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GENERTEC UNIVERSAL MEDICAL GROUP COMPANY LIMITED

通用環球醫療集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2666)

DISCLOSEABLE TRANSACTION

ENTERING INTO THE ASSETS TRANSFER AGREEMENT

THE ASSETS TRANSFER AGREEMENT

On 16 December 2022 (after the trading hours), GUIFL (an indirect wholly owned subsidiary of the Company), as the vendor, and China Reform, as the purchaser, entered into the Assets Transfer Agreement, pursuant to which, among other things, GUIFL conditionally agreed to sell and China Reform conditionally agreed to acquire the Transfer Target at the Consideration of RMB1,586,622,568.91.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Assets Transfer is more than 5% but less than 25%, the Assets Transfer constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that, on 16 December 2022 (after the trading hours), GUIFL (an indirect wholly owned subsidiary of the Company), as the vendor, and China Reform, as the purchaser, entered into the Assets Transfer Agreement, pursuant to which, among other things, GUIFL conditionally agreed to sell and China Reform conditionally agreed to acquire the Transfer Target at the Consideration of RMB1,586,622,568.91.

As confirmed by China Reform, as at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Reform and its

ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

THE ASSETS TRANSFER AGREEMENT

The principal terms of the Asset Transfer Agreement are summarised as follows:

Date:

16 December 2022

Parties:

Vendor: GUIFL

Purchaser: China Reform

Transfer Target:

The Transfer Target represents the Leased Assets under the Underlying Contracts, being undue creditor's rights and any other rights, other than the ownership of the leased properties under the Underlying Contracts, of GUIFL against the Lessee under the Underlying Contracts, which include but are not limited to (1) unless otherwise expressly agreed by both parties, all monetary payable by the Lessee to GUIFL under the Underlying Contracts, including but not limited to the principals, interest, pre-leasing interest (if any), default interest, overdue interest, grace period interest, delay performance penalty, liquidated damages, late payment penalty, agreed loss compensation, early termination compensation, lease asset occupancy fee, buy back price (residual value of leased properties), etc.; and (2) all rights of GUIFL under the Underlying Contracts, including all rights and remedies agreed in contracts or documents related to guarantee, mortgage, pledge and deposit (if any) or granted by law.

Under the Underlying Contracts, the original carrying amount of the Transfer Target, being the remaining lease principal of lease receivables, was approximately RMB1,586 million.

Consideration:

The Consideration payable by China Reform to GUIFL for the Assets Transfer is RMB1,586,622,568.91, which should be paid on the satisfaction of or written waiver by China Reform (as the case may be) of all conditions precedent.

GUIFL and China Reform agreed that any taxes and expenses incurred by GUIFL in relation to the performance or execution of the Assets Transfer Agreement or the submission of the Assets Transfer Agreement as evidence should be borne by GUIFL. All costs and expenses incurred by GUIFL in relation to the Assets Transfer Agreement paid by China Reform, including but not limited to the costs and expenses arising from legal proceedings (including litigation/arbitration fees, attorney fees, preservation fees, preservation guarantee fees, travel expenses, announcement fees, etc.), notarization, evaluation, valuation, etc., should be borne by GUIFL.

The Consideration was determined after arm's length negotiations between GUIFL and China Reform

after having taken into account the remaining lease principal of the Transfer Target and prevailing market practices.

Conditions precedent to performance of obligations by China Reform

Performance of its obligations under the Assets Transfer Agreement by China Reform is conditional on the satisfaction of or written waiver by China Reform (as the case may be) of the following conditions:

- (a) GUIFL has provided China Reform with copies of the latest corporate documents (with official seal), including business license and the articles of association of GUIFL (including amendments to the articles of association), etc.;
- (b) GUIFL has provided a resolution passed by its shareholders' meeting, board of directors or other internal authorities, which includes (i) approval of the terms and conditions of the Assets Transfer Agreement and consent to sign the Assets Transfer Agreement; (ii) authorization of a specific person (if necessary) to sign the Assets transfer agreement on behalf of GUIFL and sign and/or deliver all documents and notices required to be signed and/or delivered under or in connection with the Assets Transfer Agreement;
- (c) China Reform has received the effective guarantee contract (or letter) signed by the guarantor (if any) and has gone through the effective registration formalities (if necessary);
- (d) GUIFL has provided China Reform with the original or copies of the Underlying Contracts of all Leased Assets and other relevant legal documents (with official seal);
- (e) China Reform has received the deposit (if any) under the Underlying Contracts from GUIFL;
- (f) the representations and warranties made by GUIFL under the Assets Transfer Agreement are true, accurate and complete in all respects;
- (g) no material adverse change in the operating and financial conditions of GUIFL and the Lessee, and no circumstance impairing the ability to perform the Underlying Contracts and/or Assets Transfer Agreement;
- (h) GUIFL does not breach the Assets Transfer Agreement, and no adverse circumstance of suspension, cancellation or termination of the performance of the Underlying Contracts has been triggered;
- (i) the transaction under the Assets Transfer Agreement has been registered in the unified registration and publicity system of movable property financing of the Credit Reference Center of the People's Bank of China;
- (j) China Reform has received the notice of transfer of the Leased Assets and the power of attorney for notice of transfer of the Leased Assets signed by GUIFL; and
- (k) other conditions required by China Reform.

Unless waived or modified by China Reform in writing, the above conditions precedent should be fulfilled within six months (inclusive) from the date of approval of the Assets Transfer by China Reform's internal authorities. Otherwise, China Reform should be entitled to terminate the Assets Transfer Agreement without assuming any legal liability and should not be obliged to pay the Consideration to GUIFL, and all liabilities and consequences arising therefrom should be borne by GUIFL.

