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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 FUND WITH CONNECTED PERSONS

PARTNERSHIP AGREEMENT FOR THE FORMATION OF THE FUND

The Board is pleased to announce that, on 31 December 2023, CULC (a direct wholly-owned subsidiary of the Company), entered into the Partnership Agreement with GT Venture Capital (an associate of GT-PRC, as the General Partner), GT-PRC (the Company's controlling shareholder, as a Limited Partner), China Meheco (an associate of GT-PRC, as a Limited Partner), SOE Reform Fund (as a Limited Partner), Yiwu Fund Investment (as a Limited Partner), Tongxiang Jinxin (as a Limited Partner) and Co-investing Partnership (an associate of GT-PRC, as a Limited Partner) in respect of, among other things, the formation of the Fund for investment in life and health industry.

Pursuant to the Partnership Agreement, the total capital commitment to the Fund is RMB2 billion, among which, (i) the total amount of capital to be contributed by CULC is RMB50 million, being 2.50% of the total capital commitment to the Fund, (ii) the total amount of capital to be contributed by GT Venture Capital is RMB10 million, being 0.50% of the total capital commitment to the Fund, (iii) the total amount of capital to be contributed by GT-PRC is RMB430 million, being 21.5% of the total capital commitment to the Fund, (iv) the total amount of capital to be contributed by China Meheco is RMB100 million, being 5.0% of the total capital commitment to the Fund, (v) the total amount of capital to be contributed by SOE Reform Fund is RMB500 million, being 25.0% of the total capital commitment to the Fund, (vi) the total amount of capital to be contributed

by Yiwu Fund Investment is RMB800 million, being 40.0% of the total capital commitment to the Fund, (vii) the total amount of capital to be contributed by Tongxiang Jinxin is RMB100 million, being 5.0% of the total capital commitment to the Fund, and (viii) the total amount of capital to be contributed by Co-investing Partnership is RMB10 million, being 0.50% of the total capital commitment to the Fund.

LISTING RULES IMPLICATIONS

As of the date of this announcement, GT-PRC is a controlling shareholder holding approximately 39.38% of the entire issued capital of the Company, and hence a connected person of the Company under the Listing Rules. As such, the entering into of the Partnership Agreement to which GT-PRC and its associates (including GT Venture Capital, China Meheco and Co-investing Partnership) are parties and establishment of the Fund constitutes a 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 are more than 0.1% but less than 5%, the Transaction 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.

WARNING

As the completion of the Transaction is subject to the terms and conditions under the Partnership Agreement, the Transaction may or may not proceed at all or in a timely manner. The Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 22 December 2023 in relation to proposed formation of the Fund with its connected persons.

FORMATION OF THE FUND

The Board is pleased to announce that, on 31 December 2023, CULC (a direct wholly-owned subsidiary of the Company), entered into the Partnership Agreement with GT Venture Capital (an associate of GT-PRC, as the General Partner), GT-PRC (the Company's controlling shareholder, as a Limited Partner), China Meheco (an associate of GT-PRC, as a Limited Partner), SOE Reform Fund (as a Limited Partner), Yiwu Fund Investment (as a Limited Partner), Tongxiang Jinxin (as a Limited Partner) and Co-investing Partnership (an associate of GT-PRC, as a Limited Partner) in respect of, among other things, the formation of the Fund for investment in life and health industry.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are as follows:

Date	31 December 2023
Name of the Fund	Genertec Life and Health Industry Equity Fund (Yiwu) Partnership (Limited Partnership) (通用技術生命健康產業股權基金 (義烏) 合夥企業 (有限合夥))
Partners	<p>General Partner:</p> <p>GT Venture Capital</p> <p>Limited Partners:</p> <p>CULC</p> <p>GT-PRC</p> <p>China Meheco</p> <p>SOE Reform Fund</p> <p>Yiwu Fund Investment</p> <p>Tongxiang Jinxin; and</p> <p>Co-investing Partnership</p>
Purpose of the Fund	The purpose of the Fund is to strategically invest in high-growth unlisted companies within life and health industry, or to participate in the additional issuance of high-growth listed companies, such as in the sub-sectors of medical devices, biopharmaceuticals, and pharmaceutical services, as well as to engage in project incubation.
Term of the Fund	The operational term of the Fund is seven (7) years from the establishment date of the Fund, with the first four (4) years being the investment period (the “ Investment Period ”) and the remaining three (3) years being the divestment period (the “ Divestment Period ”). In principle, the Divestment Period could be extended once for no more than one year by the Partners.
Capital commitment	The total capital commitment to the Fund is RMB2 billion. The capital contribution to be made by each of the Partners are as follows:

