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## **RICI HEALTHCARE HOLDINGS LIMITED**

**瑞慈醫療服務控股有限公司**

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

**(Stock Code: 1526)**

### **CHANGE IN USE OF PROCEEDS**

Reference is made to the prospectus of Rici Healthcare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated September 26, 2016 (the “**Prospectus**”), the Company’s announcement of offer price and allotment results dated October 5, 2016, the Company’s announcement in relation to partial exercise of Over-allotment Option dated October 31, 2016 and the Company’s announcement dated February 18, 2020 in relation to change in use of proceeds (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus. The Board would like to announce that the Company has decided to change the use of the net proceeds from the Global Offering (the “**Net Proceeds**”).

### **CHANGE IN USE OF PROCEEDS**

The Net Proceeds, after deducting the share issuance costs and listing expenses, amounted to RMB682.7 million. As at the date of this announcement, the Company utilized RMB497.4 million of the Net Proceeds, representing 73% of the Net Proceeds. The unutilized Net Proceeds amounted to RMB185.3 million, representing 27% of the Net Proceeds, the planned use of which were all for “establishment of new medical examination centers and upgrading and renovation of existing medical examination centers”. The Board has reviewed the utilization of the Net Proceeds and resolved to change the planned use of such unutilized Net Proceeds. In addition to the use on “establishment of new medical examination centers and upgrading and renovation of existing medical examination centers”, the remaining unutilized Net Proceeds will also be used for “Nantong Rich Hospital Expansion Phase II Project” and “general working capital”.

Details of allocation and the expected timeline of the intended use of the unutilized Net Proceeds, subject to the then management assessment and market landscape, are set out as below:

<b>Items</b>	<b>Revised allocation of unutilized Net Proceeds (RMB)</b>	<b>Expected timeline of the intended use</b>
Nantong Rich Hospital Expansion Phase II Project	65,256,000	The remaining amount is expected to be fully utilized by December 31, 2022.
General working capital	60,000,000	The remaining amount is expected to be fully utilized by December 31, 2022.
Establishment of new medical examination centers and upgrading and renovation of existing medical examination centers	60,000,000	The remaining amount is expected to be fully utilized by December 31, 2022.

Save as disclosed herein, the Net Proceeds have been utilized in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the Announcement.

## **REASONS FOR THE CHANGE**

Nantong Rich Hospital Expansion Phase II Project is expected to equip Nantong Rich Hospital with competitive infrastructure, making it a significant driver of the future development of the Group’s general hospital business. The Company considers that, Nantong Rich Hospital Expansion Phase II Project is in a great need for funds in order for the Group to maintain the leading position of Nantong Rich Hospital in Nantong and strengthen the competitive advantages of the Group’s general hospital business and the Company needs to provide competitive remuneration and benefits in order to sustain the existing human resources policy and to retain experienced and qualified staff, which is crucial to the Company’s growth and development. In addition, allocation of planned use of proceeds to “general working capital” would allow flexibility in the use of proceeds. The change in use of unutilized Net Proceeds would allow the Company to optimize the use of the financial resources and meet the Company’s operational needs more effectively and efficiently with strengthened cash flow liquidity, and thus the Board considers that the above change is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Board confirms that there is no material change in the principal business of the Group as set out in the Prospectus and is of the view that the above change is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group.

By order of the Board  
**Rici Healthcare Holdings Limited**  
**Fang Yixin**  
*Chairman and Chief Executive Officer*

Shanghai, the PRC, June 15, 2021

*As at the date of this announcement, Dr. Fang Yixin, Dr. Mei Hong, Ms. Lin Xiaoying and Mr. Fang Haoze are the executive directors of the Company; Ms. Jiao Yan is the non-executive director of the Company; and Dr. Wang Yong, Ms. Wong Sze Wing and Mr. Jiang Peixing are the independent non-executive directors of the Company.*