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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF FUND

On 11 September 2017 (after trading hours), the Subscriber has subscribed for PIMCO Income Fund (HKD) at a consideration of HK\$80 million.

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Subscription is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The board (the “**Board**”) of the directors (the “**Directors**”) of Union Medical Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 11 September 2017 (after trading hours), Union Medical Capital Management Limited (the “**Subscriber**”), an indirect wholly-owned subsidiary of the Company, through Nomura International (HK) Limited, subscribed for PIMCO Income Fund (HKD) at a consideration of HK\$80 million (the “**Fund**”).

On 11 September 2017, PIMCO Funds: Global Investors Series Plc. (the “**PIMCO Funds**”), through the Administrator, has confirmed that the subscription of Fund (the “**Subscription**”) was allocated to the orders placed by the Subscriber. The Group will fund the Subscription by the internal resources of the Group and bank facilities and will settle the same in September 2017.

Principal Terms of the Fund

Fund	The Income Fund (HKD) being the sub-funds of PIMCO Funds and is authorized by the Securities and Futures Commission under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Manager:	PIMCO Global Advisors (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited. To the best knowledge, information and belief of the Directors, the Administrator and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (the “ Independent Third Parties ”).
Hong Kong Representative:	PIMCO Asia Limited (“ Hong Kong Representative ”). To the best knowledge, information and belief of the Directors, the Hong Kong Representative and its ultimate beneficial owner(s) are Independent Third Parties.
Investment Objective:	The primary investment objective of the Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective.
Investment Policies:	The Fund will utilise a global multi-sector strategy that seeks to combine the Investment Advisor’s total return investment process and philosophy with income maximization. Portfolio construction is founded on the principle of diversification across a broad range of global fixed income securities. Top-down and bottom-up strategies are used to identify multiple sources of value to generate consistent returns. Topdown strategies are deployed taking into account a macro view of the forces likely to influence the global economy and financial markets over the medium term. Bottom-up strategies drive the security selection process

and facilitate the identification and analysis of undervalued securities. The Fund is diversified broadly across regions, industries, issuers, and asset classes, as well as through a varied set of sources of value and employs independent research and prudent diversification with respect to industries and issuers in order to seek to achieve its investment objective.

Management of the Fund: The Manager is responsible for the investment management of the Fund and the general administration of PIMCO Funds and may delegate such functions subject to the overall supervision and control of the directors of PIMCO Funds.

Management Fee: 0.55% per annum

Distribution Policy: The directors of PIMCO Funds are entitled to pay such dividends at such times as they think fit and as appear to be justified out of (i) net investment income which consists of interest and dividends; (ii) realised profits on the disposal of investments less realised and unrealised losses (including fees and expenses) and; (iii) other funds (including capital) as may be lawfully distributed from the relevant Fund.

Redemption: The Fund can be redeemed by submitting a redemption request either directly to the Administrator or to the Hong Kong Representative before 5:00 p.m. Hong Kong time on any Hong Kong business day. The redemption price will be the net asset value per share on such day that the redemption request is deemed to have been duly received less any redemption charge (if any). The redemption proceeds are paid usually on the business day following the relevant dealing day. In any event, the period between a redemption request and payment of proceeds should not exceed 14 calendar days, provided all relevant documentation has been received.

Restriction of transfer: The Subscriber is entitled to transfer the shares in the Fund by instrument in writing.

INFORMATION ABOUT THE GROUP

The Subscriber is an indirect wholly-owned subsidiary of the Company and is principally engaged in

investment holding. The Group is principally engaged in the (1) medical services, comprising aesthetic surgical procedures, minimally invasive procedures and energy-based procedures performed by doctors and general consultation services, as well as dental, Chinese medicinal and ophthalmological services; (2) quasi-medical services, comprising energy-based procedures performed by our trained therapists who have completed mandatory internal training developed by our doctors; (3) traditional beauty services, comprising facials, massages and other non-invasive procedures; (4) skincare and beauty products, primarily of our private-label brands, PRODERMA LAB and Suissebeaute; (5) health management centre; and (6) chiropractic and physiotherapy services in Hong Kong.

INFORMATION OF PIMCO FUNDS AND THE MANAGER

According to its prospectus, PIMCO Funds is an umbrella type open-ended investment company with variable capital and segregated liability between the funds incorporated under the laws of Ireland and whose assets are held in different funds.

To the best of the knowledge, information and belief of the Directors, the Manager is a private company incorporated in Ireland with limited liability and is principally engaged in the investment management.

As at the date of this announcement, to the best of the information, knowledge and belief of the Directors, having made all reasonable enquiries, PIMCO Funds, the Manager and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION

The Group is maintaining a healthy financial position. Most of the Group's cash balances are placed in time deposits with reputable financial institutions. The Directors consider that the Subscription will enhance the return on idle cash for the Company. The Fund is traded on each Business Day and subscribed by an indirect wholly-owned subsidiary of the Company at market price.

The amount of the Subscription was determined by the Directors taking into account the daily pricing of the Fund, the liquidity, the portfolio of the investment of the Fund and the amount of idle cash available for the Company.

The Directors (including the independent non-executive Directors) are therefore of the view that the terms of the Subscription are fair and reasonable and is in interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Therefore, the Subscription is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By Order of the Board of
Union Medical Healthcare Limited
Gabriel Lee
Executive Director

Hong Kong, 11 September 2017

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Luk Kun Shing Ben and Mr. Yeung Chin Wan; and three independent non-executive directors, namely Mr. Ma Ching Nam, Dr. Yu Ka Fai Alexis and Mr. Look Andrew.

**For identification purpose only*