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Yidu Tech Inc.
醫渡科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2158)

DISCLOSEABLE TRANSACTION DISPOSAL OF 20% OF THE ISSUED SHARE CAPITAL OF EVYD BVI

The Board is pleased to announce that on 21 December 2022 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, among other things, the Purchaser agreed to acquire, and the Company agreed to sell, the Sale Shares at a Consideration of US\$55 million.

Under the terms and conditions of the Sale and Purchase Agreement, at Completion, Yidu Tech BVI I, Yidu Tech BVI II, the Purchaser and EVYD BVI shall enter into the Shareholders' Agreement, in relation to, among other things, the management of EVYD BVI, and the rights and obligations of Yidu Tech BVI I, Yidu Tech BVI II (on a joint and several basis) on the one hand, and the Purchaser on the other hand, in respect of EVYD BVI.

Listing Rules implications

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but, are all less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Introduction

The Board is pleased to announce that on 21 December 2022 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, among other things, the Purchaser agreed to acquire, and the Company agreed to sell, the Sale Shares at a Consideration of US\$55 million.

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Sale and Purchase Agreement

The principal terms and conditions of the Sale and Purchase Agreement are as follows:

Date: 21 December 2022

Parties: (i). the Company, as the vendor; and
(ii). the Purchaser.

Subject matter: The Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares (representing 20% of the issued share capital of EVYD BVI as at the date of this announcement).

Consideration: US\$55 million, which shall be payable in cash within two business days after the execution of the Sale and Purchase Agreement and shall be no later than 23 December 2022.

Completion conditions: Seller Completion Conditions:

The obligation of the Purchaser to acquire the Sale Shares is conditional upon the following conditions precedent (the “**Seller Completion Conditions**”) having been satisfied on or prior to Completion:

- (i). the Company having performed and complied with all covenants and obligations required to be performed or complied with by it under the Sale and Purchase Agreement on or before the Completion; and
- (ii). each of the warranties given by the Company under the Sale and Purchase Agreement (the “**Seller Warranties**”) being true and accurate at Completion by reference to the facts and circumstances then existing as if references in the Seller Warranties to the date of the Sale and Purchase Agreement were references to the date of Completion.

The Purchaser may, to the extent permitted by the applicable laws, in its absolute discretion waive any of the Seller Completion Conditions either in whole or in part at any time by notice in writing to the Company.

Purchaser Completion Conditions:

The obligation of the Company to sell the Sale Shares is conditional upon the following conditions precedent (the “**Purchaser Completion Conditions**”) having been satisfied on or prior to Completion:

- (i). the Purchaser having performed and complied with all covenants and obligations required to be performed or complied with by it under the Sale and Purchase Agreement on or before the Completion; and
- (ii). each of the warranties given by the Purchaser under the Sale and Purchase Agreement (the “**Purchaser Warranties**”) being true and accurate at Completion by reference to the facts and circumstances then existing as if references in the Purchaser Warranties to the date of the Sale and Purchase Agreement were references to the date of Completion.

The Company may, to the extent permitted by applicable laws, in its absolute discretion waive any of the Purchaser Completion Conditions either in whole or in part at any time by notice in writing to the Purchaser.

Completion:

At Completion:

- (i). the Company shall deliver to the Purchaser, among other things, an original counterpart of the Shareholders’ Agreement duly executed by EVYD BVI, Yidu Tech BVI I and Yidu Tech BVI II; and
- (ii). the Purchaser shall deliver to the Company, among other things, an original counterpart of the Shareholders’ Agreement duly executed by the Purchaser.

The Shareholders’ Agreement

The principal terms and conditions of the EVYD BVI Shareholders’ Agreement are as follows:

Date: To be entered into on the date of Completion.

- Parties:
- (i). EVYD BVI;
 - (ii). the Purchaser;
 - (iii). Yidu Tech BVI I; and
 - (iv). Yidu Tech BVI II.

(Yidu Tech BVI I and Yidu Tech BVI II collectively referred to as “**Yidu Tech**” under the Shareholders’ Agreement)

Board composition:	<p>The board of directors of EVYD BVI shall comprise of five (5) directors. Yidu Tech shall be entitled to appoint three (3) directors. For so long as the Purchaser holds at least five percent (5%) of the issued shares in EVYD BVI (the “Shares”), the Purchaser shall be entitled to appoint two (2) directors.</p> <p>The board of EVYD BVI shall not permit EVYD BVI to take certain board reserved matters without the approval of two-thirds (2/3) majority of the board, or certain matters without prior good faith consultation with the directors appointed by the Purchaser.</p>
Shareholders reserved matters:	For so long as the Purchaser holds at least five percent (5%) of the Shares, EVYD BVI shall not take certain shareholders reserved matters without the approval of the Purchaser.
Restrictions on EVYD BVI’s issuance or sale of new Shares etc.:	<p>Any proposed issue of any new Shares by EVYD BVI to any person shall be subject to the pre-emption rights of Yidu Tech and the Purchaser.</p> <p>Any proposed issue or sale of any new Shares by EVYD BVI shall also be subject to anti-dilution adjustment.</p>
Restrictions on transfer:	If Yidu Tech or the Purchaser desires to transfer all or a part of its Shares to a bona fide third party purchaser, the Purchaser or Yidu Tech, respectively, shall have a right of first offer. Subject to the terms of the Shareholders’ Agreement, the Purchaser also has a tag along right to tag along Yidu Tech’s proposed transfer of Shares.

Basis of determination of the Consideration

The Consideration was determined after arm’s length negotiations with reference to, among other things, the historical performance of the EVYD BVI and its future prospects, the valuation of listed comparable healthcare technology companies, and long-term strategic partnership between the Purchaser and the Company.

