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**Hygeia Healthcare Holdings Co., Limited**

**海吉亚医疗控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6078)**

**CONTINUING CONNECTED TRANSACTION  
REVISION OF ANNUAL CAPS FOR  
HANDAN RENHE HOSPITAL MANAGEMENT AGREEMENT**

**REVISION OF ANNUAL CAPS FOR HANDAN RENHE HOSPITAL  
MANAGEMENT AGREEMENT**

Reference is made to (i) the section headed “Connected Transactions” in the Prospectus which provides that Gamma Star Tech entered into the Handan Renhe Hospital Management Agreement with Handan Renhe Hospital for a term of 40 years from July 31, 2011; and (ii) the Announcement in relation to the setting of annual caps for the Handan Renhe Hospital Management Agreement for the years ending December 31, 2023, 2024 and 2025, respectively.

Based on the reasons mentioned in this announcement, it is expected that the maximum total transaction amount under the Handan Renhe Hospital Management Agreement will increase for each of the years ending December 31, 2023, 2024 and 2025 and will exceed the Original Annual Caps. Accordingly, the Original Annual Caps will be increased from RMB4.0 million to RMB4.7 million for the year ending December 31, 2023, from RMB5.2 million to RMB5.6 million for the year ending December 31, 2024 and from RMB6.8 million to RMB7.0 million for the year ending December 31, 2025 (i.e. the Revised Annual Caps).

## **LISTING RULE IMPLICATIONS**

As at the date of this announcement, Handan Renhe Hospital is a private not-for-profit hospital in which Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) holds 30% organizer's interest (舉辦人權益), and hence an associate of Mr. Zhu and Ms. Zhu. Accordingly, Handan Renhe Hospital is a connected person of the Company under the Listing Rules and the transactions contemplated under the Handan Renhe Hospital Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction. As the highest applicable percentage ratio calculated in respect of the transactions contemplated under the Handan Renhe Hospital Management Agreement as captured under the Revised Annual Caps exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under Handan Renhe Hospital Management Agreement are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **REVISION OF ANNUAL CAPS FOR HANDAN RENHE HOSPITAL MANAGEMENT AGREEMENT**

Reference is made to (i) the section headed "Connected Transactions" in the Prospectus which provides that Gamma Star Tech entered into the Handan Renhe Hospital Management Agreement with Handan Renhe Hospital for a term of 40 years from July 31, 2011; and (ii) the Announcement in relation to the setting of annual caps for the Handan Renhe Hospital Management Agreement for the years ending December 31, 2023, 2024 and 2025, respectively.

### **Revision of the Original Annual Caps**

Based on the information currently available to the Board, the Board anticipates that the Original Annual Caps will not be sufficient to meet the business needs. Accordingly, the Board proposed to revise and increase the Original Annual Caps from RMB4.0 million to RMB4.7 million for the year ending December 31, 2023, from RMB5.2 million to RMB5.6 million for the year ending December 31, 2024 and from RMB6.8 million to RMB7.0 million for the year ending December 31, 2025 (i.e. the Revised Annual Caps).

Save for the revision of the Original Annual Caps, all other terms and conditions (including the relevant pricing policy) of the Handan Renhe Hospital Management Agreement remain unchanged. Details of the Handan Renhe Hospital Management Agreement are set out in the Prospectus and the Announcement.

As at the date of this announcement, the aggregate total transaction amount have not exceeded the Original Annual Caps for the year ending December 31, 2023.

### **Basis of the Revised Annual Caps**

The Revised Annual Caps were determined principally with reference to the factors set out in the Prospectus and the Announcement, as well as taking into account (i) the unaudited historical transaction amount of approximately RMB3.7 million for the ten months ended October 31, 2023 (representing approximately 92.5% of the Original Annual Caps for the year ending December 31, 2023); (ii) the expected increase in number of patients visits after the COVID-19 pandemic as the brand influence of Handan Renhe Hospital increased in local area; and (iii) the expected increase in the average spending per patient at Handan Renhe Hospital as a result of the implementation of upgrading and development plan of Handan Renhe Hospital, which has enabled the provision of more high-tech treatment services by the hospital.

Shareholders and potential investors should note that the Revised Annual Caps should not be construed as an assurance or forecast by the Company of the future revenue of the Group under the terms of the Handan Renhe Hospital Management Agreement.

### **Historical Transaction Amounts**

The historical transaction amounts in relation to the provision of management services paid by Handan Renhe Hospital to the Group under the Handan Renhe Hospital Management Agreement for each of the years ended December 31, 2020, 2021 and 2022 and the ten months ended October 31, 2023 was approximately RMB2.5 million, nil<sup>1</sup>, RMB2.9 million and RMB3.7 million, respectively.

### **Reasons for and benefits of the Revised Annual Caps for Handan Renhe Hospital Management Agreement**

The management and operation of the Handan Renhe Hospital is in the ordinary course of business of the Group. The transactions contemplated under the Handan Renhe Hospital Management Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of businesses of the Group and Handan Renhe Hospital.

<sup>1</sup> The management fee to be paid by Handan Renhe Hospital to the Group under the Handan Renhe Hospital Management Agreement for the year ended December 31, 2021 was waived in order to mitigate the negative impact resulting from the prolonged outbreak of coronavirus disease (COVID-19) pandemic.

