

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Hygeia Healthcare Holdings Co., Limited**

**海吉亚医疗控股有限公司**

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

**(Stock Code: 6078)**

### **CONNECTED TRANSACTION ASSETS AND LIABILITIES SUCCESSION IN RELATION TO THE FOR-PROFIT REFORM OF KAIYUAN JIEHUA HOSPITAL AND TERMINATION OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement dated April 16, 2021 of the Company (the “**Announcement**”) in relation to the formation of the Joint Venture in connection with the for-profit reform of Kaiyuan Jiehua Hospital. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Joint Venture was duly incorporated on May 31, 2021, and with a valid Medical Institution Practicing Certificate (醫療機構執業許可證) for the for-profit hospital, it started to operate the for-profit hospital. Subject to the progress of the for-profit reform of Kaiyuan Jiehua Hospital, the assets and liabilities of Kaiyuan Jiehua Hospital (the “**Assets and Liabilities**”) may be succeeded by the Joint Venture in whole or in part (the “**Assets and Liabilities Succession**”). The Assets and Liabilities primarily comprise lands, properties, equipment, inventories, receivables, payables and advance payments in connection with the operation of Kaiyuan Jiehua Hospital. The original acquisition costs of the Assets and Liabilities was approximately RMB17,751,000 and the unaudited net book value of the Assets and Liabilities as of December 31, 2020 was approximately RMB6,377,000. Profits are not applicable to the not-for-profit hospitals according to the Accounting System for Private Non-Profit Organizations (《民間非營利組織會計制度》) issued by the Ministry of Finance of the PRC. For the year ended December 31, 2020, the excess of revenue over expenditure attributable to the Assets and Liabilities amounted to approximately RMB(6,752,000); and for the year ended December 31, 2019, the excess of revenue over expenditure attributable to the Assets and Liabilities amounted to approximately RMB5,756,000.

Reference is also made to the Prospectus in relation to, among other things, the Kaiyuan Cooperation Agreement and the Kaiyuan Hospital Management Agreement entered into between Gamma Star Tech and Kaiyuan Jiehua Hospital in relation to the provision of management services and radiotherapy center services, respectively. As the Joint Venture, a non-wholly-owned subsidiary of the Company, has started to operate the for-profit hospital, Gamma Star Tech and Kaiyuan Jiehua Hospital entered into the termination agreements (the “**Termination Agreements**”) on May 31, 2021, to terminate the Kaiyuan Cooperation Agreement and the Kaiyuan Hospital Management Agreement and the continuing connected transactions thereunder.

## **REASONS FOR AND BENEFITS OF THE ASSETS AND LIABILITIES SUCCESSION AND TERMINATION AGREEMENTS**

The Assets and Liabilities Succession and the entering into of the Termination Agreements were related to the for-profit reform of Kaiyuan Jiehua Hospital. For reasons for and benefits of the for-profit reform of Kaiyuan Jiehua Hospital, please refer to the Announcement. After the formation of the Joint Venture on May 31, 2021, it started to operate the for-profit hospital. Subject to the progress of the for-profit reform of Kaiyuan Jiehua Hospital, the Assets and Liabilities may be succeeded by the Joint Venture in whole or in part. As the Joint Venture, a non-wholly-owned subsidiary of the Company, has started to operate the for-profit hospital, Gamma Star Tech and Kaiyuan Jiehua Hospital entered into the Termination Agreements on May 31, 2021, to terminate the Kaiyuan Cooperation Agreement and the Kaiyuan Hospital Management Agreement and the continuing connected transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) consider that the Assets and Liabilities Succession in relation to the for-profit reform of Kaiyuan Jiehua Hospital and the transactions contemplated under the Termination Agreements are fair and reasonable and on normal commercial terms or better, and in the interests of the Company and its Shareholders as a whole. The Directors are of the view that the termination of the aforesaid continuing connected transactions will not have any material adverse effect on the operation, business and financial position of the Group.

Mr. Zhu and Mr. Ren Ai (the spouse of Ms. Zhu) are considered to have a material interest in the Assets and Liabilities Succession in relation to the for-profit reform of Kaiyuan Jiehua Hospital and the transactions contemplated under the Termination Agreements and therefore, they have abstained from voting on the relevant resolutions approving such transactions. None of the other Directors has any material interest in the transactions above.

## **LISTING RULES IMPLICATIONS**

Kaiyuan Jiehua Hospital, in which Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) holds 30% organizer’s interest (舉辦者權益), is an associate of Mr. Zhu and Ms. Zhu, and hence, is regarded as a connected person of the Company.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Assets and Liabilities Succession in relation to the for-profit reform of Kaiyuan Jiehua Hospital exceeds 0.1% but less than 5%, the Assets and Liabilities Succession is subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Kaiyuan Cooperation Agreement and the Kaiyuan Hospital Management Agreement and the transactions contemplated thereunder were continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The termination of the Kaiyuan Cooperation Agreement and the Kaiyuan Hospital Management Agreement is subject to the announcement requirement pursuant to Rule 14A.35 of the Listing Rules.

By order of the Board  
**Hygeia Healthcare Holdings Co., Limited**  
**Mr. Fang Min**  
*Chairman*

Hong Kong, May 31, 2021

*As of the date of this announcement, the Board comprises Mr. Fang Min as chairman and non-executive Director, Mr. Zhu Yiwen as vice chairman and non-executive Director, Ms. Cheng Huanhuan, Mr. Ren Ai, Mr. Zhang Wenshan and Ms. Jiang Hui as executive Directors, and Mr. Liu Yanqun, Mr. Chen Penghui and Mr. Ye Changqing as independent non-executive Directors.*