Information of the parties

The Company

The Company is the leading provider of healthcare intelligence platforms and solutions, adhering to the mission of “making value-based precision healthcare accessible to everyone”. Since establishment, the Company has focused on the development and application of healthcare intelligence, as well as committed to promoting the establishment of a safe, inclusive and value-based intelligent healthcare system. The Company empowers three major categories of healthcare scenarios, namely research, diagnosis and treatment and public health, through YiduCore, its proprietary “Healthcare Intelligent Brain”, to provide intelligent analytics-driven innovative solutions for the healthcare industry, help accelerate the cost reduction of healthcare services, and improve the efficiency of the healthcare industry’s supply side.

The Purchaser

The Purchaser is an investment holding company incorporated under the laws of Brunei, and is beneficially owned by the Brunei Investment Agency. The Brunei Investment Agency is a body corporate that was established by the Brunei Investment Agency Act (Chapter 137 of the Laws of Brunei). It is a government-owned corporation that reports to the Ministry of Finance and Economy of the Government of Brunei and one of its principal objects is to hold and manage the General Reserve Fund of the Government of Brunei.

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

EVYD BVI

EVYD BVI is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability, and principally engages in the Company's international business outside the People's Republic of China.

The financial information of EVYD BVI for the years ended 31 March 2022 and 2021 is as follows:

	For the year ended 31 March 2022 <i>(audited)</i> US\$'000	For the year ended 31 March 2021 <i>(unaudited)</i> US\$'000
Net profit before taxation	3,429	5,585
Net profit after taxation	3,429	5,585

As at 30 September 2022, the unaudited net asset of EVYD BVI amounted to approximately US\$33,288,120.

As at the date of this announcement and prior to Completion, the Company and the Purchaser respectively held 90.1% (20% of which was held directly by the Company, 27.5% of which was held indirectly through Yidu Tech BVI I, and 42.6% of which was held indirectly through Yidu Tech BVI II) and 9.9% of the issued shares of EVYD BVI. On Completion, the Company and the Purchaser shall respectively hold 70.1% (27.5% of which shall be held indirectly through Yidu Tech BVI I, and 42.6% of which shall be held indirectly through Yidu Tech BVI II) and 29.9% of the issued shares of EVYD BVI, and EVYD BVI will remain a subsidiary of the Company.

Yidu Tech BVI I and Yidu Tech BVI II

Each of Yidu Tech BVI I and Yidu Tech BVI II is incorporated under the laws of the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company as at the date of this announcement.

Both Yidu Tech BVI I and Yidu Tech BVI II principally engage in investment holding.

Reasons for and benefits of the Disposal

The Board considers that the Company's Disposal of 20% of the issued share in EVYD BVI will allow the Purchaser to become a significant shareholder of EVYD BVI, which will help to further cement the Purchaser's support for the Company's international businesses to expand within Brunei and overseas, providing the foundation for the growth of Company's international businesses and consolidate Company's business leadership in Brunei. Upon completion of the Disposal, it is expected that the Purchaser's global networks will better empower the further growth of the Company, which will in turn provide a good return for the Company and its shareholders.

The Directors (including the independent non-executive Directors) consider that the terms of the transactions contemplated under the Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Financial effect of the Disposal and use of proceeds

Subject to final audit, as the Company will continue to indirectly hold 70.1% shares of EVYD BVI after the Disposal, and hence continues to be the controlling shareholder of EVYD BVI after the Disposal, the Disposal is expected to have no impact on the Group's income statement. As for the Group's balance sheet, subject to final audit, it is expected that the Group will record from the Disposal an increase of the Group's "Other Reserves" in the amount of US\$49,960,451, and an increase of the Group's "Non-controlling Interests" in the amount of US\$5,039,549.

The proceeds from the Disposal are currently intended to be applied to the general working capital of the Group.

Listing Rules implications

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5%, but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Definitions

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

“Board”	the board of Directors
“Company”	Yidu Tech Inc. (醫渡科技有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2158)
“Completion”	completion of the Disposal
“Consideration”	the consideration of US\$55 million payable by the Purchaser to the Company in relation to the Disposal
“Directors”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“EVYD BVI”	EVYD Technology Limited, a company incorporated in the British Virgin Islands
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Yidu Tech BVI I, Yidu Tech BVI II, the Purchaser and EVYD BVI, in relation to, among other things, the management of EVYD BVI and the rights and obligations of Yidu Tech BVI I, Yidu Tech BVI II (on a joint and several basis) on the one hand, and the Purchaser on the other hand, in respect of EVYD BVI
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it in the Listing Rules
“Purchaser”	Yaquut Sdn Bhd, a company incorporated under the laws of Brunei

“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 December 2022 entered into between the Company and the Purchaser in relation to the Disposal
“Sale Shares”	200 ordinary shares in EVYD BVI, representing 20% of the issued share capital of EVYD BVI as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yidu Tech BVI I”	YD Research Limited, a company duly incorporated and registered under the laws of the British Virgin Islands
“Yidu Tech BVI II”	Simpur Health Limited, a company duly incorporated and registered under the laws of the British Virgin Islands
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Yidu Tech Inc.
Gong Yingying
Executive Director, Chairlady and Chief Executive Officer

Hong Kong, 21 December 2022

As at the date of this announcement, the executive Directors are Ms. Gong Yingying, Ms. Yang Jing, Dr. Yan Jun and Ms. Zhang Shi; the non-executive Director is Mr. Zeng Ming; and the independent non-executive Directors are Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi.