

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Union Medical Healthcare Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

**PROPOSED ISSUE OF CONVERTIBLE BONDS AND WARRANTS
UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, capitalised terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the EGM to be held at Level 50, Langham Place Office Tower, 8 Argyle Street, Mongkok, Hong Kong on Wednesday, 27 January 2021 at 10:00 a.m. is set out on pages 35 to 39 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.umhgp.com.

Whether or not you are able to attend the EGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Hong Kong branch share registrar of the Company, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

To safeguard the health and safety of the staff and Shareholders, the Group has implemented the following measures:

- all individuals shall be subject to compulsory body temperature check before entering into the venue of the EGM and anyone with a body temperature higher than 37.3 degree Celsius will not be given access to the venue;
- all individuals are required to wear appropriate face masks at all times during the EGM;
- alcohol rubs/hand sanitizers will be provided at the venue of the EGM;
- maintaining proper distance between seats; and
- no refreshments will be served at the EGM.

* For identification purpose only

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PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of Shareholders and prevent the spread of the coronavirus (COVID-19) pandemic, the following measures will be implemented at the EGM:

- Each attendee will be required to undergo a mandatory body temperature check. Any person with a body temperature above 37.3 degrees Celsius, or who is exhibiting flu-like symptoms, will be denied entry into the EGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times, and maintain a safe distance between seats. Any person who does not comply with this requirement will be required to leave the EGM venue.
- No refreshments will be served at the EGM, and there will be no corporate gifts.

The Company reminds all Shareholders that any person who is subject to any quarantine order prescribed by the Hong Kong Government will be denied entry into the EGM venue in order to ensure the health and safety of all attendees at the EGM.

Additionally, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of attending the EGM in person.

If Shareholders have any questions relating to the EGM, please contact Link Market Services (Hong Kong) Pty Ltd., the Company's Hong Kong branch share registrar, as follows:

Suite 1601, 16/F
Central Tower
28 Queen's Road Central
Hong Kong
Fax: (852) 3707 2699
E-mail: hkenquiries@linkmarketservices.com

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 November 2020 with respect to the Subscription Agreements
“Amended ESOP”	amendments to the Share Option Scheme or the Co-Ownership Plan, or the creation of a new management share option plan or co-ownership plan of the Company as may be adopted that will not individually or collectively involve the issuance of Shares of more than 5% of the Existing Issued Share Capital;
“Board”	the board of Directors of the Company from time to time;
“Bondholder(s)”	the holder(s) of the Convertible Bonds from time to time;
“Bondholder’s Approval”	the written approval of GSAS, OrbiMed or GAW (as the case may be);
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, excluding any day in Hong Kong on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning is hoisted;
“Change of Control Event”	the occurrence of an event, following which, Mr. Tang ceases to own directly or indirectly at least 51% of the issued Shares of the Company on a fully diluted basis, or otherwise ceases to be the single largest shareholder of the Company;
“Closing Long Stop Date”	28 February 2021 or such later date as may be agreed between the Company and the relevant Subscribers;
“Company”	Union Medical Healthcare Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2138);
“Completion”	the completion of the issue of the Convertible Bonds and the Warrants;
“Conditions Precedent”	the relevant conditions precedent to the GS Subscription, OrbiMed Subscription and GAW Subscription as set out in the relevant Subscription Agreements, as further described in the paragraph headed “Conditions Precedent for the completion of the Subscription” of the Letter From the Board in this circular;

DEFINITIONS

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Control”	the power of a person to secure that the affairs of another person are conducted directly or indirectly in accordance with the wishes of that first person by means of being the beneficial owner of more than 50 per cent. of the voting rights of that other person, or having the right to appoint or remove a majority of the members of or otherwise control the votes at the board of directors (or its equivalent) of that other person, and “Controlling” and “Controlled” shall be construed accordingly;
“Conversion Period”	the period commencing on the issue date of the Convertible Bonds and expiring on the Maturity Date (both days exclusive);
“Conversion Price”	the GS Conversion Price, the OrbiMed Conversion Price or the GAW Conversion Price, as the case may be;
“Conversion Rights”	the right(s) of a Bondholder to convert the whole or part of the principal amount of the Convertible Bonds into Shares subject to and in accordance with the terms and conditions of the Convertible Bonds;
“Convertible Bonds”	GS Convertible Bonds, OrbiMed Convertible Bonds and GAW Convertible Bonds;
“Conversion Share(s)”	up to 54,093,688 new Shares to be issued upon the exercise of the Conversion Rights attached to the Convertible Bonds;
“Convertible Securities”	<p>any securities other than the Convertible Bonds and Warrant Securities (including but not limited to any preference shares, bonds, loans, notes or any other similar securities) which by their terms of issue:</p> <ul style="list-style-type: none">(a) carry a right to convert into, subscribe for, purchase or otherwise acquire Shares or any securities which by their terms of issue might be redesignated as Shares; or(b) might be redesignated as Shares or be redesignated so as to carry a right to convert into, subscribe for, purchase or otherwise acquire Shares, <p>and “Convertible Security” shall be interpreted accordingly;</p>

DEFINITIONS

“Co-Ownership Plan”	the co-ownership plan adopted by the Board on 21 February 2020 and approved by the extraordinary general meeting of the Company on 16 April 2020;
“Director(s)”	the director(s) of the Company;
“EBITDA”	<p>(a) (if the most recent consolidated financial statements of the Company are the annual consolidated financial statements) the earnings before interest, taxation, depreciation and amortisation of the Group, as determined by the following: (a) profit before tax, plus (b) depreciation-owned property, plant and equipment, plus (c) depreciation-right-of-use assets, plus (d) amortisation of intangible assets, plus (e) finance costs, plus (f) charitable donations (each as set out in the most recent annual consolidated financial statements of the Company); and</p> <p>(b) (if the most recent consolidated financial statements of the Company is the interim consolidated financial statements) the earnings before interest, taxation, depreciation and amortisation of the Group, as determined by the following: (a) profit before tax, plus (b) depreciation-owned property, plant and equipment, plus (c) depreciation-right-of-use assets, plus (d) amortisation of intangible assets, plus (e) finance costs, plus (f) charitable donations, (each in relation to the Group and for the last 12-month period ending on 30 September of such year and determined with reference to relevant figures as set out in the relevant annual consolidated financial statements and/or interim consolidated financial statements of the Company, other than in relation to amortisation of intangible assets, which shall be as set out in the most recent annual consolidated financial statements of the Company);</p>
“EGM”	the extraordinary general meeting of the Company to be convened and held on Wednesday, 27 January 2021 to consider, and if thought fit, to approve, among other things, the issue of the Convertible Bonds and Warrants, the Specific Mandate and the transactions contemplated thereunder;

DEFINITIONS

“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, third-party right or interest, assignment, deed of trust, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect, any proxy, power of attorney, voting trust arrangement, interest or any adverse claim as to title, possession or use;
“Existing Issued Share Capital”	the total issued share capital of the Company as at such time (without giving effect to any options, warrants or other securities convertible or otherwise exercisable into Shares);
“GAW”	Waven World Limited, a company incorporated in the British Virgin Islands with limited liability owned by Gaw Capital Partners;
“GAW Conversion Price”	the price at which the Shares will be issued upon conversion of the GAW Convertible Bonds, the initial conversion price being HK\$5.21 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the GAW Convertible Bonds;
“GAW Conversion Shares”	the Shares to be issued upon the conversion of the GAW Convertible Bonds;
“GAW Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$39,000,000 to be issued by the Company, pursuant to the GAW Subscription Agreement;
“GAW Subscription”	the issue of the relevant Convertible Bonds to GAW by the Company pursuant to the GAW Subscription Agreement;
“GAW Subscription Agreement”	the subscription agreement dated 18 November 2020 entered into with GAW in respect of the Subscription;
“Group”	the Company and its subsidiaries, in each case from time to time and “member of the Group” and “Group Company” shall be construed accordingly;
“GS”	Goldman Sachs Asia Strategic II Pte. Ltd., a company incorporated in Singapore with limited liability, Stonebridge 2020, L.P., a limited partnership registered and existing under the laws of Delaware and Stonebridge 2020 Offshore Holdings II, L.P., an exempted limited partnership registered and existing under the laws of the Cayman Islands;