	Partner	Type	Capital contribution (RMB'000)	Percentage
	GT Venture Capital	General Partner	10,000	0.50%
	CULC	Limited Partner	50,000	2.50%
	GT-PRC	Limited Partner	430,000	21.5%
	China Meheco	Limited Partner	100,000	5.0%
	SOE Reform Fund	Limited Partner	500,000	25.0%
	Yiwu Fund Investment	Limited Partner	800,000	40.0%
	Tongxiang Jinxin	Limited Partner	100,000	5.0%
	Co-investing Partnership	Limited Partner	100,00	0.50%
	Total		2,000,000	100%
	<p>The Company expects to finance its capital contribution to the Fund under the Partnership Agreement by internal capital resources.</p> <p>The size of the Fund and the capital contribution of each of the Partners are determined through arm's length negotiation between the Partners with reference to the anticipated capital requirements of the Fund.</p>			
Payment terms and conditions of payment	<p>All the capital contribution to the Fund should be paid in cash. The contributions to the Fund are to be fully subscribed by all the Partners in one go and paid as per the following payment schedule, aligning with the investment project decisions and funding requirements.</p> <p><i>First tranche contribution</i></p>			

	<p>The first paid-in capital contribution should be 40% of the fundraising scale. To satisfy the filing requirements of fund products with the Asset Management Association of China (中國證券投資基金業協會), within ten (10) business days from the establishment of the Partnership, all Partners should collectively contribute RMB10 million with RMB1 million from each Limited Partner and RMB3 million from the General Partner (the specific payment date will be determined as per the notice issued by the Fund Manager). Each Partner should pay 40% of their respective capital contribution within five (5) business days from the filing of the Fund with the Asset Management Association of China (the amount already paid by each Partner for the purpose of fund product filing will be accounted for in the first paid-in capital contribution).</p> <p><i>Second tranche contribution</i></p> <p>Each Partner should pay 30% of their respective capital contribution according to the payment notice to be issued by the Fund Manager based on the investment needs of the Fund.</p> <p><i>Third tranche contribution</i></p> <p>Each Partner should pay the remaining 30% of their respective capital contribution according to the payment notice to be issued by the Fund Manager based on the investment needs of the Fund.</p> <p>Notwithstanding the payment terms above, once 70% or more of the total paid-in capital contributions have been actually used or committed to be used in investment projects approved by the investment committee of the Fund and payments for expenses of the Fund, the Fund Manager may issue a notice for the next tranche of contributions to all the Partners.</p>
<p>Management of the Fund</p>	<p>GT Venture Capital, an indirect wholly-owned subsidiary of GT-PRC, will act as the Fund Manager to manage the investment and operation of the Fund.</p> <p>An investment committee will be formed pursuant to the Partnership Agreement as the final decision-making body as to the investment and divestment decisions of the Fund. It will comprise seven (7) members with majority of such members nominated by the Fund Manager, which will execute investment and divestment decisions for fund projects in accordance with the relevant decision-making mechanisms as set forth under the Partnership Agreement.</p> <p>Based on the above arrangements, the Fund will not, for accounting purposes, be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the financial accounts of the Company.</p>

