their future profitability, and (iii) the fair market valuation of companies comparable to the Target Companies.

The consideration will be paid by the Purchaser in installments and funded by the Group's internal resources and external borrowings if necessary:

	By July 27, 2020 <i>(RMB in million)</i>	By September 25, 2020 <i>(RMB in million)</i>	In total <i>(RMB in million)</i>
Guangzhou Rich Agreement	11.6	3.4	15.0
Suzhou Rich Agreement	19.0	5.5	24.5
Nanjing Rich Agreement	30.0	8.7	38.7
Nantong Rich Agreement	26.3	7.7	34.0
Wuxi Rich Agreement	4.1	1.2	5.3
Yangzhou Rich Agreement	14.3	4.2	18.5
Xuzhou Rich Agreement	14.7	4.3	19.0
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In total	<u>120.0</u>	<u>35.0</u>	<u>155.0</u>

Registration

After the consideration is fully paid by the Purchaser, the Parties shall complete the registration of transfer of the equity interest in the Target Companies with the relevant PRC authorities.

Effectiveness

Each of the Equity Transfer Agreements shall become effective once it is duly signed or sealed by the authorized representatives of both Parties.

Termination

Under any of the following circumstances, any one Party shall have the right to immediately terminate the relevant Equity Transfer Agreements, and the termination shall immediately become effective once a Party notifies the other Party:

- (1) there is a material breach of the relevant Equity Transfer Agreement by a Party and such breach has a material adverse impact on interest which is reasonably expected by the other Party when entering into the relevant Equity Transfer Agreements; or
- (2) a Party breaches the payment obligation under the relevant Equity Transfer Agreements and such breach cannot be cured.

The relevant Equity Transfer Agreements may be terminated upon the occurrence of any of the following circumstances:

- (1) Both Parties agree in writing to terminate the relevant Equity Transfer Agreements; or
- (2) The relevant Equity Transfer Agreements are terminated due to a court judgment or an arbitration award.

Either Party may terminate the relevant Equity Transfer Agreements upon the occurrence of an event of force majeure that makes the performance of the relevant Equity Transfer Agreements become impossible, unnecessary or meaningless and neither Party shall be liable for such termination.

INFORMATION RELATING TO THE COMPANY, THE VENDOR AND THE PURCHASER

The Company

The Company was incorporated under the laws of Cayman Islands on July 11, 2014 as an exempted company with limited liability. The Company is an investment holding company, and its subsidiaries incorporated in the PRC are primarily engaged in the operating general hospital, specialty hospital, medical examination centers and clinics in the PRC.

The Vendor

The Vendor was incorporated under the laws of the PRC on February 25, 2013 with limited liability. The principal activity of the Vendor is investment holding. As of the date of this announcement, the vendor holds 30% equity interest in each of the Target Companies. Upon completion of the Transactions, the Vendor will cease to have any equity interest in the Target Companies.

Shanghai Rich Medical

Shanghai Rich Medical, as the Purchaser, is a company incorporated under the laws of the PRC with limited liability on August 25, 2014 and an indirectly wholly-owned subsidiary of the Company. The principal activity of Shanghai Rich Medical is investment holding.

INFORMATION OF THE TARGET COMPANIES

Guangzhou Rich

Guangzhou Rich is a company incorporated under the laws of the PRC with limited liability on January 27, 2015 and principally engaged in the operation of an examination center. As of the date of this announcement, Guangzhou Rich is held as to 51%, 30%, 12% and 7% by Guangzhou Rici Investment, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Guangzhou Rich will be held as to 51%, 30%, 12% and 7% by Guangzhou Rici Investment, Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiaries in Guangzhou Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Guangzhou Rich as at December 31, 2019 was RMB36.8 million. The net losses before taxation and extraordinary items of Guangzhou Rich for the years ended December 31, 2018 and 2019 were RMB0.8 million and RMB1.4 million, respectively, and the net losses after taxation and extraordinary items of Guangzhou Rich for the years ended December 31, 2018 and 2019 were RMB0.6 million and RMB1.1 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Guangzhou Rich was RMB16.2 million.

Suzhou Rich

Suzhou Rich is a company incorporated under the laws of the PRC with limited liability on August 25, 2016 and principally engaged in the operation of an examination center. As of the date of this announcement, Suzhou Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Suzhou Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Suzhou Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Suzhou Rich as at December 31, 2019 was RMB30.0 million. The net profits before taxation and extraordinary items of Suzhou Rich for the years ended December 31, 2018 and 2019 were RMB6.0 million and RMB2.1 million, respectively, and the net profits after taxation and extraordinary items of Suzhou Rich for the years ended December 31, 2018 and 2019 were RMB4.5 million and RMB1.5 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Suzhou Rich was RMB16.2 million.

Nanjing Rich

Nanjing Rich is a company incorporated under the laws of the PRC with limited liability on December 7, 2016 and principally engaged in the operation of an examination center. As of the date of this announcement, Nanjing Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Nanjing Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Nanjing Rich.

