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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)

CONNECTED TRANSACTION FORMATION OF A JOINT VENTURE

FORMATION OF THE JOINT VENTURE

The Board is pleased to announcement that on 3 March 2023, after trading hours, GUHID (a wholly owned subsidiary of the Company), GT-PRC (the controlling shareholder of the Company), Aerospace Medical & Healthcare Technology (a subsidiary of GT-PRC), GEM Flower Healthcare (a wholly owned subsidiary of GT-PRC) and Genertec Guozhong Healthcare (a subsidiary of GT-PRC), executed the Agreement to establish the Joint Venture.

Pursuant to the Agreement, the registered capital of the Joint Venture will be RMB1 billion and would be contributed by the relevant parties in cash, among which, (i) GUHID would contribute RMB50 million, (ii) GT-PRC would contribute RMB450 million, (iii) Aerospace Medical & Healthcare Technology would contribute RMB300 million, (iv) GEM Flower Healthcare would contribute RMB150 million and (v) Genertec Guozhong Healthcare would contribute RMB50 million. Upon the establishment of the Joint Venture, its registered capital will be held by GUHID, GT-PRC, Aerospace Medical & Healthcare Technology, GEM Flower Healthcare and Genertec Guozhong Healthcare as to 5%, 45%, 30%, 15% and 5%, respectively, and the Joint Venture will not be accounted as a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GT-PRC is the controlling shareholder holding approximately 38.89% of the entire issued capital of the Company and is therefore a connected person of the Company. Each of Aerospace Medical & Healthcare Technology, GEM Flower Healthcare and Genertec Guozhong Healthcare is a subsidiary of GT-PRC, and therefore is a connected person of the Company pursuant to the Listing Rules. As such, the formation of the

Joint Venture constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the formation of the Joint Venture are more than 0.1% but less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are summarized as follows:

Date	3 March 2023 (after trading hours)
Name of the Joint Venture	General Technology Group Medical Management Technology Co., Ltd. (通用技術集團健康管理科技有限公司)
Shareholders of the Joint Venture	(i) GUHID; (ii) GT-PRC; (iii) Aerospace Medical & Healthcare Technology; (iv) GEM Flower Healthcare; and (v) Genertec Guozhong Healthcare

Registered capital of the Joint Venture and capital contribution

The registered capital of the Joint Venture will be RMB1 billion. The capital contribution should be made by the parties in the following manner:

Party	Amount of capital contribution (RMB million)	Percentage
GUHID	50	5%
GT-PRC	450	45%
Aerospace Medical & Healthcare Technology	300	30%
GEM Flower Healthcare	150	15%
Genertec Guozhong Healthcare	50	5%

Pursuant to the Agreement, each party should fully make its capital contribution in cash by 31 March 2023.

The amount of the capital contribution to be made by the parties was determined after arm's length negotiations among the parties with reference to, among other things, the expected capital requirements of the Joint Venture.

Business scope of the Joint Venture

The business scope of the Joint Venture will mainly include health management, health examination, health consultation (except for diagnosis activities requiring approval), healthcare services (non-medical), psychological consulting services, mental health assessment, aesthetic medical services, sports health services, technical services, technical consultation. Sales of medical devices (Class I, II and III), pharmaceutical wholesale and pharmaceutical retail. Software and information technology services, etc.

Organization structure

The Joint Venture's board of directors will comprise nine directors, including eight directors recommended by its shareholders and one employee representative director. Among the eight directors recommended by the shareholders, GT-PRC is entitled to recommend three directors, Aerospace Medical & Healthcare Technology is entitled to recommend two directors, and each of the Company, GEM Flower

Healthcare and Genertec Guozhong Healthcare is entitled to recommend one director. Each of the directors recommended by shareholders should be subject to election at a shareholders' meeting of the Joint Venture. The employee representative director will be elected by the employees' meeting or the employee representatives' meeting of the Joint Venture.

The chairman of the board should be one of the directors recommended by GT-PRC.

The Joint Venture will have one supervisor appointed by GT-PRC. The directors and senior management of the Joint Venture should not concurrently hold the position of supervisor.

The Joint Venture will have one general manager and one financial officer, both of whom will be appointed by the Joint Venture's board of directors.

**Resolutions of
board meetings**

The board meeting of the Joint Venture should be held only when more than half of the directors are present. Board resolutions on the following matters must be passed by more than two-thirds of the board of directors of the Joint Venture:

(i) plans in relation to increase or decrease in the registered capital and issuance of corporate bonds of the Joint Venture; and

(ii) plans in relation to merging, splitting, dissolving or changing of the form of the Joint Venture.

Board resolutions regarding other matters should be passed by more than half of the board of directors of the Joint Venture.

**Resolutions of
shareholders'
meetings**

The voting rights of the shareholders should be proportionate to their paid-in capital contribution to the Joint Venture. Resolutions of the Joint Venture's shareholders meeting in relation to approval of or amendments on the articles of association, the increase or decrease in the registered capital, issuance of corporate bonds, and merging, splitting, dissolving, liquidation or changing of the form of the Joint Venture must be approved by shareholders representing more than two-thirds of the voting rights, and resolutions regarding other matters must be approved by shareholders representing more than half of the voting rights.