DEFINITIONS

“GSAS”	Goldman Sachs Asia Strategic II Pte. Ltd., a company with limited liability incorporated under the laws of Singapore whose registered address is 1 Raffles Link, #07-01, One Raffles Link, Singapore (039393);
“GS Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$234,000,000 to be issued by the Company, pursuant to the GS Subscription Agreement;
“GS Conversion Price”	the price at which the Shares will be issued upon conversion of the GS Convertible Bonds, the initial conversion price being HK\$5.69 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds;
“GS Conversion Shares”	the Shares to be issued upon the conversion of the GS Convertible Bonds;
“GS Subscription”	the issue of (i) the relevant Convertible Bonds to GS; and (ii) the relevant Warrants to GS pursuant to the GS Subscription Agreement;
“GS Subscription Agreement”	the subscription agreement dated 18 November 2020 entered into with GS in respect of the Subscription;
“GS Warrants”	the warrants in the principal amount of HK\$273,000,000 to be issued by the Company, pursuant to the GS Subscription Agreement;
“GS Warrant Shares”	the Shares to be issued upon the exercise of the GS Warrants;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Immaterial Subsidiaries”	any subsidiary whose total assets, profits and revenue compared to that of the Company are less than 5% under the percentage ratios in accordance with the Listing Rules for the latest financial year of the Company as at such time;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules;

DEFINITIONS

“Irrevocable Undertaking”	the irrevocable undertaking dated 18 November 2020 given by Mr. Tang;
“Issuer Redemption Event”	the occurrence of the relevant Bondholder having completed and invested in aggregate over US\$20 million in any of the Restricted Entities;
“Last Trading Day”	18 November 2020, being the date of the Subscription Agreement;
“Latest Practicable Date”	4 January 2021, being the last practicable date prior to the printing of this circular of the purpose of ascertaining certain information referred to in this circular
“Law”	any provision of any binding law, ordinance, rule, judgment, rule of common law and equity, decree, award, injunction, policies, government approval or other governmental restriction or binding regulation or rule of any governmental authority (including, without limitation, any anti- corruption, anti-money laundering and employment law or regulation);
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Material Adverse Change”	any material adverse change in, or any change in circumstances that has a material adverse effect on, the business, operations, financial position (including any material increase in provisions), earnings, condition or prospects of the Group taken as a whole since the date of the last published financial statement or interim financial statement of the Company that could reasonably be expected to materially and adversely affect the Group taken as a whole (being more than 20% lower than the revenue of the Group (taken as a whole) in the immediately preceding financial year according to the published financial statement of the Company);
“Maturity Date”	the date falling the fifth (5th) anniversary of the date of issue of the Convertible Bonds;
“Mr. Tang”	Mr. Tang Chi Fai, the Chief Executive Officer of the Company, chairman of the Board, chairman of the nomination committee of the Company and an executive Director);

DEFINITIONS

“OCF”	<p>(a) (if the most recent consolidated financial statements of the Company is the annual consolidated financial statements) the operating cash flow of the Group, as determined by the amount of net cash generated from the operating activities as set out in the most recent annual consolidated financial statements of the Company; and</p> <p>(b) (if the most recent consolidated financial statements of the Company is the interim consolidated financial statements) the operating cash flow of the Group, as determined by the amount of net cash generated from the operating activities of the Group for the last 12-month period ending on 30 September of such year (determined with reference to the relevant figure as set out in the relevant annual consolidated financial statements and/or interim consolidated financial statements of the Company);</p>
“OrbiMed”	OAP III (HK) Limited, a company incorporated in Hong Kong with limited liability;
“OrbiMed Conversion Shares”	the Shares to be issued upon the conversion of the OrbiMed Convertible Bonds;
“OrbiMed Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$31,200,000 to be issued by the Company, pursuant to the OrbiMed Subscription Agreement;
“OrbiMed Conversion Price”	the price at which the Shares will be issued upon conversion of the OrbiMed Convertible Bonds, the initial conversion price being HK\$5.69 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the OrbiMed Convertible Bonds;
“OrbiMed Subscription”	the issue of (i) the relevant Convertible Bonds to OrbiMed; and (ii) the relevant Warrants to OrbiMed by the Company pursuant to the OrbiMed Subscription Agreement;
“OrbiMed Subscription Agreement”	the subscription agreement dated 18 November 2020 entered into with OrbiMed in respect of the Subscription;
“OrbiMed Warrants”	the warrants in the principal amount of HK\$36,400,000 to be issued by the Company, pursuant to the OrbiMed Subscription Agreement;
“OrbiMed Warrant Shares”	the Shares to be issued upon the exercise of the OrbiMed Warrants;

DEFINITIONS

“Restricted Entities”	certain companies that are primarily engaged in the medical and/or aesthetic business in Hong Kong, Macau, Taiwan or the People’s Republic of China. The Company shall be entitled to amend the list of Restricted Entities, subject to mutual agreement with GSAS at a frequency of once every six (6) months from the date of Closing, by written notice to GSAS;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Shares;
“Share(s)”	ordinary shares of the Company with a nominal value of HK\$0.00001 each;
“Share Option Scheme”	the share option scheme of the Company adopted on 19 February 2016 and valid and effective from 11 March 2016 and ending on 11 March 2026 (both dates inclusive), pursuant to which Shares are or will be issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of eligible participants such as directors and employees of the Company or any of its Group Companies;
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Conversion shares upon full conversion of the Convertible Bonds and the allotment and issue of the Warrant Shares upon full exercise of the Warrants;
“Stock Exchange”	the Main Board of The Stock Exchange of Hong Kong Limited;
“StoneBridge 2020”	StoneBridge 2020, L.P., a limited partnership registered and existing under the laws of Delaware (Registration No.: 7834825) acting through its general partner Bridge Street Opportunity Advisors, L.L.C. of c/o Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801;
“StoneBridge 2020 Offshore”	StoneBridge 2020 Offshore Holdings II, L.P., an exempted limited partnership registered and existing under the laws of the Cayman Islands (Registration No.: MC-105446) acting through its general partner Bridge Street Opportunity Advisors, L.L.C. of c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands;

DEFINITIONS

“Subscriber(s)”	GS, OrbiMed and GAW, each a “ Subscriber ”;
“Subscription”	the GS Subscription, the OrbiMed Subscription and the GAW Subscription;
“Subscription Agreements”	the GS Subscription Agreement, the OrbiMed Subscription Agreement and the GAW Subscription Agreement;
“Subscription Period”	the period from the date of issue of the Warrants and up to the fifth (5th) anniversary of the date of issue of the Warrants;
“Subscription Rights”	the rights of the Warrantholder represented by the Warrants to subscribe for Shares pursuant to the Warrants;
“Trading Day”	a day when the Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days;
“Warrantholder(s)”	person(s) in whose name a Warrant is registered in the register of the Warrantholders, and “holder(s)” in relation to a Warrant has a corresponding meaning;
“Warrant(s)”	the GS Warrants and OrbiMed Warrants;
“Warrant Securities”	in respect of the Shares, any options, warrants or other rights (other than Convertible Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire Shares, and “Warrant Security” shall be interpreted accordingly;
“Warrant Shares”	up to 50,145,866 new Shares to be issued upon the exercise of the Subscription Rights;
“Warrant Subscription Price”	the price at which the Shares will be issued upon the exercise of the Subscription Right in respect of GS Warrant Share or OrbiMed Warrant Share (as the case may be), the initial subscription price being HK\$6.17, subject to adjustments in accordance with the terms and conditions of the GS Warrants and OrbiMed Warrants respectively;
“%”	per cent.

DEFINITIONS

Unless specified otherwise, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.80. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

LETTER FROM THE BOARD



Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

Executive Directors:

Tang Chi Fai (*Chairman and Chief Executive Officer*)
Lee Gabriel
Wong Chi Cheung
Lee Heung Wing

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681,
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Luk Kun Shing Ben
Wang Steven Dasong

Principal place of business:

L50, Langham Place Office Tower,
8 Argyle Street,
Mong Kok, Hong Kong

Independent non-executive Directors:

Ma Ching Nam
Look Andrew
Lam Chi Hang Josekin

8 January 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED ISSUE OF CONVERTIBLE BONDS AND WARRANTS
UNDER SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the Announcement in relation to the Subscription and the issue of Convertible Bonds and Warrants.

The purpose of this circular is to provide you with information among other things, (i) further details on the Subscription; (ii) a notice to convene the EGM; and (iii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENTS

Date: 18 November 2020 (after trading hours)

- Parties:
- (1) the Company, as the issuer;
 - (2) GS, as Subscriber in respect of the GS Subscription Agreement;
 - (3) OrbiMed, as Subscriber in respect of the OrbiMed Subscription Agreement;
and
 - (4) GAW, as Subscriber in respect of the GAW Subscription Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of GS, OrbiMed and GAW and their respective ultimate beneficial owner(s) are Independent Third Parties.

Terms and conditions of the GS Subscription Agreement, OrbiMed Subscription Agreement and GAW Subscription Agreement are the same in material respects except that (i) there is no subscription of warrants under the GAW Subscription Agreement, and (ii) the issuance of the OrbiMed Convertible Bonds, the OrbiMed Warrants and the GAW Convertible Bonds are conditional upon the completion of the issue and the subscription of the GS Convertible Bonds and the GS Warrants having been satisfied or waived (as the case may be).

Conditions precedent for the completion of the Subscription

Completion of the GS Subscription, OrbiMed Subscription and GAW Subscription is conditional upon the following applicable Conditions Precedent:

- i. the Stock Exchange having granted approval for (1) the listing of, and permission to deal in, the Conversion Shares to be allotted and issued on conversion of the Convertible Bonds (in respect of the GS Subscription Agreement and the OrbiMed Subscription Agreement only) and the Warrant Shares to be issued upon exercise of the Warrants and (2) such approvals remaining valid and effective;
- ii. (in the case of the OrbiMed Subscription Agreement and the GAW Subscription Agreement only) all conditions to the completion of the issue and the subscription of the GS Convertible Bonds and the GS Warrants having been satisfied or waived;
- iii. (if so required under the Listing Rules) the Shareholders having passed a resolution at the EGM to approve the terms of, and the transactions contemplated under, the relevant Subscription Agreements and the transaction documents;
- iv. the warranties given by the Company under the relevant Subscription Agreements remaining true, accurate and not misleading in each case in accordance with their terms;
- v. since the date of the relevant Subscription Agreements, there having been no Change of Control Event;

LETTER FROM THE BOARD

- vi. since the date of the relevant Subscription Agreements, there having been, in the reasonable opinion of the Subscribers, no Material Adverse Change;
- vii. (in the case of the GS Subscription Agreement only), GS having received a legal opinion as to the laws of Cayman Islands issued by the GS's counsel addressed to GS in relation to, among other things, the due incorporation, capacity and authority of the Company; and
- viii. (in the case of the GS Subscription Agreement only), GS having received a legal opinion as to the laws of Hong Kong issued by the GS's counsel addressed to GS in relation to, among other things, the legal, valid, binding and enforceable nature of the provisions of the transaction documents governed by the laws of Hong Kong.

Completion of the subscription of the Convertible Bonds

Each of GS, OrbiMed and GAW shall subscribe for and the Company shall issue the GS Convertible Bonds, the OrbiMed Convertible Bonds and the GAW Convertible Bonds, at the principal amount of HK\$234,000,000, HK\$31,200,000 and HK\$39,000,000, respectively, on the fifth (5th) Business Day after, and excluding, the date upon which the last in time of the applicable Conditions Precedent has been satisfied or waived (as the case may be), or such other date as the relevant Subscribers and the Company may agree.

Completion of the subscription of the Warrants

Each of GS and OrbiMed shall subscribe for, and the Company shall issue, the GS Warrants and the OrbiMed Warrants, at the principal amount of HK\$273,000,000 and HK\$36,400,000, respectively, on the fifth (5th) Business Day after, and excluding, the date upon which the last in time of the applicable Conditions Precedent has been satisfied or waived (as the case may be), or such other date as the relevant Subscribers and the Company may agree.

Non-Fulfilment

If the relevant Conditions Precedent in relation to a Subscription Agreements are not either waived or satisfied, as the case may be, by 10:00 a.m. on the Closing Long Stop Date, such Subscription Agreements shall terminate and no party will have any claim against the other for costs, damages, compensation or otherwise (other than any liabilities accrued prior to termination).

LETTER FROM THE BOARD

ISSUE OF CONVERTIBLE BONDS

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Company and the Subscribers and are summarised as follows:

- Principal amount : (1) HK\$234,000,000 to be issued to GS pursuant to the GS Subscription Agreement;
- (2) HK\$31,200,000 to be issued to OrbiMed pursuant to the OrbiMed Subscription Agreement; and
- (3) HK\$39,000,000 to be issued to GAW pursuant to the GAW Subscription Agreement.
- Issue price : 100% of the principal amount.
- Maturity date : The date falling on the fifth (5th) anniversary of the date of issue of the Convertible Bonds (the “**Maturity Date**”).
- Interest rate : 2.5% per annum, payable annually on the anniversary of the issue date in each year.
- Conversion Period : The period commencing on the issue date of the Convertible Bonds and expiring on the Maturity Date (both days exclusive).
- Conversion Price : (1) The initial GS Conversion Price shall be HK\$5.69 per Conversion Share.
- (2) The initial OrbiMed Conversion Price shall be HK\$5.69 per Conversion Share.
- (3) The initial GAW Conversion Price shall be HK\$5.21 per Conversion Share.
- Adjustment events of the Convertible Bonds : The Conversion Price will be subject to adjustments in the following events:
- i. consolidation, subdivision or reclassification of Shares;
 - ii. capitalisation of profits or reserves;

LETTER FROM THE BOARD

- iii. issue of Shares, Warrant Securities or Convertible Securities, rights issue of securities (save and except the Conversion Shares and Warrant Shares issued under the Subscription Agreements); or issue of Shares under the management incentive plan or co-ownership plan that is not a Share Option Scheme, a Co-Ownership Plan or an Amended ESOP;
- iv. modification of rights of conversion attaching to the securities described in (iii) above; and
- v. distributions.

Conversion Shares : Based on (i) the initial GS Conversion Price of HK\$5.69 per Conversion Share (in respect of GS); (ii) the initial OrbiMed Conversion Price of HK\$5.69 per Conversion Share (in respect of OrbiMed); and (iii) the initial GAW Conversion Price of HK\$5.21 per Conversion Share (in respect of GAW), no more than (i) 41,124,780 GS Conversion Shares (of which 33,311,072 GS Conversion Shares in respect of GSAS; 5,128,260 GS Conversion Shares in respect of StoneBridge 2020; and 2,685,448 GS Conversion Shares in respect of StoneBridge 2020 Offshore), (ii) 5,483,304 OrbiMed Conversion Shares and (iii) 7,485,604 GAW Conversion Shares shall be allotted and issued upon full exercise of the Conversion Rights.