<p>Management fees</p>	<p>The management fees of the Fund will be paid to the Fund Manager annually as agreed below:</p> <ol style="list-style-type: none"> (1) during the Investment Period, the management fee will be at the rate of 1.1173% per year of the total paid-in capital contribution amount of the Fund; and (2) during the Divestment Period, the management fee will be at the rate of 0.5587% per year on the accumulated corresponding invested principal of the non-divested portion of all projects in the Fund. <p>For a period that is not a complete calendar year, the corresponding management fees should be prorated according to the actual days of management in that period.</p>
<p>Income distribution and loss sharing</p>	<p>Subject to the terms under the Partnership Agreement, distributable profits from investment should be distributed in the following sequence:</p> <ol style="list-style-type: none"> (1) repayment of the Limited Partners' capital contributions: the distributable profits from investment should be distributed to the Limited Partners in proportion to their respective paid-in capital contribution, until the cumulative distribution amount obtained in accordance with this item (1) equals to the cumulative capital contributions of all Limited Partners to the Fund at that point in time; (2) repayment of the General Partner's capital contributions: the distributable profits from investment should be distributed to the General Partner, until the cumulative distribution amount obtained in accordance with this item (2) equals to the General Partner's cumulative capital contributions to the Fund at that point in time; (3) payment of the Limited Partners' returns: the distributable profits from investment should be distributed to the Limited Partners in proportion to their respective paid-in capital contribution, until each Limited Partner has cumulatively received an 8% per annum (simple interest) return on their respective paid-in capital contribution; (4) payment of the General Partner's returns: the distributable profits from investment should be distributed to the General Partner, until the General Partner has received an 8% per annum (simple interest) return on its paid-in capital contribution; and (5) any remaining distributable profits after the aforementioned distribution constitute extra profits. The Fund Manager and the Limited

	<p>Partners will distribute such extra profits in accordance with the terms stipulated in the Partnership Agreement.</p> <p>Subject to the terms under the Partnership Agreement, distributable profits which do not come from investment projects should be distributed to all of the Partners in proportion to their paid-in capital contribution to the Fund.</p> <p>Loss incurred by the Fund will be shared by all of the Partners in proportion to their subscribed capital contribution to the Fund.</p>
<p>Transfer of interests in the Fund</p>	<p>A Limited Partner may not transfer all or part of its interests in the Fund to a non-related third-party other than the Partners unless it has obtained the General Partner's prior written consent and satisfied the conditions stipulated in the Partnership Agreement.</p> <p>The General Partner may not transfer all or part of its interest in the Fund without approval of the Partners meeting.</p>

INFORMATION ON THE COMPANY AND THE PARTNERS

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.

CULC

CULC, a direct 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 businesses.

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 Venture Capital

GT Venture Capital is an indirect wholly-owned subsidiary of GT-PRC and a limited liability company established in the PRC in March 2012. GT Venture Capital is mainly engaged in the management of private equity funds and equity investment operations.

China Meheco

China Meheco is a joint stock company established in the PRC, the shares of which are listed in the Shanghai Stock Exchange (stock code: 600056). As of the date of this announcement, China Meheco was directly owned by GT-PRC, its controlling shareholders, as to approximately 31.92% and its financial results were consolidated into GT-PRC's financial statements and thus China Meheco was a connected person of the Company under Chapter 14A of the Listing Rules. China Meheco is mainly engaged in sales of medicine and medical devices in the PRC.

SOE Reform Fund

SOE Reform Fund is a state-owned enterprise established in December 2020 in the PRC and mainly engaged in equity investment business. As of the date of this announcement, SOE Reform Fund was held by China Chengtong Group Co., Ltd. (中國誠通控股集團有限公司), a state-owned entity, as to approximately 34.23%, GT-PRC as to approximately 2.83% and other 17 shareholders, and the shareholding of each of those 17 shareholders did not exceed 10%.

Yiwu Fund Investment

Yiwu Fund Investment is a state-owned company established in September 2023 in the PRC. Serving as the unified funding entity for private equity investment funds, it integrates existing investment projects in government industrial funds, venture capital guidance funds, and state-owned enterprise equity investment funds to facilitate the unified management of the fund investment operations. As of the date of this announcement, Yiwu Fund Investment was wholly owned by Yiwu Finance Holding Limited (義烏市金融控股有限公司), a state-owned entity.

Tongxiang Jinxin

Tongxiang Jinxin is a state-owned company established in July 2019 in the PRC and mainly engaged in equity investment. As of the date of this announcement, Tongxiang Jinxin was wholly owned by Tongxiang Runtong Holding Limited (桐鄉市潤桐控股有限公司), a state-owned entity.

