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Ziyuanyuan Holdings Group Limited
紫元元控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8223)

**CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF PROPERTY**

ACQUISITION OF PROPERTY

On 8 December 2022, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Property Purchase Agreement with the Vendor, pursuant to which, subject to the terms and conditions of the Property Purchase Agreement, the Purchaser agreed to purchase and Vendor agreed to sell the Property for a consideration of RMB24,971,486 (equivalent to approximately HK\$27,219,000).

GEM LISTING RULES IMPLICATIONS

Pursuant to the GEM Listing Rules, the Vendor is a connected person of the Company. As such, under Chapter 20 of the GEM Listing Rules, the Acquisition constitutes a connected transaction for the Company. The Board has approved the Acquisition and the Directors (including independent-non executive Directors) have confirmed that the terms of the Acquisition are fair and reasonable, and the Acquisition is on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) for the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to reporting and announcement requirements applicable to connected transactions but is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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PROPERTY PURCHASE AGREEMENT

Set out below are the principal terms of the Property Purchase Agreement:

- Date of agreement:** 8 December 2022
- Parties:** Shenzhen Ruiheng Medical Supply Chain Co., Ltd.
(深圳市瑞恒醫療供應鏈有限公司)
(a wholly-owned subsidiary of the Company, as the Purchaser)
- Shenzhen Suhao Investment Limited
(深圳市蘇豪投資有限公司)
(as the Vendor)
- Nature of transaction:** Pursuant to the Property Purchase Agreement, the Purchaser agreed to purchase and Vendor agreed to sell the Property, subject to the terms and conditions of the Property Purchase Agreement.
- The Property:** The Property is located in Room 2912, Room 3902 and Room 4002, Ziyuanyuan Building, No. 5001 Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC. It comprises with a gross floor area of approximately 298.77 sq.m, whose area is 53.97 sq. m, 122.40 sq.m, and 122.40 sq.m, respectively. As at the date of signing the Property Purchase Agreement, the Property was wholly-owned by the Vendor.
- Consideration and payment terms:** The Consideration is RMB24,971,486 (equivalent to approximately HK\$27,219,000), which shall be paid by the Purchaser to the Vendor upon signing of the Property Purchase Agreement.
- The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the average price per sq. m of the comparable properties in nearby locations of the Property with similar size. The payment of the Consideration will be financed by internal resources of the Group.
- Completion:** Completion shall take place on or before 8 December 2022.
- Completion was taken place on 8 December 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipment and consumables business in the PRC.

The Group intends to hold the Property for investment purpose to receive rental income. Taking into account the location of the Property, the Group believes that the Acquisition offers the Group an appealing property investment opportunity for capital appreciation and stable rental income in the future.

The Board considered that the Acquisition is on normal commercial terms which is made on an arm's length basis. In view of the above, the Board considers that Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE PARTIES

The Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipment and consumables business in the PRC.

Ruiheng

Ruiheng is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. Ruiheng is principally engaged in trading of medical equipment and consumables business in the PRC.

Shenzhen Suhao Investment Limited

Shenzhen Suhao Investment Limited is a company established in the PRC with limited liability, which is principally engaged in real estate development and operation businesses in the PRC. Shenzhen Suhao Investment Limited is indirectly owned as to 31.2% by Mr. Zhang, an executive Director and the controlling Shareholder of the Company, and it is also indirectly owned as to 46.8% by Mr. Zhang Junwei, a controlling Shareholder of the Company. Thus, the Vendor is a connected person of the Company under the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

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Mr. Zhang abstained from voting on the relevant Board resolution in relation to the Acquisition. Save for Mr. Zhang, none of the other Directors has any material interest in the Acquisition.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used herein shall have the following meanings:

“Acquisition”	the acquisition of the Property from the Vendor by the Purchaser pursuant to the Property Purchase Agreement
“Board”	the board of Directors
“Company”	Ziyuanyuan Holdings Group Limited (紫元元控股集團有限公司), a company incorporated in the Cayman Islands with limited liability and listed on GEM (stock code: 8223)
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
“Mr. Zhang”	Mr. Zhang Junshen, an executive Director and the controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	Room 2912, Room 3902 and Room 4002, Ziyuanyuan Building, No. 5001 Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC

“Purchaser” or “Ruiheng”	Shenzhen Ruiheng Medical Supply Chain Co., Ltd. (深圳市瑞恒醫療供應鏈有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“sq. m”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shenzhen Suhao Investment Limited (深圳市蘇豪投資有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 8 December 2022

For the purposes of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.09. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer), Mr. Zhang Yong, the non-executive Director is Mr. Lyu Di, and the independent non-executive Directors are Mr. Chan Chi Fung Leo, Mr. Chow Siu Hang and Dr. Deng Bin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.ziyygroup.com.