Conversion Rights : The Conversion Rights may be exercised during the Conversion Period, by the Bondholder(s) to convert the outstanding principal amount of the Convertible Bonds into Conversion Shares with a written notice delivered to the Company. Each Bondholder will have the Conversion Right at any time during the Conversion Period to receive fully-paid Conversion Shares issued by the Company at the Conversion Price on the Conversion subject to the terms and conditions of the Bonds.

LETTER FROM THE BOARD

- Financial covenants : For so long as any Bond remains outstanding and has not been redeemed, the Company undertakes to the Subscribers (so long as each Subscriber is the holder of any Bond(s)) and not to any other Bondholder that, except with prior Bondholder's Approval, the ratio of (i) the aggregate value of the bank borrowings, lease liabilities and other financial liabilities of a similar nature; to (ii) the EBITDA or OCF does not exceed five (5) (except for the financial year of twelve (12) months ending 31 March 2021, where such ratio shall be set as six (6) instead).
- Event of default : Each of the following events is an event of default, subject to certain cure periods:
- i. a Change of Control Event;
 - ii. non-payment on any principal amount or interest or (if any) premium of the Convertible Bonds when they fall due;
 - iii. non-delivery of Conversion Shares;
 - iv. breach of covenants under the terms and conditions of the Convertible Bonds;
 - v. breach of representations and warranties under the terms and conditions of the Convertible Bonds;
 - vi. breach of terms of the transaction documents;
 - vii. where (i) any financial indebtedness of the Company or any Group Company (other than any Immaterial Subsidiaries) in excess of HK\$10,000,000 ("**Cross-default Financial Indebtedness**") in each case is not paid when due or within any originally applicable grace period; or (ii) any such Cross-default Financial Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the relevant Group Company;
 - viii. the auditors of the Company are unable to prepare audited accounts of the Company or express a concern in their report by way of a qualification to the audit, the result of which will, or is reasonably likely to, adversely affect the operations of the Company;

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- ix. any final unappealable judgment or order for payment of any amount that is rendered against any Group Company, which is or are reasonably expected to have a Material Adverse Effect;
- x. any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes against any Group Company, which is or are reasonably expected to have a Material Adverse Effect;
- xi. an insolvency event in relation to any Group Company;
- xii. an event that is, or will become, unlawful for the Company to perform or comply with any of its obligations under or in respect of the transaction documents in relation to the Subscription;
- xiii. material breach of law;
- xiv. delisting of the Company;
- xv. suspension of trading of the Company for ninety (90) consecutive Trading Days.

If any of the events of default occurs, the Bondholder(s) may, prior to the Maturity Date, give notice to the Company that the Convertible Bonds are, and shall on the giving of such notice immediately become, due and payable at their principal amount.

Early redemption : The Company may, at any time upon the occurrence of an Issuer Redemption Event, redeem the Bonds, in full, held by a Bondholder at an amount equal to the aggregate of (i) the aggregate principal amount of the Bond(s) held by such Bondholder being the subject of the redemption; and (ii) any accrued but unpaid interest on such Bond(s) by giving not less than seven (7) Business Days' prior notice to the relevant Bondholder.

Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

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Status and ranking : The obligations of the Company arising under the Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company.

The Conversion Shares issued upon the exercise of the Conversion Rights shall be fully paid up and rank *pari passu* in all respects with all other Shares in issue at the relevant date of such allotment, including the right to receive all dividends and other distributions which may thereafter be declared, made or paid from time to time; will be duly listed, and be admitted to trading, on the Stock Exchange; and will be freely transferrable and will be free and clear of all Encumbrances.

Transferability : Save for any on market transfer of Conversion Shares by any Subscriber, each of the Subscribers undertakes that it shall not transfer any Convertible Bond and/or Conversion Share to any Restricted Entities, without prior consent of the Company; and in the case of transfer, each Subscriber undertakes to obtain a legally binding undertaking from the transferee that it shall be bound by the terms of the respective Subscription Agreements.

The Convertible Bonds shall be transferrable by instrument of transfer in a form subject to the terms and conditions of the Convertible Bonds.

ISSUE OF WARRANTS

The principal terms of the Warrants were arrived at after arm's length negotiations between the Company and the relevant Subscribers and are summarised as follows:

Principal amount : (1) HK\$273,000,000 to be issued to GS pursuant to the GS Subscription Agreement;

(2) HK\$36,400,000 to be issued to OrbiMed pursuant to the OrbiMed Subscription Agreement.

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- Number of Warrant Shares : Based on the initial Warrant Subscription Price of HK\$6.17 per Warrant Share, no more than (i) 44,246,353 GS Warrant Shares (of which 35,839,546 GS Warrant Shares in respect of GSAS; 5,517,520 GS Warrant Shares in respect of StoneBridge 2020; and 2,889,287 GS Warrant Shares in respect of StoneBridge 2020 Offshore) and (ii) 5,899,513 OrbiMed Warrant Shares shall be allotted and issued upon full exercise of the Subscription Rights.
- Subscription Period : The period from the date of issue of the Warrants and ending on the fifth (5th) anniversary of the date of issue of the Warrants.
- Subscription Price and adjustment events : The initial Warrant Subscription Price shall be HK\$6.17 per Warrant Share.
- The Warrant Subscription Price will be subject to adjustments in the following events of:
- i. consolidation, subdivision or reclassification of Shares;
 - ii. capitalisation of profits or reserves;
 - iii. issue of Shares, Warrant Securities or Convertible Securities, rights issue of securities (save and except the Conversion Shares and Warrant Shares issued under the Subscription Agreements); or issue of Shares under the management incentive plan or co-ownership plan that is not a Share Option Scheme, a Co-Ownership Plan or an Amended ESOP; and
 - iv. modification of rights of conversion attaching to the securities described in (iii) above.
- Exercise of the Subscription Rights : Each Warrantholder will have the right, by way of exercise of the Warrants held by it, at any time during the Subscription Period to receive fully-paid Warrant Shares issued by the Company at the Warrant Subscription Price on the subscription date.
- Listing : No application will be made for the listing of the Warrants on the Stock Exchange or any other stock exchange. Application will be made to the Listing Committee for the listing of, and the permission to deal in, the Warrant Shares.

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Transferability : Save for any on market transfer of Warrant Shares by any Subscriber, each of the Subscribers undertakes that it shall not transfer any Warrant and/or Warrant Share to any Restricted Entities, without prior consent of the Company; and in the case of transfer, each Subscriber undertakes to obtain a legally binding undertaking from the transferee that it shall be bound by the terms of the respective Subscription Agreements.

The Warrants shall be transferrable by instrument of transfer in a form subject to the terms and conditions of the Warrants.

Status and ranking : The Warrant Shares issued upon the exercise of the Subscription Rights shall be fully paid up and rank *pari passu* in all respects with other Shares in issue on the relevant subscription date, including the right to receive all dividends and distributions which may thereafter be declared, made or paid from time to time; will be duly listed, and be admitted to trading, on the Stock Exchange; and will be freely transferrable and will be free and clear of all Encumbrances.

Rights on liquidation : If the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and any warrant certificate shall cease to be valid for any purpose.

THE CONVERSION PRICE AND THE WARRANT SUBSCRIPTION PRICE

The initial GS Conversion Price of HK\$5.69 represents:

- (a) a 20% premium over the prior 30 Trading Days' volume-weighted average price upon the signing of the GS Subscription Agreement;
- (b) a premium of approximately 7.77% to the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 11.74% to the average closing price of approximately HK\$5.092 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date immediately preceding the Last Trading Day.