Subject to the satisfaction/waiver (as the case may be) of the above conditions precedent, the Assets Transfer should become effective on the transfer date. Upon the effectiveness of the Assets Transfer, China Reform would acquire the creditor's rights and other related rights under the Leased Assets.

FINANCIAL INFORMATION ON THE TRANSFER TARGET

According to the Group's unaudited financial information prepared in accordance with General Accepted Accounting Principles in the People's Republic of China (中國企業會計準則), the net profits (both before and after taxation) attributable to the Transfer Target for the two years ended 31 December 2020 and 2021 were as follows:

	Year Ended 31 December 2020 <i>(RMB: million)</i>	Year Ended 31 December 2021 <i>(RMB: million)</i>
Net profits before taxation	14.01	29.53
Net profits after taxation	13.21	27.86

FINANCIAL IMPACT AND USE OF PROCEEDS

Immediately upon the payment of the Consideration, GUIFL will cease to have rights or interests in the Transfer Target. The net proceeds received from the transaction under the Assets Transfer Agreement will be applied on the Group's finance lease transactions in the future.

INFORMATION OF THE GROUP

The Company is an integrated healthcare service provider with a focus on the fast-growing healthcare service industry in the PRC. Leveraging its own diversified healthcare resources and strong financial support, the Company has been committed to building up hospitals' comprehensive strengths in terms of healthcare technology, service quality, operating efficiency as well as managerial capacity.

GUIFL, an indirect wholly owned subsidiary of the Company, is a limited liability company incorporated in the PRC in December 2014. GUIFL is mainly engaged in financial leasing business, leasing business, residual value treatment and maintenance of leased properties, and leasing transactions consulting and guarantee business.

INFORMATION OF CHINA REFORM

China Reform is a company with limited liability incorporated under the laws of the PRC and is principally engaged in finance lease business. China Reform is an indirectly wholly owned subsidiary of China Reform Holdings, and the sole shareholder of China Reform Holdings is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. To the best of the Director's

knowledge, information and belief after having made all reasonable enquiries, China Reform and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENT

Finance leasing is a major business segment of the Group, and accelerating asset turnover is beneficial to the increase of the overall profit margin. The Directors believe that the Assets Transfer would accelerate the overall turnover of the Company's assets and increase the overall revenue generated. Moreover, the Consideration received from the Assets Transfer will provide financial supports to the Company's business development of new projects.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Assets Transfer Agreement are on normal commercial terms and are fair and reasonable and the Assets Transfer is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Assets Transfer is more than 5% but less than 25%, the Assets Transfer constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

“Assets Transfer”	the transfer of the Transfer Target from GUIFL to China Reform pursuant to the Assets Transfer Agreement
“Assets Transfer Agreement”	the assets transfer agreement dated 16 December 2022 entered into between GUIFL and China Reform
“Board”	the board of Directors of the Company
“China Reform”	China Reform Financial Leasing Co., Ltd. (國新融資租賃有限公司), a company with limited liability incorporated under the laws of the PRC and is principally engaged in finance lease business
“China Reform Holdings”	China Reform Holdings Corporation Ltd.
“Company”	Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock

	code: 2666)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of RMB1,586,622,568.91, being the consideration for the Assets Transfer
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“GUIFL”	Genertec Universal International Financial Leasing (Tianjin) Co., Ltd. (通用環球國際融資租賃(天津)有限公司), a limited liability company incorporated in the PRC and an indirectly wholly owned subsidiary of the Company
“Leased Assets”	apart from the ownership of the leased properties under the Underlying Contracts, the undue creditor’s rights and any other rights of GUIFL against the Lessee under the Underlying Contracts agreed to be transferred to China Reform pursuant to the terms and conditions under the Assets Transfer Agreement, including but not limited to (i) unless otherwise expressly agreed by both parties, all monetary payable by the Lessee to GUIFL under the Underlying Contracts, including but not limited to the principals, interest, pre-leasing interest (if any), default interest, overdue interest, grace period interest, delay performance penalty, liquidated damages, late payment penalty, agreed loss compensation, early termination compensation, lease asset occupancy fee, buy back price (residual value of leased properties), etc.; and (ii) all rights of GUIFL under the Underlying Contracts, including all rights and remedies agreed in contracts or documents related to guarantee, mortgage, pledge and deposit (if any), or granted by law. The details of the Leased Assets are specified in the appendix of the Assets Transfer Agreement
“Lessee”	any person who has payment obligations to GUIFL under the Underlying Contracts in respect of the Leased Assets
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Target”	the Leased Assets of GUIFL under the Underlying Contracts
“Underlying Contracts”	the contracts, agreements and any other supplementary agreements or modification documents related to the formation of the Leased Assets signed by the GUIFL and the Lessee
%	per cent

By order of the Board
**Genertec Universal Medical Group Company
Limited**
通用環球醫療集團有限公司
Peng Jiahong
Chairwoman of the Board

Beijing, PRC, 16 December 2022

As at the date of this announcement, the executive Directors are Ms. Peng Jiahong (Chairwoman), Mr. Wang Wenbing and Mr. Yu Gang; the non-executive Directors are Mr. Chan Kai Kong (Vice-chairman), Mr. Tong Chaoyin, Mr. Xu Ming and Mr. Zhu Ziyang; and the independent non-executive Directors are Mr. Li Yinquan, Mr. Chow Siu Lui, Mr. Xu Zhiming and Mr. Chan, Hiu Fung Nicholas.