Co-investing Partnership

Co-investing Partnership is a partnership established in December 2023 in the PRC and mainly engaged in equity investment. As of the date of this announcement, Co-investing Partnership was owned as to 40.00% by GT Venture Capital as its general partner, as to 13.80% by Bao Jingming (包景明) as its general partner, and as to 46.20% by He Wei (何為) as its limited partner.

Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Partners and their respective ultimate beneficial owners are Independent Third Parties as of the date of this announcement.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE FUND

Given that the purpose of the Fund is to strategically invest in high-growth companies in the sub-sectors of medical devices, biomedicine, and pharmaceutical services within the life and health industry, the entering into the Partnership Agreement with GT-PRC and GT Venture Capital and investing in the Fund will enable the Group to leverage their extensive resources and experience in investment management and capital management in the medical and pharmaceutical fields, enriching investment domains of the Group in the upstream and downstream sectors of the health industry and bringing more synergistic opportunities and reasonable investment returns for the Group. As such, the Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) believe the entering into of the Partnership Agreement and the formation of the Fund could bring more potential investment and collaboration opportunities for the Group and increase reasonable investment returns for the Company.

As of the date of this announcement, among the Directors, Mr. Tong Chaoyin and Mr. Xu Ming hold positions in GT-PRC or its associates and accordingly each of them is considered to have material interests in the transactions under the Partnership Agreement. Therefore, Mr. Tong Chaoyin and Mr. Xu Ming had abstained from voting on the resolution in respect of the Partnership Agreement. Save as disclosed above, no Director has interests in the Partnership Agreement. The Directors (including the independent non-executive Directors, but excluding Mr. Tong Chaoyin and Mr. Xu Ming) are also of the view that the terms of the Partnership Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As of the date of this announcement, GT-PRC is a controlling shareholder holding approximately 39.38% of the entire issued capital of the Company, and hence a connected person of the Company under the Listing Rules. As such, the entering into of the Partnership Agreement to which GT-PRC and its associates (including GT Venture Capital, China Meheco and Co-investing Partnership) are parties and establishment of the Fund constitutes a 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 are more than 0.1% but less than 5%, the Transaction 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.

WARNING

As the completion of the Transaction is subject to the terms and conditions under the Partnership Agreement, the Transaction may or may not proceed at all or in a timely manner. The Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITION

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“China Meheco”	China Mechco Group Co., Ltd. (中國醫藥健康產業股份有限公司), a joint stock company established in the PRC and the issued shares of which are listed in the Shanghai Stock Exchange (stock code: 600056)
“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)
“CULC”	China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a limited liability company established in the PRC and a direct wholly-owned subsidiary of the Company and also the Limited Partner
“Co-investing Partnership”	Xifei Maidi Venture Capital (Yiwu) Partnership (Limited Partnership) (希飛邁迪創業投資(義烏)合夥企業(有限合夥)), a partnership established in December 2023 in the PRC and for the capital contributions from the Fund Manager’s employees to the Fund
“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
“Fund”	the limited partnership investment fund to be formed and registered under the laws of the PRC pursuant to the Partnership Agreement
“General Partner”	the general partner of the Fund, being GT Venture Capital
“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 Venture Capital” or “Fund Manager”	Genertec Venture Capital Co., Ltd. (通用技術創業投資有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of GT-PRC and also the General Partner
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Limited Partner(s)”	limited partners of the Fund, being CULC, GT-PRC, China Meheco, SOE Reform Fund, Yiwu Fund Investment, Tongxiang Jinxin and Co-investing Partnership
“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
“Partner(s)”	partner(s) of the Fund, including the General Partner and the Limited Partners
“Partnership Agreement”	the partnership agreement dated 31 December 2023 entered into among the Partners in respect of, among other things, the formation of the Fund
“Partnership”	the partnership proposed to be established under the Partnership Agreement
“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
“SOE Reform Fund”	China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司), a state-owned enterprise established in the PRC in 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Tongxiang Jinxin”	Tongxiang Jinxin Equity Investment Co., Ltd. (桐鄉市金信股權投資有限公司), a limited liability company established in the PRC in 2019
“Transaction”	the transaction contemplated under the Partnership Agreement entered into among the Partners

“Yiwu Fund Investment” Yiwu Fund Investment Co., Ltd. (義烏市基金投資有限公司), a limited liability company established in the PRC in 2023

“%” 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, 2 January 2024

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