The initial OrbiMed Conversion Price of HK\$5.69 represents:

- (a) a 20% premium over the prior 30 Trading Days' volume-weighted average price upon the signing of the OrbiMed Subscription Agreement;

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- (b) a premium of approximately 7.77% to the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a premium of approximately 11.74% to the average closing price of approximately HK\$5.092 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date immediately preceding the Last Trading Day.

The initial GAW Conversion Price of HK\$5.21 represents:

- (a) a 10% premium over the prior 30 Trading Days' volume-weighted average price upon the signing of the GAW Subscription Agreement;
- (b) a discount of approximately 1.33% to the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a premium of approximately 2.32% to the average closing price of approximately HK\$5.09 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date immediately preceding the Last Trading Day.

The initial Warrant Subscription Price of HK\$6.17 represents:

- (a) a 30% premium over the prior 30 Trading Days' volume-weighted average price upon the signing of the GS Subscription Agreement and the OrbiMed Subscription Agreement respectively;
- (b) a premium of approximately 16.86% to the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a premium of approximately 21.17% to the average closing price of approximately HK\$5.09 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date immediately preceding the Last Trading Day.

The Company has engaged a valuer to assess the fair value of the Warrants by using binomial option pricing model based on (i) the terms of the Warrants, in particular, the Warrant Subscription Price and 5-year exercise period, (ii) the historical stock price volatility of the Company of approximately 39.287%, (iii) the risk free rate of 0.284% and (iv) the dividend yield of 4.19%. According to the valuation, the unit Warrant value was HK\$1.106 and the total value of the Warrants is approximately HK\$55.4 million.

The Company has agreed to issue the Warrants at nil issue price. Based on the prevailing credit rating of the Group, it is anticipated that the estimated interest rate for debt financing for the Group will be around 7% per annum. Despite this, the Subscribers agreed to reduce the interest of the Convertible Bonds to 2.5% per annum. Based on the aforesaid, it is estimated that the Group could save interest expenses of more than HK\$59.6 million for a term of 5 years.

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Further, the monetary value of the Warrants was not the sole factor considered by the Board. Each of the initial GS Conversion Price, the initial OrbiMed Conversion Price, the initial GAW Conversion Price, the issue price of the Warrants (which is nil) and the initial Warrant Subscription Price above were determined after arm's length negotiations between the Company and each of the Subscribers with reference to the prevailing market price of the Shares, current market sentiment, the Group's financial position, the historical Share price, liquidity of the Shares in the market and the market conditions. The following factors have also been taken into account:

1. the issue of the Convertible Bonds and the Warrants is a packaged deal and therefore the Conversion Price, the Warrant Subscription Price and the issue price of the Warrants (which is nil) cannot be considered on a standalone basis;
2. the benefits of introducing GS and GAW, both being reputable institutional investors, as strategic investors of the Company and strengthening the investor portfolio of the Company, which may in turn bring a positive image to the Group and confidence of the public in the long run;
3. the introduction of GS and GAW as strategic investors shall empower the Group's access to global resources in business development and financing. The Group may, depending on the market circumstances, consider exploring with GS on the formation of a joint venture in the future and increase the market competitiveness of the Group by leveraging on the capital and resources of GS;
4. the increased investment from OrbiMed will further strengthen the relationships between the Group and the renowned investment fund with focus on healthcare industry and would be an appropriate means of fund raising for the Company;
5. the immediate availability of financial resources for the Group resulting from the issue of the Convertible Bonds to proceed with the expansion of clinic network of the Company and acquisitions and mergers;
6. the willingness of the Subscribers to subscribe for the Convertible Bonds and the Warrants despite the current challenging market conditions;
7. although no proceed will be raised from the initial subscription of the Warrants, the Company will receive a large sum of money in the future if the Subscription Rights are exercised in full, which can strengthen the capital base of the Company and strengthen the Company's financial position to better equip the Group with financial flexibility and enable the Group to further develop its business;
8. the Warrants is not expected to have liquid market as they are unlisted Warrants; and
9. the issue of the Convertible Bonds and the Warrants do not have any immediate dilution effect on the shareholdings of the existing Shareholders.

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The Directors are of the view that the above non-monetary value derived from the Subscriptions far exceed the mere monetary value of the Convertible Bonds and the Warrants.

The Directors (including all independent non-executive Directors) consider that each of the initial GS Conversion Price, the initial OrbiMed Conversion Price, the initial GAW Conversion Price and the initial Warrant Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

THE CONVERSION SHARES AND THE WARRANT SHARES

If the Conversion Rights are fully exercised and all the Conversion Shares are converted in full at (i) the initial GS Conversion Price of HK\$5.69 per Conversion Share (in respect of GS); (ii) the initial OrbiMed Conversion Price of HK\$5.69 per Conversion Share (in respect of OrbiMed); and (iii) the initial GAW Conversion Price of HK\$5.21 per Conversion Share (in respect of GAW), no more than (i) 41,124,780 GS Conversion Shares (of which 33,311,072 GS Conversion Shares in respect of GSAS; 5,128,260 GS Conversion Shares in respect of StoneBridge 2020 and 2,685,448 GS Conversion Shares in respect of StoneBridge 2020 Offshore), (ii) 5,483,304 OrbiMed Conversion Shares; and (iii) 7,485,604 GAW Conversion Shares (i.e. a total of 54,093,688 Conversion Shares), will be allotted and issued under the Specific Mandate, which represent (i) approximately 5.10% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.85% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares in full (assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and immediately prior to the allotment and issue of the Conversion Shares).

The Conversion Shares have (i) an aggregate nominal value of approximately HK\$540.94, and (ii) a market value of HK\$285.6 million, based on the closing price of HK\$5.28 per Share on the Last Trading Day.

Assuming the Subscription Rights are exercised in full, no more than (i) 44,246,353 GS Warrant Shares (of which 35,839,546 GS Warrant Shares in respect of GSAS; 5,517,520 GS Warrant Shares in respect of StoneBridge 2020 and 2,889,287 GS Warrant Shares in respect of StoneBridge 2020 Offshore) and (ii) 5,899,513 OrbiMed Warrant Shares (i.e. a total of 50,145,866 Warrant Shares), will be allotted and issued under the Specific Mandate, which represent (i) approximately 4.73% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.51% of the total issued share capital of the Company as enlarged by the allotment and issue of the Warrants Shares in full (assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and immediately prior to the allotment and issue of the Warrant Shares).

The Warrant Shares have (i) an aggregate nominal value of approximately HK\$501.46, and (ii) a market value of HK\$264.8 million, based on the closing price of HK\$5.28 per Share on the Last Trading Day.

As at the Latest Practicable Date, 10,000,000 warrants have been issued by the Company (pursuant to the acquisition announced by the Company on 20 July 2020 and granted on 31 August 2020) with subscription rights outstanding and not yet exercised. Assuming the full

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exercise of Conversion Rights and the Subscription Rights at the initial Conversion Prices and the initial Warrant Subscription Prices, respectively, a total of 104,239,554 new Shares (comprising 54,093,688 Conversion Shares and 50,145,866 Warrant Shares) will be allotted and issued, representing (i) approximately 9.83% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 8.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and Warrant Shares (assuming there will be no changes in the issued share capital of the Company between the Latest Practicable Date and immediately prior to the allotment and issue of the Conversion Shares and the Warrant Shares).

