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## **Vincent Medical Holdings Limited**

**永勝醫療控股有限公司**

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

(Stock code: 1612)

### **CONTINUING CONNECTED TRANSACTIONS NEW LEASE AGREEMENTS**

On 15 June 2017, the Group, as tenants, entered into the First Lease Agreement for a term of two years and six months from 1 July 2017 to 31 December 2019 and the Second Lease Agreement for a term of two years and four months from 1 September 2017 to 31 December 2019, respectively, with VRDG.

VRDG is an indirect wholly-owned subsidiary of VRI, the controlling shareholder of the Company. Accordingly, VRDG is a connected person of the Company under Chapter 14A of the Listing Rules and the leases of the premises under the New Lease Agreements constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios in respect of the highest annual caps for the New Lease Agreements and the Existing Lease Agreements on an aggregated basis is more than 0.1% and less than 5%, the New Lease Agreements are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## NEW LEASE AGREEMENTS

On 15 June 2017, the Group, as tenants, entered into the First Lease Agreement and the Second Lease Agreement with VRDG. Major terms of the New Lease Agreements are as follows:

|                               | <b>First Lease Agreement</b>                                                                                                                                  | <b>Second Lease Agreement</b>                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Tenant</b>                 | VMDG                                                                                                                                                          | DVRD                                                                                                                                                          |
| <b>Landlord</b>               | VRDG                                                                                                                                                          | VRDG                                                                                                                                                          |
| <b>Location of property</b>   | Factory 1 of Zone B industrial complex located in 45-46 Qiaolong Shabu Industrial Zone, Tangxia Town, Dongguan City, Guangdong Province, the PRC              | Factory 2 of Zone B industrial complex located in 45-46 Qiaolong Shabu Industrial Zone, Tangxia Town, Dongguan City, Guangdong Province, the PRC              |
| <b>Size of property (GFA)</b> | 4,230 sq.m.                                                                                                                                                   | 4,960 sq.m.                                                                                                                                                   |
| <b>Term</b>                   | 1 July 2017 to 31 December 2019                                                                                                                               | 1 September 2017 to 31 December 2019                                                                                                                          |
| <b>Rent</b>                   | RMB70,000 per calendar month<br>(Note)                                                                                                                        | RMB81,000 per calendar month<br>(Note)                                                                                                                        |
| <b>Annual caps</b>            | For the year ended 31 December 2017: RMB420,000<br><br>For the year ended 31 December 2018: RMB840,000<br><br>For the year ended 31 December 2019: RMB840,000 | For the year ended 31 December 2017: RMB324,000<br><br>For the year ended 31 December 2018: RMB972,000<br><br>For the year ended 31 December 2019: RMB972,000 |
| <b>Use of property</b>        | Our production plant and warehouse                                                                                                                            | Our production plant and warehouse                                                                                                                            |

*Note:* The rent is inclusive of management fees but exclusive of other operating outgoings.

## INFORMATION ON THE GROUP AND THE PARTIES TO THE NEW LEASE AGREEMENTS

The Group is principally engaged in the manufacturing, trading, and research and development of medical devices.

DVRD is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. DVRD is principally engaged in the manufacturing of medical devices.

VMDG is a company established in the PRC and an indirect non-wholly owned subsidiary of the Company. VMDG is principally engaged in the manufacturing of medical devices.

VRDG is a company established in the PRC and is principally engaged in the manufacturing of beauty products and electrical appliances and the provision of subcontracting services to the Group. As at the date of this announcement, VRDG is an indirect wholly-owned subsidiary of VRI which is a controlling shareholder of the Company. Accordingly, VRDG is a connected person of the Company.

## **REASONS AND BENEFITS FOR ENTERING INTO THE NEW LEASE AGREEMENTS**

During the term of the New Lease Agreements, the Leased Properties will be used by the Group as production plant and warehouse. The Company considers the location and area of the Leased Properties to be favourable and appropriate for such functions and can satisfy the needs of the Group.

