奧威控股
AOWEI HOLDING LIMITED

AOWEI HOLDING LIMITED
奧威控股有限公司

(incorporated in the British Virgin Islands and continued in the Caymans Islands with limited liability)
(Stock Code: 1370)

INSIDE INFORMATION

This announcement is made by Aowei Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 4 July 2016 in relation to the Acquisition of Xinan Investments Limited (熹南投資有限公司) ("**Xinan Investments**") and the announcement of the Company dated 13 July 2016 in relation to the completion of the Acquisition (the "**Announcements**"). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, prior to the Acquisition of Xinan Investments, Baoding Xinan Medical Management Consulting Limited* (保定熹南醫療管理諮詢有限公司)(an indirect wholly owned subsidiary of the Company upon completion of the Acquisition) ("**Baoding Xinan**") has entered into (a) the Agreement on Management of Rongcheng County Hospital of Traditional Chinese Medicine* (《託管經營容城縣中醫醫院的合作協議書》) with the Healthcare and Family Planning Bureau of Rongcheng County, Baoding, Hebei Province* (河北省保定市容城縣衛生和計劃生育局) relating to the management of the Rongcheng County Hospital of Traditional Chinese Medicine* (容城縣中醫醫院) (the "**Hospital**") and (b) the Management Agreement with the Hospital (《託管協議書》) relating to the management (collectively the "**Hospital Management Agreements**").

In the Hospital Management Agreements, it is stated that, among other things, if due to changes in laws, regulations, and related policies that make the Hospital Management Agreements conflict with existing laws and regulations or policies, or where parties are unable to perform due to force majeure, the parties shall vary or terminate the Hospital Management Agreements.

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of a recent government policy which would adversely affect the operation of our hospital management business.

According to the document issued by the Rongcheng County Hygiene and Health Bureau* (容城縣衛生健康局) (the "**Bureau**") to the Rongcheng County Traditional Chinese Medicine Hospital dated 17 December 2019 (the "**Rongcheng County Health and Health Bureau Document**"), in order to comprehensively improve the county's medical service level and effectively improve people's livelihood to provide solid medical and health service guarantee for the planning and construction of Xiong'an New District in accordance with the implementation plan of Rongcheng County People's Government [2019] No. 26 Rongcheng County's "Three-year Improvement Project of Medical Service Capacity (2019-2021)" * (容城縣人民政府[2019]第26號《容城縣"醫療衛生服務能力三年提升工程(2019-2021年)"實施方案》), the Bureau requested the Hospital to cooperate with its designated Beijing medical and health department, and terminate the Hospital Management Agreements with Baoding Xinan.

The Company has sought legal advice from PRC legal adviser and was advised that the termination of the Hospital Management Agreements was due to changes in laws, regulations and related policies, and continuous performance of the parties pursuant to the Hospital Management Agreements will conflict with existing laws, regulations or policies. PRC legal adviser further advised that this is also a form of force majeure leading to parties unable to continuously perform under the Hospital Management Agreements.

If the Hospital Management Agreements is terminated, according to the preliminary calculation of the Company, the provision for loss of the book value of intangible assets of the wholly-owned subsidiary Xinan Investments is about RMB165.2 million. The relevant data has not been reviewed by the auditor of the Company.

Based on the aforesaid document from government authority and having properly considered the legal advice from the PRC legal adviser, Baoding Xinan has entered into the termination agreements with the Bureau and the Hospital respectively on 3 March 2020 to the effect that: (i) all rights and obligations under the Hospital Management Agreements shall cease immediately save that all relevant parties shall follow-up on the matter pursuant to the Termination Agreements, and (ii) the Bureau undertakes that Baoding Xinan shall be granted priority on the same conditions in other medical projects in their jurisdiction. The Company will also rely on the team of medical experts to actively seek opportunities and carry out relevant medical business.

The Company will pay close attention to the matter and make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Aowei Holding Limited
Mr. Li Yanjun
Chairman

Beijing, the People's Republic of China, 3 March 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Li Yanjun, Mr. Li Ziwei, Mr. Sun Jianhua, Mr. Jin Jiangsheng and Mr. Tu Quanping and the independent non-executive Directors are Mr. Ge Xinjian, Mr. Meng Likun and Mr. Kong Chi Mo.

* *For identification purpose only*