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 1,060,456,939 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the allotment and issue of all Conversion Shares only (assuming there is no change to the share capital and in the shareholding structure of the Company between the Latest Practicable Date and immediately prior to the allotment and issue of the Conversion Shares); and (iii) immediately upon the allotment and issue of all Conversion Shares and all Warrant Shares (assuming that, except the allotment and issue of the Conversion Shares, there is no other change to the share capital and in the shareholding structure of the Company between the Latest Practicable Date and immediately prior to the allotment and issue of the Warrant Shares):

Shareholders	As at the Latest Practicable Date		Immediately upon the allotment and issue of all Conversion Shares only		Immediately upon the allotment and issue of all Warrant Shares only		Immediately upon the allotment and issue of all Conversion Shares and all Warrant Shares	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Mr. Tang ¹	728,988,230	68.74	728,988,230	65.41	728,988,230	65.64	728,988,230	62.59
Core Connected Persons of the Company	<u>39,754,451</u>	<u>3.75</u>	<u>39,754,451</u>	<u>3.57</u>	<u>39,754,451</u>	<u>3.58</u>	<u>39,754,451</u>	<u>3.41</u>
	768,742,681	72.49	768,742,681	68.97	768,742,681	69.22	768,742,681	66.00
OrbiMed Asia Partners III, L.P. ²	63,806,686	6.02	63,806,686	5.72	63,806,686	5.75	63,806,686	5.48
OrbiMed	—	—	5,483,304	0.49	5,899,513	0.53	11,382,817	0.98
GS	—	—	41,124,780	3.69	44,246,353	3.98	85,371,133	7.33
Gaw	—	—	7,485,604	0.67	—	—	7,485,604	0.64
Other public shareholders	<u>227,907,572</u>	<u>21.49</u>	<u>227,907,572</u>	<u>20.45</u>	<u>227,907,572</u>	<u>20.52</u>	<u>227,907,572</u>	<u>19.57</u>
	291,714,258	27.51	345,807,946	31.03	341,860,124	30.78	395,953,812	34.00
Total issued shares	<u>1,060,456,939</u>	<u>100.00</u>	<u>1,114,550,627</u>	<u>100.00</u>	<u>1,110,602,805</u>	<u>100.00</u>	<u>1,164,696,493</u>	<u>100.00</u>

Notes:

- Out of the 728,988,230 Shares which Mr. Tang was interested in, (i) 5,103,000 Shares were held by Mr. Tang as the beneficial owner, (ii) 2,654,000 Shares were held by his spouse, Ms. Yau Ming Li, and (iii) 721,231,230 Shares were held by Union Medical Care Holding Limited, a company wholly owned by Mr. Tang.

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2. According to the information in the disclosure of interests form of OrbiMed Advisors III Limited (“**Orbi A III**”), Orbi A III holds 100% of the issued share capital of OrbiMed Asia GP III, L.P. (“**Orbi A GP**”); and Orbi A GP holds 2% of the issued share capital of OrbiMed Asia Partners III, L.P. Orbi A III and Orbi A GP were therefore deemed to be interested in the Shares which are owned by OrbiMed Asia Partners III, L.P. under Part XV of the SFO.

REASONS FOR AND THE BENEFITS OF THE SUBSCRIPTION AGREEMENTS AND USE OF PROCEEDS

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of medical and healthcare services. To the best knowledge of the Directors, as at the Latest Practicable Date, there is no material adverse change to the cash position of the Company since 31 March 2020.

Goldman Sachs Asia Strategic II Pte. Ltd. is a company incorporated in Singapore as an investment vehicle, which is ultimately wholly owned by The Goldman Sachs Group, Inc. (the “**Goldman Sachs Group**”), a company incorporated under the laws of Delaware and whose shares are listed on the NYSE (ticker symbol: GS). Stonebridge 2020, L.P. and Stonebridge 2020 Offshore Holdings II, L.P. are employee funds of the Goldman Sachs Group, among which, all general partners of the funds are wholly-owned subsidiaries of the Goldman Sachs Group and all limited partners are employees of the Goldman Sachs Group.

OrbiMed is a company incorporated in Hong Kong and is principally engaged in investment management business in Asia. It is a wholly-owned subsidiary of OrbiMed Asia Partners III, L.P., an Asia-focused private equity fund operated by OrbiMed Advisors LLC. As at the Latest Practicable Date, OrbiMed Asia Partners III, L.P., through OrbiMed, holds 6.02% of the total issued share capital of the Company.

GAW is a company incorporated in the British Virgin Islands and invests primarily in medical related businesses. GAW is owned by Gaw Capital Partners, a private equity fund management company focusing on global real estate markets, and its affiliates.

The gross proceeds and the net proceeds (after deducting all costs and expenses incurred) from the Subscription are expected to be approximately HK\$613.6 million and approximately HK\$611.7 million, respectively. The net Conversion Prices and Warrant Subscription Prices, after deducting such fees, costs and expenses, will be approximately HK\$5.61 per Conversion Share and HK\$6.15 per Warrant Share, respectively.

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It is intended that the net proceeds received by the Company from the issue of the Convertible Bonds will be utilised as follows:

- (i) approximately 40% of the net proceeds in the sum of HK\$121.3 million raised from the Convertible Bonds will be used to expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC;
- (ii) approximately 45% of the net proceeds in the sum of HK\$136.4 million raised from the Convertible Bonds will be used on mergers and acquisitions; and
- (iii) approximately 15% of the net proceeds in the sum of HK\$45.5 million raised from the Convertible Bonds will be used as the general working capital of the Company.

It is intended that the net proceeds to be received by the Company from the issue of the Warrants will be utilized in the same proportion as above. Therefore, if the Warrants are exercised in full:

- (i) approximately 40% of the net proceeds in the sum of HK\$123.4 million will be used to expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC;
- (ii) approximately 45% of the net proceeds in the sum of HK\$138.8 million will be used on mergers and acquisitions; and
- (iii) approximately 15% of the net proceeds in the sum of HK\$46.3 million will be used as the general working capital of the Company.

The Directors believe the introduction of each of GS and GAW as a strategic investor to the Group shall empower the Group's access to global resources in business development and financing; and the increased investment from OrbiMed as an existing shareholder to the Group would be an appropriate means of fund raising for the Company.

The Directors further consider that the issue of the Convertible Bonds and the Warrants will not impose immediate dilution on the shareholding of existing Shareholders. If the Conversion Rights in respect of the Convertible Bonds are exercised, the Company's capital base will be enlarged and strengthened. If the Subscription Rights in respect of the Warrants are exercised, that will result in additional proceeds for the Company.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of each of the Subscription Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The following are the equity fund raising activities conducted by the Company in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activities	Gross proceeds	Net proceeds	Intended use of proceeds	Actual use of proceeds
29 April 2020	Issue and subscription of new Shares under the general mandate	Approximately HK\$33.9 million	Approximately HK\$33.8 million	The gross proceeds was intended to be fully applied to set off rental payment	The gross proceeds had been fully applied to set off rental payment
24 September 2020	Issue and subscription of new Shares under the general mandate	Approximately HK\$20.4 million	Approximately HK\$20.4 million	The gross proceeds was intended to be fully applied to set off rental payment	The gross proceeds had been fully applied to set off rental payment
28 September 2020	Issue and subscription of new Shares under the general mandate	Approximately HK\$42.5 million	Approximately HK\$42.4 million	The gross proceeds intended to be fully applied to general working capital of the Company	The gross proceeds had been fully applied to general working capital of the Company

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on the exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on the exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the Latest Practicable Date, save for 10,000,000 warrants issued pursuant to the acquisition announced by the Company on 20 July 2020 and granted on 31 August 2020, the Company does not have any equity securities with subscription rights outstanding and not yet exercised and which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules.

Assuming full exercise of the Subscription Rights, no more than 44,246,353 GS Warrant Shares and 5,899,513 OrbiMed Warrant Shares (i.e. a total of 50,145,866 Warrant Shares) to be issued, representing approximately 4.73% of the issued share capital of the Company as at the Latest Practicable Date and approximately 4.51% of the issued share capital of the Company as enlarged by the Conversion Shares and the Warrant Shares. The Warrant Shares to be allotted and issued upon exercise of the Warrants will be allotted and issued under the Specific Mandate to be sought at the EGM.