The annual rent (inclusive of management fees) payable by the Group in each of the New Lease Agreements has been determined with reference to the prevailing market rates of leasing similar properties in the locality from the Independent Third Parties. Grant Sherman Appraisal Limited, a firm of professional surveyors and valuers independent of the Group, has reviewed the management fees inclusive annual rent payable by the Group under each of the New Lease Agreements and has confirmed that it is fair, reasonable and is consistent with the prevailing market rates of similar properties in the locality.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios in respect of the highest annual caps for the New Lease Agreements and the Existing Lease Agreements on an aggregated basis is more than 0.1% and less than 5%, the New Lease Agreements are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the New Lease Agreements have been entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, and the terms and conditions therein as well as the annual caps for the New Lease Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, VRI is owned as to 57.89% by Mr. Choi and 42.11% by Ms. Liu. Accordingly, each of Mr. Choi and Ms. Liu is considered as having a material interest in the transactions contemplated under the New Lease Agreements. Each of them has abstained from voting on the relevant resolutions of the Board approving the New Lease Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the New Lease Agreements or is required to abstain from voting on the relevant resolutions of the Board.

## DEFINITIONS

|                              |                                                                                                                                                                                                                                                                                  |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                      | the board of Directors                                                                                                                                                                                                                                                           |
| “Company”                    | Vincent Medical Holdings Limited 永勝醫療控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange                                                                                                        |
| “connected person(s)”        | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                                                                                         |
| “controlling shareholder(s)” | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                                                                                         |
| “Directors”                  | the directors of the Company                                                                                                                                                                                                                                                     |
| “DVRD”                       | 東莞永健康復器具有限公司 (translated as “Dongguan Vincent Rehabilitation Devices Company Limited”), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company                                                                                |
| “Existing Lease Agreements”  | the existing lease agreements entered into between the Group members as tenants and certain connected persons as landlords, the details of which are set out in the prospectus of the Company dated 30 June 2016                                                                 |
| “First Lease Agreement”      | the lease agreement entered into between VMDG as tenant and VRDG as landlord and dated 15 June 2017 in relation to the lease of Factory 1 of Zone B industrial complex located in 45-46 Qiaolong Shabu Industrial Zone, Tangxia Town, Dongguan City, Guangdong Province, the PRC |
| “GFA”                        | gross floor area                                                                                                                                                                                                                                                                 |
| “Group”                      | the Company and its subsidiaries                                                                                                                                                                                                                                                 |

|                                |                                                                                                                                                                                                                                                                                  |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Independent Third Party(ies)” | a person who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company                                                                                                                                             |
| “Leased Properties”            | Factory 1 and Factory 2 of Zone B industrial complex located in 45-46 Qiaolong Shabu Industrial Zone, Tangxia Town, Dongguan City, Guangdong Province, the PRC                                                                                                                   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                              |
| “Mr. Choi”                     | Mr. Choi Man Shing, an executive Director and the spouse of Ms. Liu                                                                                                                                                                                                              |
| “Ms. Liu”                      | Ms. Liu Pui Ching, a non-executive Director and the spouse of Mr. Choi                                                                                                                                                                                                           |
| “New Lease Agreements”         | the First Lease Agreement and the Second Lease Agreement                                                                                                                                                                                                                         |
| “PRC”                          | the People’s Republic of China, excluding for the purposes of this announcement only, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan                                                                      |
| “Second Lease Agreement”       | the lease agreement entered into between DVRD as tenant and VRDG as landlord and dated 15 June 2017 in relation to the lease of Factory 2 of Zone B industrial complex located in 45-46 Qiaolong Shabu Industrial Zone, Tangxia Town, Dongguan City, Guangdong Province, the PRC |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                          |
| “VMDG”                         | Vincent Medical (Dongguan) Mfg. Co. Ltd. (東莞永勝醫療製品有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company                                                                                                           |
| “VRDG”                         | VINCENT RAYA (DONGGUAN) ELECTRONICS CO., LTD. (永勝(東莞)電子有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of VRI                                                                                                                  |

“VRI” VINCENT RAYA INTERNATIONAL LIMITED, a limited liability company incorporated in the British Virgin Islands and a controlling shareholder of the Company

% per cent

By Order of the Board  
**Vincent Medical Holdings Limited**  
**Choi Man Shing**  
*Chairman and Executive Director*

Hong Kong, 15 June 2017

*As at the date of this announcement, the Board comprises Mr. Choi Man Shing, Mr. To Ki Cheung, Mr. Koh Ming Fai and Mr. Fu Kwok Fu as executive Directors, Ms. Liu Pui Ching, Mr. Amir Gal Or, Mr. Poon Lai Yin Michael (alternate to Mr. Amir Gal Or) and Mr. Guo Pengcheng as non-executive Directors, and Mr. Chan Ling Ming, Mr. Mok Kwok Cheung Rupert, Mr. Au Yu Chiu Steven and Prof. Yung Kai Leung as independent non-executive Directors.*