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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 ENTERING INTO THE LEASE AGREEMENT

ENTERING INTO THE LEASE AGREEMENT

The Board is pleased to announcement that on 19 July 2023, after trading hours, CULC (a wholly owned subsidiary of the Company), as the lessee, entered into the Lease Agreement with GT-PRC Asset Management (a wholly owned subsidiary of GT-PRC), as the lessor, to lease the Properties for a term of three years from 1 January 2024 to 31 December 2026.

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. GT-PRC Asset Management is a wholly owned subsidiary of GT-PRC, and therefore is a connected person of the Company pursuant to the Listing Rules.

In accordance with HKFRS 16, on 1 January 2024, the Company will recognize right-of-use assets in its consolidated statement of financial position in respect of the lease of Properties under the Lease Agreement. Accordingly, the transaction under the Lease Agreement will be regarded as an acquisition of assets by CULC from GT-PRC Asset Management and will constitute a one-off connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction under the Lease Agreement are more than 0.1% but all of them are less than 5%, the transaction under the Lease Agreement 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 Lease Agreement

The principal terms of the Lease Agreement are summarized as follows:

Date

19 July 2023

Parties

- (a) CULC; and
- (b) GT-PRC Asset Management

Lease term

Three years from 1 January 2024 to 31 December 2026

Leased properties and rental amount

The table below sets out the relevant details of the leased Properties under the Lease Agreement:

Properties	Particulars of Properties	Rental Amount	Rental Deposit
Genertec Technology Mansion (通用技術大廈) located at No. 90 West 3 rd Ring Middle Road, Fengtai District, Beijing, PRC	The 20 th floor to 28 th floor with a total floor area of 9,974.93 square meters	RMB3.82/day/m ² (tax inclusive)	RMB3,477,011, being equivalent to the rental of the leased area for the first quarter of 2024

The rental payable by CULC has been arrived at after arm's length negotiations between the parties thereto after taking into consideration the prevailing market rental for comparable premises in the vicinity of the leased Properties.

The leased Properties will be used as office properties.

As at the date of this announcement, pursuant to the Lease Agreement, ongoing negotiations on principal terms in respect of the potential leasing of further areas in Genertec Technology Mansion between CULC and GT-PRC Asset Management are still underway.

Payment arrangement

CULC should pay the rental deposit of the 20th floor to 28th floor to GT-PRC Asset Management within 15 days after the signing date of this agreement, and GT-PRC Asset Management should issue a deposit receipt to CULC within 15 days after receiving the deposit.

During the term of the Lease Agreement, CULC should make quarterly rental payments at least 15 days before the beginning of each quarter, and GT-PRC Asset Management should provide valid value added tax invoice to CULC within 15 days after receiving the rental.

Value of the Right-of-use Assets

In accordance with HKFRS 16, the total value of the right-of-use assets to be recognized by the Group in respect of the lease of the Properties under the Lease Agreement would be approximately RMB36.96 million, calculated based on the present value of the total lease payments under the Lease Agreement at a discount rate of 4.75%. It should be noted that the above figure is unaudited and may be subject to adjustment in the future.

INFORMATION OF THE PARTIES

The Company

The Company is controlled by a central state-owned enterprise and listed on the Stock Exchange with focus on healthcare industry in the PRC. Committed to the fast developing healthcare industry in China, focusing on healthcare service provision, based on financial services, and taking advantage of modern management concepts, professionals, quality medical resources, solid financial strength and inclusive corporate culture, the Company strives to build a reliable healthcare conglomerate and develop a healthcare ecosystem that can be shared by all and benefit all.

CULC

CULC, a directly wholly owned subsidiary of the Company, is a limited liability company incorporated in the PRC in November 1984. CULC is mainly engaged in financial leasing business, leasing business, residual value treatment and maintenance of leased properties, and leasing transactions consulting.

GT-PRC

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.

GT-PRC Asset Management

GT-PRC Asset Management, a directly wholly owned subsidiary of GT-PRC, a limited liability company incorporated in the PRC in May 2009. GT-PRC Asset Management is principally engaged in asset management and investment.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Responding to the overall strategic planning of GT-PRC, the controlling shareholder of the Group as a central state-owned enterprise, the Group decides to move to the office space designated by GT-PRC for better coordination of internal resources and working efficiency in the year of 2024. Entering into the Lease Agreement can provide the Group with necessary office and premises to carry out its daily business operation and will also enable the Group to secure a long-term premise for office use, which would facilitate resources coordination with central state-owned enterprise shareholder and at the same time enhance working efficiency.

As such, the Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) are of the view that the transaction contemplated under the Lease Agreement is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the transaction thereof are fair and reasonable and in the interests of the Company and Shareholders as a whole.

As at the date of the board meeting approving the entering into the Lease Agreement, 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 transactions under the Lease Agreement. Therefore, Mr. Tong Chaoyin and Mr. Xu Ming had abstained from voting on the resolution in respect of the Lease Agreement. Save as disclosed above, no other Director has interests in the Lease Agreement.

LISTING RULES IMPLICATIONS

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DEFINITIONS

“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
“CULC”	China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“Directors”	the directors of the Company
“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
“GT-PRC Asset Management”	Genertec Asset Management Co., Ltd. (通用技術集團資產管理有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of GT-PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreement”	The lease agreement dated 19 July 2023 entered into between CULC and GT-PRC Asset Management
“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
“Properties”	properties located on the 20 th floor to 28 th floor of Genertec Technology Mansion at No. 90 West 3 rd Ring Middle Road, Fengtai District, Beijing, PRC, with a total floor area of 9,974.93 square meters
“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, 19 July 2023

As at the date of this announcement, the executive Directors are Ms. Peng Jiahong (Chairwoman), and Mr. Wang Wenbing; 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.