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SPECIFIC MANDATE

The Company will seek the approval of the Specific Mandate from the Shareholders at the EGM to issue the Convertible Bonds, Convertible Shares, the Warrants and the Warrant Shares upon the exercise thereof. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Convertible Shares and Warrant Shares, which may fall to be allotted and issued upon the exercise of the Conversion Rights and the Subscription Rights. No listing of the Convertible Bonds and the Warrants will be sought on the Stock Exchange or any other stock exchange.

EGM

The EGM will be convened and held on Wednesday, 27 January 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder (including the grant of the Specific Mandate).

Mr. Tang has provided an Irrevocable Undertaking in favour of GS pursuant to which he, as the beneficial owner of and has all relevant authority to exercise voting rights attached to 728,988,230 Shares as at the date of the Irrevocable Undertaking, will exercise such voting rights in favour of all the resolutions at the EGM to approve the issue of the GS Convertible Bonds and the issue of the GS Convertible Shares upon exercise of the relevant Conversion Rights; and the issue of the GS Warrants and the issue of the GS Warrant Shares upon exercise of the relevant Subscription Rights, and the grant of the Specific Mandate.

The total number of Shares in respect of which Mr. Tang is interested and that are subject to the Irrevocable Undertaking, as at the Latest Practicable Date, amount to 728,988,230 Shares, representing approximately 68.74% of the total issued share capital of the Company as at the Latest Practicable Date.

Any shareholders with a material interest in any of the Subscription Agreements and his/her/its associates will be required to abstain from voting at the EGM. In this regard, OrbiMed Asia Partners III, L.P. and its associates will abstain from voting at the EGM on the proposed shareholders' resolutions relating to OrbiMed Subscription Agreement. As at the Latest Practicable Date, OrbiMed Asia Partners III, L.P. held 63,806,686 Shares, representing approximately 6.02% of the entire issued share capital of the Company.

Save as disclosed above, and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the Latest Practicable Date, no Director or other Shareholders has any material interest in the Subscription and is required to abstain from voting on the proposed resolution(s) to approve the Subscription Agreements and the transactions contemplated thereunder at the EGM.

A form of proxy at the EGM is enclosed herewith. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong as soon as possible but

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in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish.

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution put to the vote at the EGM will be taken by way of poll.

Notice of the EGM is set out on pages 35 to 39 of this circular.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 January 2021 to Wednesday, 27 January 2021 (both days inclusive) during which period no transfer of Shares will be effected, in order to determine the identity of the Shareholders who are entitled to attend and vote at the EGM. To be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Friday, 22 January 2021.

RECOMMENDATIONS

The Board is of the view that although the Subscription Agreements and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. As such, the Board recommends that all Shareholders vote in favour of the ordinary resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL

Your attention is drawn to the additional information set out in appendix I to this circular.

Yours faithfully
For and on behalf of the Board of
Union Medical Healthcare Limited
Lee Gabriel
Executive Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

2.1 Disclosure of Interests of Directors and Chief Executives in Equity and Debt Securities

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange are set out below.

2.2 Directors’ and Chief Executive’s interests (long positions) and short positions in Shares, underlying shares and debentures of the Company

Name of Director	Number of Shares interested in (Long Position)	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date ^(Note 1)
Mr. Tang Chi Fai (“ Mr. Tang ”)	728,988,230 ^(Note 2)	68.74%
Mr. Lee Gabriel (“ Mr. Lee ”)	10,726,000 ^(Note 3)	1.01%
Mr. Wong Chi Cheung	2,436,624 ^(Note 4)	0.23%
Mr. Lee Heung Wing	2,580,500 ^(Note 5)	0.24%
Mr. Luk Kun Shing Ben	2,587,500	0.24%
Mr. Ma Ching Nam	300,000 ^(Note 6)	0.03%
Mr. Lam Chi Hang Josekin	27,000	0.003%

Notes:

1. As at the Latest Practicable Date, the total number of issued Shares was 1,060,456,939.
2. Out of the 728,988,230 Shares which Mr. Tang was interested in, (i) 5,103,000 were held by Mr. Tang as the beneficial owner, (ii) 2,654,000 shares were held by his spouse, Ms. Yau Ming Li, and (iii) 721,231,230 shares were held by Union Medical Care Holding Limited, a company wholly owned by Mr. Tang.
3. Out of 10,726,000 Shares which Mr. Lee was interested in, (i) Mr. Lee held 1,862,000 Shares as the beneficial owner and was interested in 7,475,000 share options of the Company, (ii) 80,000 Shares were held by his spouse, Ms. Fan Yui Sze, and (iii) 1,309,000 Shares were held by Nice Empire Limited, a company wholly-owned by Mr. Lee.
4. Mr. Wong Chi Cheung held 436,624 Shares and was interested in 2,000,000 share options of the Company granted under the Share Option Scheme.
5. Mr. Lee Heung Wing held 380,500 Shares and was interested in 2,200,000 share options of the Company granted under the Share Option Scheme.
6. Mr. Ma Ching Nam was interested in 300,000 share options of the Company granted under the Share Option Scheme.

2.3 Directors' and Chief Executive's interests (long positions) and short positions in shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares interested in the associated corporation (Long Position)	Number of shares of the associated corporation held under equity derivatives	Approximate percentage of the total issued capital of the associated corporation as at the Latest Practicable Date
Mr. Tang	Union Medical Care Holding Limited	Beneficial Owner	2 ^(Note 1)	—	100%

Notes:

1. The 2 shares in which Mr. Tang was interested in were ordinary shares of Union Medical Care Holding Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their respective associates had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken

or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

2.4 Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name of Shareholder	Capacity	Number of Shares and underlying Shares held (Long Position)	Approximate percentage of total issued share capital of the Company as at the Latest Practicable Date <i>(Note 1)</i>
Union Medical Care Holding Limited <i>(Note 2)</i>	Beneficial Owner	721,231,230	68.01%
Ms. Yau Ming Li <i>(Note 3)</i>	Interest of spouse	728,988,230	68.74%
OrbiMed Advisors III Limited <i>(Note 4)</i>	Interest in controlled corporations	63,806,686	6.02%
OrbiMed Asia GP III, L.P. <i>(Note 4)</i>	Interest of a controlled corporation	63,806,686	6.02%
OrbiMed Asia Partners III, L.P.	Beneficial Owner	63,806,686	6.02%

Notes:

- As at the Latest Practicable Date, the total number of issued Shares was 1,060,456,939.
- Mr. Tang and Union Medical Care Holding Limited are the controlling shareholders of the Company. Union Medical Care Holding Limited is wholly-owned by Mr. Tang.
- Ms. Yau Ming Li is the spouse of Mr. Tang, and Ms. Yau was therefore deemed to be interested in the shares of the Company in which Mr. Tang was interested under Part XV of the SFO.
- According to the information in the disclosure of interests form of OrbiMed Advisors III Limited (“Orbi A III”), Orbi A III holds 100% of the issued share capital of OrbiMed Asia GP III, L.P. (“Orbi A GP”); and Orbi A GP holds 2% of the issued share capital of OrbiMed Asia Partners III, L.P.. Orbi A III and Orbi A GP were therefore deemed to be interested in the Shares of the Company which are owned by OrbiMed Asia Partners III, L.P. under Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and chief executives of the Company (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

2.5 Directors' interest as a director or employee of a company which has a discloseable interest or short position in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, so far as is known to the Directors of the Company, no Director was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2020, being the date to which the latest published audited accounts of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date:

- (A) none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (B) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) was interested directly or indirectly in any business, apart from their interest in the Company, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. MISCELLANEOUS

- (A) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at L50 Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong.
- (B) The Company's Hong Kong branch share registrar and transfer office is Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong.
- (C) The company secretary of the Company is Siu Chun Pong Raymond, a solicitor qualified in Hong Kong with over 15 years of experiences in corporate finance and regulatory compliance.
- (D) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders during normal business hours at the principal place of business of the Company in Hong Kong at L50 Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong for a period of 14 days from the date of this circular.