**Dissolution or
liquidation of the
Joint Venture**

The Joint Venture should be dissolved or liquidated upon the occurrence of any of the following:

(i) the Joint Venture being declared bankrupt in accordance with the law;

- (ii) the term of the Joint Venture having expired or any cause of dissolution stipulated by the articles of association of the Joint Venture;
- (iii) dissolution by resolution of the shareholders' meeting of the Joint Venture;
- (iv) the business registration license of the Joint Venture is revoked pursuant to applicable laws, the Joint Venture is ordered to close or was struck off;
- (v) the courts of the PRC having ordered the dissolution of the Joint Venture; or
- (vi) other circumstances under which the Joint Venture shall be dissolved pursuant to the applicable laws and regulations.

INFORMATION OF THE PARTIES TO THE AGREEMENT

The Company

The Company is an integrated healthcare service provider with focuses on the fast-growing healthcare service industry in the PRC. Leveraging its own rich medical resources and strong financial strength, the Company is committed to improving the technical standards, service capabilities, operational performance and management effectiveness of the hospitals, to effectively enhance the overall strength of the hospital.

GUHID

GUHID, a wholly owned subsidiary of the Company, is a limited liability company incorporated in the PRC in 2019. The principal business of GUHID mainly comprises healthcare management services, health consultation, hospital management services and corporate management information consulting.

GT-PRC and its Group Members

GT-PRC was established in March 1998 as a state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission. The principal business of GT-PRC comprises three major segments, namely, advanced manufacturing and technology service, pharmaceutical and healthcare and trade and engineering contracting.

Aerospace Medical & Healthcare Technology is a state-owned enterprise principally engaged in hospital management, hospital research and development, healthcare consultation, investment, medical digitalization, sales and distribution of medical equipment and medicine, property management, etc. The ultimate beneficial owner of Aerospace Medical & Healthcare Technology is GT-PRC.

GEM Flower Healthcare is a state-owned enterprise principally engaged in medical healthcare service. The ultimate beneficial owner of GEM Flower Healthcare is GT-PRC.

Genertec Guozhong Healthcare is a state-owned enterprise principally engaged in medical service, healthcare management, elder care service and sanatorium. The ultimate beneficial owner of Genertec Guozhong Healthcare is GT-PRC.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

To achieve high-quality development of the medical sector and implement the strategy of Healthy China, GT-PRC and its group members engaged in medical industry (including the Group) plan to jointly establish the Joint Venture, to build the unified and professional healthcare management platform of GT-PRC, and to share the collaborative development achievements, user resources and operating profits among the medical platforms of all parties. The Joint Venture will form an integrated business system and build a unified brand by operating its own healthcare management centers (in areas unserved by any party), cooperating with medical institutions of GT-PRC and external partners to operate health institutions, etc.

The Group participates in the establishment and operation of the Joint Venture, which will achieve better synergies with other medical resources under GT-PRC. Meanwhile, with the help of unified brand and standard, the Company can better promote and improve its own healthcare management business. As a professional platform for healthcare management of GT-PRC, the Joint Venture has a cooperative relationship with the medical institutions of the Group. The management system and ownership of the healthcare management business of each medical institution will remain unchanged, and the development and profit distribution of the healthcare management business of each medical institution will not be affected.

As such, the Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) believe that participating in the formation and operation of the Joint Venture could enhance the Group's experience in healthcare management services, and the Company would benefit from the business expansion of the Joint Venture in the long run and create a greater strategic value in the future GT-PRC's medical resources integration and collaborative development.

As at the date of the board meeting approving the transaction, Mr. Tong Chaoyin and Mr. Xu Ming, non-executive Directors holding positions in GT-PRC or its associates, were considered to have material interests in the transaction under the formation of the Joint Venture. Therefore, Mr. Tong Chaoyin and Mr. Xu Ming had abstained from voting on the resolution in respect of the formation of the Joint Venture. Save as disclosed above, no other Director has interests in the Agreement and the formation of the Joint Venture. The Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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DEFINITIONS

“Aerospace Medical Healthcare Technology”	& Aerospace Medical & Healthcare Technology Group Co., Ltd. (航天醫療健康科技集團有限公司), a state-owned enterprise which is ultimately beneficially owned by GT-PRC
“Agreement”	the shareholders' agreement of the Joint Venture dated 3 March 2023 entered into by and among GUHID, GT-PRC, Aerospace Medical & Healthcare Technology, GEM Flower Healthcare and Genertec Guozhong Healthcare, in relation to, among other things, the establishment of the Joint Venture
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“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 thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“GEM Flower Healthcare”	GEM Flower Healthcare Investment Holdings Group Co., Ltd. (寶石花醫療健康投資控股集團有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of GT-PRC
“Genertec Guozhong Healthcare”	Genertec Guozhong Healthcare Group Co., Ltd. (國中康健集團有限公司), a state-owned enterprise which is ultimately beneficially owned by GT-PRC
“Group”	the Company and its subsidiaries

“GT-PRC”	China General Technology (Group) Holding Company Limited (中國通用技術（集團）控股有限責任公司), a state-owned enterprise and the ultimate controlling shareholder of the Company
“GUHID”	Genertec Universal Healthcare Industry Development (Tianjin) Co., Ltd. (通用環球健康產業發展(天津)有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	General Technology Group Medical Management Technology Co., Ltd. (通用技術集團健康管理科技有限公司), a joint venture to be established in the PRC pursuant to the terms of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“PRC”	the People’s Republic of China excluding Hong Kong, Macau and Taiwan solely for the purpose of this announcement
“RMB”	renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“%”	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, 3 March 2023

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.