As extracted from audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Nanjing Rich as at December 31, 2019 was RMB33.1 million. The net profits before taxation and extraordinary items of Nanjing Rich for the years ended December 31, 2018 and 2019 were RMB2.6 million and RMB2.8 million, respectively, and the net profits after taxation and extraordinary items of Nanjing Rich for the years ended December 31, 2018 and 2019 were RMB1.9 million and RMB2.0 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Nanjing Rich was RMB16.2 million.

Nantong Rich

Nantong Rich is a company incorporated under the laws of the PRC with limited liability on January 10, 2017 and principally engaged in the operation of an examination center. As of the date of this announcement, Nantong Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Nantong Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Nantong Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Nantong Rich as at December 31, 2019 was RMB37.3 million. The net profits before taxation and extraordinary items of Nantong Rich for the years ended December 31, 2018 and 2019 were RMB0.7 million and RMB4.8 million, respectively, and the net profits after taxation and extraordinary items of Nantong Rich for the years ended December 31, 2018 and 2019 were RMB0.5 million and RMB3.5 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Nantong Rich was RMB16.2 million.

Wuxi Rich

Wuxi Rich is a company incorporated under the laws of the PRC with limited liability on December 21, 2016 and principally engaged in the operation of an examination center. As of the date of this announcement, Wuxi Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Wuxi Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Wuxi Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Wuxi Rich as at December 31, 2019 was RMB20.0 million. The net losses before taxation and extraordinary items of Wuxi Rich for the years ended December 31, 2018 and 2019 were RMB6.1 million and RMB4.1 million, respectively, and the net losses after taxation and extraordinary items of Wuxi Rich for the years ended December 31, 2018 and 2019 were RMB4.7 million and RMB3.7 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Wuxi Rich was RMB16.2 million.

Yangzhou Rich

Yangzhou Rich is a company incorporated under the laws of the PRC with limited liability on October 9, 2016 and principally engaged in the operation of an examination center. As of the date of this announcement, Yangzhou Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Yangzhou Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Yangzhou Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Yangzhou Rich as at December 31, 2019 was RMB19.2 million. The net losses before and after taxation and extraordinary items of Yangzhou Rich for the year ended December 31, 2018 were RMB1.4 million and RMB1.1 million, respectively, and the net profits before and after taxation and extraordinary items of Yangzhou Rich for the year ended December 31, 2019 were RMB0.5 million and RMB0.4 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Yangzhou Rich was RMB16.2 million.

Xuzhou Rich

Xuzhou Rich is a company established under the laws of the PRC with limited liability on December 20, 2016 and principally engaged in the operation of an examination center. As of the date of this announcement, Xuzhou Rich is held as to 51%, 30%, 12% and 7% by Shanghai Rich Medical, the Vendor, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively. Upon completion of the Transactions, Xuzhou Rich will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, and thus, the Company will indirectly hold 81% equity interest through its subsidiary in Xuzhou Rich.

As extracted from the audited accounts of the Group as prepared under the HKFRS, the book value of the total assets of Xuzhou Rich as at December 31, 2019 was RMB19.7 million. The net loss before and after taxation and extraordinary items of Xuzhou Rich for the year ended December 31, 2018 were RMB1.8 million and RMB1.4 million, respectively, and the net profits before and after taxation and extraordinary items of Xuzhou Rich for the year ended December 31, 2019 were RMB3.2 million and RMB2.4 million, respectively.

The original acquisition cost paid by the Vendor at the time of acquisition of 30% equity interest in Xuzhou Rich was RMB16.2 million.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Target Companies are located in either Yangtze River Delta or Guangdong-Hong Kong-Macao Greater Bay Area, which are key areas under the Group's strategies of expansion of its medical examination business. Upon completion of the Transactions, the Company will increase the proportions of its indirect equity interest in the Target Companies, and therefore can share more economic interest from the steady future development of the Target Companies' business. Meanwhile, the Company's control over the Target Companies will be enhanced once the Transactions are completed, which is in favor of improving the operational efficiency of the Group's medical examination business, further increasing the scale effect and promoting the profitability of the Company in the future.

The Board has approved the Equity Transfer Agreements and the Transactions. The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements and the Transactions are fair and reasonable; the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and the Transactions are in the interest of the Company and the Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

As the Target Companies are not insignificant subsidiaries in aggregation in accordance with Rule 14A.09 of the Listing Rules and the Vendor is a substantial shareholder of each of the Target Companies, the Vendor is a connected person of the Company at the subsidiary level and the Transactions constitute connected transactions of the Company. As (i) the highest applicable percentage ratio under the Listing Rules in respect of the Transactions, on an aggregate basis, is more than 5%, (ii) the Board has approved the Equity Transfer Agreements and the Transactions, and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreements are fair and reasonable, and the Transactions are conducted on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

Furthermore, as the highest applicable percentage ratio under the Listing Rules in respect of the Transactions, on an aggregate basis, is more than 5% but less than 25%, the Transactions constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the Transactions and hence no Director is required under the Listing Rules to abstain from voting on the resolutions approving the Transactions.

DEFINITIONS

“Board”	the board of Directors
“Company”	Rici Healthcare Holdings Limited (瑞慈醫療服務控股有限公司), a company incorporated in the Cayman Islands with limited liability on July 11, 2014 and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Equity Transfer Agreements”	Guangzhou Rich Agreement, Suzhou Rich Agreement, Nanjing Rich Agreement, Nantong Rich Agreement, Wuxi Rich Agreement, Yangzhou Rich Agreement and Xuzhou Rich Agreement
“Group”	the Company and its subsidiaries
“Guangzhou Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Guangzhou Rich at a consideration of RMB15.0 million
“Guangzhou Rici Investment”	Guangzhou Rici Investment Co., Ltd. (廣州瑞慈投資有限公司), a company incorporated in the PRC with limited liability on September 1, 2014, which is an indirectly wholly-owned subsidiary of the Company
“Guangzhou Rich”	Guangzhou Rich Zhongxin Clinic Co., Ltd. (廣州瑞慈中信門診部有限公司), a company incorporated in the PRC with limited liability on January 27, 2015, which will be held as to 51%, 30%, 12% and 7% by Guangzhou Rici Investment, Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Nanjing Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Nanjing Rich at a consideration of RMB38.7 million

“Nanjing Rich”	Nanjing Rich Ruixiang Clinic Co., Ltd. (南京瑞慈瑞祥門診部有限公司), a company incorporated in the PRC with limited liability on December 7, 2016, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“Nantong Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Nantong Rich at a consideration of RMB34.0 million
“Nantong Rich”	Nantong Rich Ruifeng Clinic Co., Ltd. (南通瑞慈瑞峰健康體檢中心有限公司), a company incorporated in the PRC with limited liability on January 10, 2017, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“PRC”	The People’s Republic of China, which expression for the purpose of this announcement, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Party(ies)”	the party(ies) to the Equity Transfer Agreements
“Purchaser” or “Shanghai Rich Medical”	Shanghai Rich Medical Investment Group Co., Ltd. (上海瑞慈醫療投資集團有限公司), a company incorporated in the PRC with limited liability on August 25, 2014, which is an indirectly wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Xintou”	Shanghai Xintou Health Management Consultation Co., Ltd. (上海欣投健康管理諮詢有限公司), a company incorporated in the PRC with limited liability on February 22, 2017
“Shareholder(s)”	shareholder(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Suzhou Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Suzhou Rich at a consideration of RMB24.5 million
“Suzhou Rich”	Suzhou Rich Ruihe Clinic Co., Ltd. (蘇州瑞慈瑞禾門診部有限公司), a company incorporated in the PRC with limited liability on August 25, 2016, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“Target Companies”	Guangzhou Rich, Suzhou Rich, Nanjing Rich, Nantong Rich, Wuxi Rich, Yangzhou Rich, Xuzhou Rich
“Transactions”	the transactions contemplated under the Equity Transfer Agreements
“Vendor” or “Shanghai XDWYS”	Shanghai XDWYS Asset Management Co., Ltd. (上海新東吳優勝資產管理有限公司), a company incorporated in the PRC with limited liability on February 25, 2013
“Wuxi Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Wuxi Rich at a consideration of RMB5.3 million
“Wuxi Rich”	Wuxi Rich Ruixi Clinic Co., Ltd. (無錫瑞慈瑞錫門診部有限公司), a company incorporated in the PRC with limited liability on December 21, 2016, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“Xuzhou Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Xuzhou Rich at a consideration of RMB19.0 million

“Xuzhou Rich”	Xuzhou Rich Ruixu Clinic Co., Ltd. (徐州瑞慈瑞徐體檢門診部有限公司), a company incorporated in the PRC with limited liability on December 20, 2016, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“Yangzhou Rich Agreement”	the equity transfer agreement dated July 17, 2020 entered into by Shanghai Rich Medical and the Vendor, pursuant to which Shanghai Rich Medical agreed to acquire and the Vendor agreed to sell 30% equity interest in Yangzhou Rich at a consideration of RMB18.5 million
“Yangzhou Rich”	Yangzhou Rich Ruiyang Integrated Chinese and Western Medicines Clinic Co., Ltd. (揚州瑞慈瑞揚中西醫結合門診部有限公司), a company incorporated in the PRC with limited liability on October 9, 2016, which will be held as to 81%, 12% and 7% by Shanghai Rich Medical, Shanghai Xintou and Mr. Pan Songtao (潘松濤), respectively, upon completion of the Transactions
“%”	per cent

Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

By Order of the Board
Rici Healthcare Holdings Limited
Fang Yixin
Chairman and Chief Executive Officer

Shanghai, the PRC, July 17, 2020

As of the date of this announcement, the Board comprises four executive Directors, namely, Dr. Fang Yixin, Dr. Mei Hong, Mr. Fang Haoze and Ms. Lin Xiaoying; one non-executive Director, namely Ms. Jiao Yan; and three independent non-executive Directors, namely, Dr. Wang Yong, Mr. Jiang Peixing and Ms. Wong Sze Wing.