- (a) the GS Subscription Agreement;
- (b) the terms and conditions of GS Convertible Bonds;
- (c) the terms and conditions of GS Warrants;
- (d) the OrbiMed Subscription Agreement;
- (e) the terms and conditions of OrbiMed Convertible Bonds;
- (f) the terms and conditions of OrbiMed Warrants;
- (g) the GAW Subscription Agreement;
- (h) the terms and conditions of GAW Convertible Bonds.

NOTICE OF EGM



Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Union Medical Healthcare Limited (the “**Company**”) will be held at Level 50, Langham Place Office Tower, 8 Argyle Street, Mongkok, Hong Kong on Wednesday, 27 January 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, without modifications, the following ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 8 January 2021 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the GS Subscription Agreement dated 18 November 2020 (a copy of which has been produced to the EGM and marked “A” and initialled by the chairman of the EGM for the purpose of identification) entered into between the Company as issuer and GS as subscriber in relation to the issue of (i) the GS Convertible Bonds in the principal amount of HK\$234,000,000, which entitles the holder(s) thereof to convert the same into GS Conversion Shares in accordance with the terms of the GS Convertible Bonds at the initial conversion price of HK\$5.69 (subject to adjustments) per GS Conversion Share and (ii) the GS Warrants in the principal amount of HK\$273,000,000, which entitles the holder(s) thereof to convert the same into GS Warrant Shares in accordance with the terms of the GS Warrants at the initial subscription price of HK\$6.17 (subject to adjustments) per GS Warrant Share and the transactions contemplated thereunder (including the issue of the GS Convertible Bonds and the GS Warrants, allotment and issue of the GS Conversion Shares and GS Warrant Shares pursuant thereto) be and are hereby approved, confirmed and ratified;

* *For identification purposes only.*

NOTICE OF EGM

- (b) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue (i) the GS Conversion Shares to the relevant holder(s) of the GS Convertible Bond(s) in accordance with the terms of the GS Convertible Bonds and (ii) the GS Warrant Shares to the relevant holder(s) of the GS Warrant(s) in accordance with the terms of the GS Warrants, where such GS Conversion Shares and GS Warrant Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The aforementioned specific mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution;
- (c) any one or more of the Directors be and is/are hereby authorised to do such acts and things, to sign and execute all such further documents (and to affix the common seal of the Company thereon, if necessary) and to take such steps as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the GS Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

2. “**THAT:**

- (a) the OrbiMed Subscription Agreement dated 18 November 2020 (a copy of which has been produced to the EGM and marked “B” and initialled by the chairman of the EGM for the purpose of identification) entered into between the Company as issuer and OrbiMed as subscriber in relation to the issue of (i) the OrbiMed Convertible Bonds in the principal amount of HK\$31,200,000, which entitles the holder(s) thereof to convert the same into OrbiMed Conversion Shares in accordance with the terms of the OrbiMed Convertible Bonds at the initial conversion price of HK\$5.69 (subject to adjustments) per OrbiMed Conversion Share and (ii) the OrbiMed Warrants in the principal amount of HK\$36,400,000, which entitles the holder(s) thereof to convert the same into OrbiMed Warrant Shares in accordance with the terms of the OrbiMed Warrants at the initial subscription price of HK\$6.17 (subject to adjustments) per OrbiMed Warrant Share and the transactions contemplated thereunder (including the issue of the OrbiMed Convertible Bonds and the OrbiMed Warrants, allotment and issue of the OrbiMed Conversion Shares and the OrbiMed Warrant Shares pursuant thereto) be and are hereby approved, confirmed and ratified;

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- (b) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue (i) the OrbiMed Conversion Shares to the relevant holder(s) of the OrbiMed Convertible Bond(s) in accordance with the terms of the OrbiMed Convertible Bonds and (ii) the OrbiMed Warrant Shares to the relevant holder(s) of the OrbiMed Warrant(s) in accordance with the terms of the OrbiMed Warrants, where such OrbiMed Conversion Shares and OrbiMed Warrant Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The aforementioned specific mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution;
- (c) any one or more of the Directors be and is/are hereby authorised to do such acts and things, to sign and execute all such further documents (and to affix the common seal of the Company thereon, if necessary) and to take such steps as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the OrbiMed Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

3. “**THAT:**

- (a) the GAW Subscription Agreement dated 18 November 2020 (a copy of which has been produced to the EGM and marked “C” and initialled by the chairman of the EGM for the purpose of identification) entered into between the Company as issuer and GAW as subscriber in relation to the issue of the GAW Convertible Bonds in the principal amount of HK\$39,000,000, which entitles the holder(s) thereof to convert the same into GAW Conversion Shares in accordance with the terms of the GAW Convertible Bonds at the initial conversion price of HK\$5.21 (subject to adjustments) per GAW Conversion Share and the transactions contemplated thereunder (including the issue of the GAW Convertible Bonds, allotment and issue of the GAW Conversion Shares pursuant thereto) be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the GAW Conversion Shares to the relevant holder(s) of the GAW Convertible Bond(s) in accordance with the terms of the GAW Convertible Bonds, where such GAW Conversion Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The aforementioned specific mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution;

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- (c) any one or more of the Directors be and is/are hereby authorised to do such acts and things, to sign and execute all such further documents (and to affix the common seal of the Company thereon, if necessary) and to take such steps as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the GAW Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

Yours faithfully
For and on behalf of the Board of
Union Medical Healthcare Limited
Raymond Siu
Company Secretary

Hong Kong, 8 January 2021

Notes:

1. All resolutions (except for procedural and administrative matters) at the EGM will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the above meeting. A proxy need not be a Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. In case of joint registered holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders of the in respect of the Shares.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the offices of the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof should he so wish and in such event, the form of proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed from Monday, 25 January 2021 to Wednesday, 27 January 2021 (both days inclusive), during which period no transfer of Shares will be effected, in order to determine the identity of the Shareholders who are entitled to attend and vote at the EGM. To be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Friday, 22 January 2021.
6. If a black rainstorm warning signal is in force or a tropical cyclone warning signal number 8 or above remains hoisted at 8:00 a.m. on 27 January 2021, the above meeting will be postponed. Shareholders of the Company are requested to read the website of the Company at www.umhgp.com for details of alternative meeting

NOTICE OF EGM

arrangements. If shareholders of the Company have any queries concerning the alternative meeting arrangements, please call the Company at (852) 3975 4798 during business hours from 9:30 a.m. to 6:30 p.m. on Monday to Friday, excluding public holidays.

7. The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.
8. Shareholders of the Company should make their own decision as to whether they would attend the above meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
9. To safeguard the health and safety of the staff and Shareholders, the Group has implemented the following measures:
 - all individuals shall be subject to compulsory body temperature check before entering into the venue of the EGM and anyone with a body temperature higher than 37.3 degree Celsius will not be given access to the venue;
 - all individuals are required to wear appropriate face masks at all times during the EGM;
 - alcohol rubs/hand sanitizers will be provided at the venue of the EGM;
 - maintaining proper distance between seats; and
 - no refreshments will be served at the EGM.

As at the date of this notice, the Board comprises Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Lee Heung Wing and Mr. Wong Chi Cheung as executive Directors; Mr. Luk Kun Shing Ben and Mr. Wang Steven Dasong as non-executive Directors; and Mr. Ma Ching Nam, Mr. Look Andrew, Mr. Lam Chi Hang Josekin as independent non-executive Directors.