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Raily Aesthetic Medicine International Holdings Limited

瑞麗醫美國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2135)

DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

The Board is pleased to announce that, on 4 July 2025, the Investors entered into the Investment Agreement with Hangzhou Raily and the Target Company (an indirect wholly-owned subsidiary of the Company owned as to 100% by Hangzhou Raily as at the date of the Investment Agreement), pursuant to which: (i) the First Investor agreed to subscribe RMB715,000 of the equity interest in the Target Company, and the Second Investor agreed to subscribe RMB4,290,000 of the equity interest in the Target Company. Upon completion of the Capital Injection, the equity interest in the Target Company held by the First Investor and the Second Investor would be 7.14% and 42.88%, respectively, and Hangzhou Raily's equity interest in the Target Company would be changed from 100.00% to 49.98%; and (ii) Hangzhou Raily agreed to reduce registered capital of RMB2,855,000 in the Target Company to reduce the accumulated loss for previous years. Upon completion of the Capital Reduction, the equity interest in the Target Company held by Hangzhou Raily would be further changed from 49.98% to 30.00%, and the equity interest in the Target Company held by the First Investor and the Second Investor would be changed to 10.00% and 60.00%, respectively.

LISTING RULES IMPLICATIONS

As the Company's interest in the Target Company would decrease from 100.00% to 30.00% upon completion of the Deemed Disposal, the transactions contemplated under the Investment Agreement constitute a deemed disposal of equity interest in the Target Company under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Deemed Disposal exceed 5% but all are less than 25%, the entering into of the Investment Agreement contemplated thereunder constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

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Set out below are the principal terms of the Investment Agreement:

Date

4 July 2025

Parties

- (1) The First Investor
- (2) The Second Investor
- (3) Hangzhou Raily
- (4) the Target Company

Capital Injection

Immediately prior to the entering into of the Investment Agreement, the Target Company was held as to 100.00% by Hangzhou Raily with a registered capital of RMB5,000,000. Upon the Capital Injection of RMB715,000 by the First Investor and RMB4,290,000 by the Second Investor, the Target Company would be held as to 7.14%, 42.88% and 49.98% by the First Investor, the Second Investor and Hangzhou Raily, respectively, and would cease to be a subsidiary of the Company.

The amount of Capital Injection was determined after arm's length negotiations between parties to the Investment Agreement after taking into account various factors, including the operational status, financial position, business performance and nature, the estimated working capital requirements and the business prospect of the Target Company.

Payment of Capital Injection

The first installment of the Capital Injection in the amount of RMB715,000 by the First Investor and RMB590,000 by the Second Investor shall be paid within three (3) business days following the date of the Investment Agreement.

The second installment of the Capital Injection in the amount of RMB3,700,000 by the Second Investor shall be paid within 45 days following the date of the Investment Agreement.

Capital Reduction

Pursuant to the Investment Agreement, the parties have agreed Hangzhou Raily to conduct a reduction in the registered capital of the Target Company by RMB2,855,000 to reduce the accumulated loss for previous years. After the completion of the Capital Reduction, the Target Company would be held as to 10.00%, 60.00% and 30.00% by the First Investor, the Second Investor and Hangzhou Raily, respectively.

Conditions precedent

Completion of the Deemed Disposal is conditional upon the Investors having obtained all necessary approvals, and/or taken any and all necessary actions as required by the relevant laws and regulations for the Capital Injection.

Completion

Completion of the Deemed Disposal shall take place upon the registration for the Capital Injection and the Capital Reduction has been finished with the relevant regulatory authority.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability on 24 June 2022, and is principally engaged in providing aesthetic medical service in the PRC.

Based on the financial statements regarding the Target Company for the financial years ended 31 December 2023 and 2024 prepared in accordance with the International Financial Reporting Standards, the net losses before and after taxation for the financial years ended 31 December 2023 and 2024 are set out below:

	For the year ended 31 December 2024 (RMB'000)	For the year ended 31 December 2023 (RMB'000)
Loss before taxation	(2,690)	(2,961)
Loss after taxation	(3,167)	(2,587)

Based on the financial statements of the Target Company for year ended 31 December 2024 prepared in accordance with the International Financial Reporting Standards, the total assets and net assets of the Target Company as of 31 December 2024 were RMB2,859,000 and RMB1,271,000, respectively.

FINANCIAL EFFECTS OF THE DEEMED DISPOSAL

Immediately prior to the entering into of the Investment Agreement, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon completion of the Deemed Disposal, the Target Company is owned as to 10.00%, 60.00% and 30.00% by the First Investor, the Second Investor and Hangzhou Raily, respectively. Upon completion of the Deemed Disposal, the Company ceases to control the Target Company and the Target Company would cease to be a subsidiary of the Company. As such, the financial results of the Target Company would not be consolidated into the financial statements of the Group. The Group is expected to record a gain of approximately RMB528,000 (*unaudited*) from the Deemed Disposal, which is calculated based on the difference between the fair value of the remaining equity interest in the Target Company after the transaction and the carrying amount of the Target Company's net assets that the Group held as at 31 March 2025. The Target Company intends to utilise the Capital Injection of RMB5,005,000 as general working capital.

REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL

Taking into account of the current financial position and prospective funding needs of the Target Company, the Directors believe that the Investment Agreement represents a good opportunity for the Target Company to bring in external capital and the Deemed Disposal will improve the financial position and increase the capital of the Target Company. The Deemed Disposal also would create a gain on disposal of RMB528,000 (*unaudited*), which brings forth a positive financial effect on the Group.

In light of the aforesaid, the Directors believe that the Deemed Disposal will have positive effect and benefit to the future prospects of the Target Company. The Directors are also of the view that the terms of the Deemed Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE PARTIES TO THE INVESTMENT AGREEMENT

(1) The Company

The Company, a limited company incorporated in the Cayman Islands, is an aesthetic medical service provider in the Yangtze River Delta region of the PRC. The Company offers its clients a broad range of aesthetic medical services which include aesthetic surgery services, minimally-invasive aesthetic services and aesthetic dermatology services. It is also engaged in aesthetic medical management consulting services and sales of aesthetic medical equipment products.

(2) The First Investor

The First Investor is a company established in the PRC with limited liability and is 41.67% owned by Liusansan (Hainan) Medical Technology Institute (Limited Partnership)* (六三三(海南)醫療科技院(有限合夥)), 40.00% owned by Hainan Guangwei Biotechnology Co., Ltd.* (海南廣微生物科技有限公司) and 18.33% by Shenzhen Active Health Medical Co., Ltd.* (深圳主動健康醫療有限公司). Jiang Yang (姜洋) and Zhou Yajing (周雅靜) held approximately 97.15% and 2.85% of the equity interest in the First Investor, respectively. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the First Investor's ultimate beneficial owners are third parties independent of the Company and its connected persons. The principal business activity of the First Investor is hospital management.

(3) The Second Investor

The Second Investor is a company established in the PRC with limited liability and is 45.00% owned by Hainan Zhongyue Aquaculture Co., Ltd.* (海南中躍水產養殖有限公司), 35.00% owned by the First Investor and 20.00% by Hainan Guangwei Biotechnology Co., Ltd.* (海南廣微生物科技有限公司). Jiang Yang (姜洋), Li Muze (李沐澤), Xu Yuehong (徐躍紅), Li Zhizhong (李志忠) and Zhou Yajing (周雅靜) held approximately 53.38%, 22.50%, 13.50%, 9.00% and 1.62% of the equity interest in the Second Investor, respectively. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Second Investor's ultimate beneficial owners are third parties independent of the Company and its connected persons. The principal business activity of the Second Investor is the conduct of biotechnology business.

(4) Hangzhou Raily

Hangzhou Raily is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Hangzhou Raily is principally engaged in providing aesthetic medical service in the PRC.

(5) The Target Company

The Target Company is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company immediately prior to the entering into of the Investment Agreement and is owned as to 10.00%, 60.00% and 30.00% by the First Investor, the Second Investor and Hangzhou Raily, respectively, upon completion of the Deemed Disposal. The Target Company is principally engaged in providing aesthetic medical service in the PRC.

LISTING RULES IMPLICATIONS

As the Company's interest in the Target Company will decrease from 100.00% to 30.00% upon completion of the Deemed Disposal, the transactions contemplated under the Investment Agreement constitute a deemed disposal of equity interest in the Target Company under Rule 14.29 of the Listing Rules.

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DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Capital Injection”	the capital injection of RMB5,005,000 by the Investors to the Target Company
“Capital Reduction”	the capital reduction of RMB2,855,000 by Hangzhou Raily to the Target Company
“Company”	Raily Aesthetic Medicine International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 2135)
“Deemed Disposal”	the reduction of Hangzhou Raily's equity interest in the Target Company from 100.00% to 30.00% pursuant to the Investment Agreement
“Director(s)”	director(s) of the Company
“First Investor”	Hainan Super Health Management Co., Ltd.* (海南超級健康管理有限公司), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries from time to time
“Hangzhou Raily”	Hangzhou Raily Aesthetic Medical Hospital Co., Ltd.* (杭州瑞麗醫療美容醫院有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Agreement”	the investment agreement dated 4 July 2025 entered into among the Investors, Hangzhou Raily and the Target Company in relation to the Capital Injection and Capital Reduction

“Investors”	the First Investor and the Second Investor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Investor”	Bokun Agricultural Development (Hainan) Co., Ltd.* (博鯤農業發展(海南)有限公司), a company established in the PRC with limited liability
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Hainan Beilifeier Out-patient Department Co., Ltd.* (海南貝麗菲爾門診部有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company owned as to 100% by Hangzhou Raily as at the date of the Investment Agreement
“%”	per cent

By Order of the Board
Raily Aesthetic Medicine International Holdings Limited
FU Haishu
Chairman and Executive Director

Hangzhou, the PRC, 4 July 2025

As at the date of this announcement, the Board comprises Mr. Fu Haishu, Mr. Song Jianliang and Mr. Wang Ying as Executive Directors; and Mr. Cao Dequan, Ms. Yang Xiaofen and Mr. Liu Teng as Independent Non-executive Directors.

* *For identification purposes only*