The Board has been carefully monitoring the historical transaction amounts of the transactions contemplated under the Handan Renhe Hospital Management Agreement. Since the relaxing of the COVID-19 pandemic restrictions earlier this year, Handan Renhe Hospital has experienced a rapid increase in the number of patients and the Original Annual Caps proposed in the Announcement will no longer be sufficient to satisfy the increased demands. Taking into account the various basis set out above and in view of the historical transaction amounts, the Board envisages that the aggregate value of the transactions contemplated under the Handan Renhe Hospital Management Agreement would exceed the Original Annual Caps for the years ending December 31, 2023, 2024 and 2025.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Handan Renhe Hospital Management Agreement are on normal commercial terms and the terms of the Handan Renhe Hospital Management Agreement and the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Zhu and Mr. Ren Ai (the husband of Ms. Zhu) are considered to have a material interest in the transactions contemplated under the Handan Renhe Hospital Management Agreement and have abstained from voting on the relevant resolutions approving the Revised Annual Caps. None of the other Directors has any material interest in the transactions contemplated under the Handan Renhe Hospital Management Agreement.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company was incorporated in Cayman Islands as an exempted company with limited liability on September 12, 2018, the shares of which are listed on the Stock Exchange. The Group is principally engaged in the provision of healthcare services in the PRC. As an oncology-focused healthcare group, the Group endeavors to make healthcare services more accessible and affordable (讓醫療更溫暖), addressing unmet demand of oncology patients in China.

### **Gamma Star Tech**

Gamma Star Tech is a limited liability company established in the PRC on May 20, 2004 and a wholly-owned subsidiary of the Company. It is also the manufacturer and intellectual property owner of the Group's SRT equipment.

## **Handan Renhe Hospital**

Handan Renhe Hospital is a private not-for-profit hospital established under the laws of the PRC and managed by the Group. It is held by Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) as to 30% organizer's interest (舉辦人權益), which is regarded as an associate of Mr. Zhu and Ms. Zhu, and hence a connected person of the Company under the Listing Rules.

## **LISTING RULE IMPLICATIONS**

As at the date of this announcement, Handan Renhe Hospital is a private not-for-profit hospital in which Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) holds 30% organizer's interest (舉辦人權益), and hence an associate of Mr. Zhu and Ms. Zhu. Accordingly, Handan Renhe Hospital is a connected person of the Company under the Listing Rules and the transactions contemplated under the Handan Renhe Hospital Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction. As the highest applicable percentage ratio calculated in respect of the transactions contemplated under the Handan Renhe Hospital Management Agreement as captured under the Revised Annual Caps exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under Handan Renhe Hospital Management Agreement are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Announcement”	announcement of the Company dated December 28, 2022 in relation to the setting of annual caps for the Handan Renhe Hospital Management Agreement for the years ending December 31, 2023, 2024 and 2025, respectively
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Company”	Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on September 12, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Gamma Star Tech”	Shanghai Gamma Star Technology Development Co., Ltd.* (上海伽瑪星科技發展有限公司), a limited liability company established in the PRC on May 20, 2004 and a subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Handan Renhe Hospital”	Handan Renhe Hospital* (邯鄲仁和醫院), a private not-for-profit hospital established under the laws of the PRC which the Group acquired on July 31, 2011

“Handan Renhe Hospital Management Agreement”	the hospital management agreement entered into by Gamma Star Tech with Handan Renhe Hospital on July 31, 2011
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Mr. Zhu”	Mr. Zhu Yiwen (朱義文), father of Ms. Zhu, the founder of the Group, chairman of the Board, executive Director and one of the Controlling Shareholders
“Ms. Zhu”	Ms. Zhu Jianqiao (朱劍喬), daughter of Mr. Zhu and one of the Controlling Shareholders
“oncology”	the branch of medicine that deals with cancer
“Original Annual Caps”	the original maximum total amount of fees receivable by Gamma Star Tech from Handan Renhe Hospital under the Handan Renhe Hospital Management Agreement for each of the years ending December 31, 2023, 2024 and 2025 as disclosed in the Announcement
“percentage ratio”	the applicable percentage ratios under Rule 14.07 of the Listing Rules
“Prospectus”	the prospectus of the Company published on June 16, 2020
“radiotherapy”	a treatment that uses high energy to kill malignant cancer cells or other benign tumor cells
“Revised Annual Caps”	the revised maximum total amount of fees receivable by Gamma Star Tech from Handan Renhe Hospital under the Handan Renhe Hospital Management Agreement for each of the years ending December 31, 2023, 2024 and 2025 as stated in the section headed “Revision of the Original Annual Caps” in this announcement
“RMB”	the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares
“SRT”	stereotactic radiotherapy, namely, a type of external beam radiotherapy that uses special equipment to stereoscopically position the lesion and precisely deliver high doses of radiation to the tumor through short course of treatment
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiangshang Investment”	Shanghai Xiangshang Investment Development Co., Ltd.* (上海向上投資發展有限公司), a limited liability company established in the PRC on September 1, 2015 and owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively
“%”	per cent

By order of the Board  
**Hygeia Healthcare Holdings Co., Limited**  
**Mr. Zhu Yiwen**  
*Chairman*

Hong Kong, November 17, 2023

*As of the date of this announcement, the Board comprises Mr. Zhu Yiwen as chairman and executive Director, Ms. Cheng Huanhuan, Mr. Ren Ai, Mr. Zhang Wenshan and Ms. Jiang Hui as executive Directors, and Mr. Liu Yanqun, Mr. Zhao Chun and Mr. Ye Changqing as independent non-executive Directors.*

\* *For identification purpose only*